

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

September 18, 2024 – 6:00 p.m.

BOARD OF DIRECTORS

Manuel Zamorano	President
Ted Costa	Vice President
Ken Miller	Director
Dan Rich	Director
Pam Tobin	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel
Elizabeth Ewens	Water Counsel

OTHER ATTENDEES

Attendee	
Caller 01	
Stacy Helliker	
Roger Canfield	Customer
Gary Dahlbeck	Customer
Sandy Harris	Customer
Tom Gray	Customer
Mike McRae	Fair Oaks Water District
Mike Spencer	SJWD Employee

AGENDA ITEMS

- I. Roll Call**
- II. Public Forum and Comments**
- III. Consent Calendar**
- IV. Public Hearing**
- V. New Business**
- VI. Old Business**
- VII. Information Items**
- VIII. Directors' Reports**
- IX. Committee Meetings**
- X. Upcoming Events**
- XI. Closed Session**

XII. Open Session
XIII. Adjourn

President Zamorano called the meeting to order at 6:00 p.m.

I. ROLL CALL

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, Ken Miller, Dan Rich, Pam Tobin and Manuel Zamorano.

Vice President Costa requested that the Agenda Item VI-2 “Conjunctive Use and Groundwater Banking Activities Update” be amended to include “or action”. General Counsel Jones stated that the agenda cannot be amended unless there were new facts that came up since the agenda was posted and suggested that this request wait until the agenda item is discussed.

II. PUBLIC FORUM

Mr. Gary Dahlbeck addressed the Board and stated that he heard about the merger with Sacramento Suburban Water District (SSWD) and wanted to know if that was true and why the District would want to do that. GM Helliker offered to talk to him after the meeting since his response will be limited. GM Helliker stated that there have been discussions with SSWD since 2011 and a Business Case Analysis (BCA) has been approved by the Boards, which he will report on during his agenda item. GM Helliker stated that the BCA will look at the pros and cons of merging the two agencies and should be completed in about six months.

Mr. Dahlbeck also voiced concern about subsidizing rate payers and increasing rates in order to fund a Low Income Rate Assistance Program. Ms. Silva responded that staff is investigating a Low Income Rate Assistance Program and will provide more information at the October Board meeting.

Mr. Tom Gray addressed the Board as a Granite Bay community resident and rate payer. He stated that his interactions with the community lead him to see a concern regarding the SJWD electoral divisions and the proposed merger with SSWD which may result in a reduction of representation for Granite Bay residents. In addition, he asked if Directors Miller and Tobin would advocate for the community of Granite Bay to have its own retail water district. President Zamorano informed Mr. Gray that since this wasn't on the agenda that there could be no discussion, but if he wanted it to be on a future agenda to let him know. Director Rich commented that this was looked into a few years ago and the analysis showed significant financial implications. GM Helliker commented that he will look for the staff report regarding this and also mentioned that LAFCO is not really interested in increasing the number of water agencies, but quite the opposite.

III. CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine and are approved by one motion. There was no separate discussion of these items unless a member of the

Board, audience, or staff requested a specific item removed. Consent Calendar item documents are available for review in the Board packet.

Director Tobin requested that Consent Calendar Item 2 be removed from the agenda until she can provide information regarding New Business item #3 “Comments on Brown Act” from the August 29, 2024, Special Board meeting minutes. General Counsel Jones suggested that the Board remove Consent Calendar Item 2 for discussion and vote on the other two Consent Calendar items.

- 1. Minutes of the Board of Directors Special Meeting, August 26, 2024 (W & R)**
Recommendation: Approve draft minutes
- 2. Minutes of the Board of Directors Special Meeting, August 29, 2024 (W & R)**
Recommendation: Approve draft minutes
- 3. Tree Pro Tree Services – On-Call Contract (W/R)**
Recommendation: Authorize the Director of Operations to enter into a 4-year on-call contract with Tree Pro Tree Services, Inc. to provide tree removal and maintenance services

Director Rich moved to approve the Consent Calendar items 1 and 3. President Zamorano seconded the motion, and it carried unanimously.

Director Tobin explained that she wanted Consent Calendar Item 2 pulled since she was not given the opportunity to provide the document that she wanted added to the administrative record. General Counsel Jones stated that she could provide the document. In response to Director Rich’s question, Director Tobin stated that there is nothing incorrect about the minutes of the August 29, 2024; however, what was stated in the meeting was wrong.

Director Rich moved to approve the Minutes of the Board of Directors Special Meeting, August 29, 2024. Director Miller seconded the motion, and it carried unanimously.

IV. PUBLIC HEARING

- 1. Ordinance No. 24-03 Amending Ordinances 2000 and 5000 (W & R)**

President Zamorano opened the Public Hearing at 6:23 p.m.

The Public Hearing was duly posted and published. There were no formal written or verbal comments received.

Ms. Silva reported that, at the last staff meeting, the Board introduced and waived the first reading of Ordinance 24-03 which amends Ordinances 2000 and 5000.

President Zamorano opened the floor for public comment. In response to Mr. Canfield's question, Ms. Silva explained that the two ordinances reference the Policies and Procedures Manual, which has since been superseded by the Personnel Manual and therefore needs to be updated.

President Zamorano closed the Public Hearing at 6:26 p.m.

Vice President Costa moved to waive the second reading of Ordinance No. 24-03 and adopt Ordinance No. 24-03 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinances 2000 and 5000. Director Tobin seconded the motion, and it carried unanimously.

V. NEW BUSINESS

1. COTP Transmission Capacity Contract (W)

GM Helliker reviewed the staff report which was provided in the Board packet. He explained that the District purchased 1 MW of transmission capacity in the California-Oregon Transmission Project (COTP) and later leased another 1 MW of capacity from Trinity Public Utilities District. The District's current lease, now with SMUD, expires at the end of this year and staff is recommending that the District accept the joint offer from the Turlock Irrigation District and City of Roseville to purchase the District's 1 MW of transmission capacity in the COTP for \$150,000 since SMUD is not renewing the lease.

GM Helliker reviewed the District's cost and revenue from the project, which shows the District's return on investment of \$547,320 should the Board accept the \$150,000 offer from the two agencies. President Zamorano commended GM Helliker and Mr. Zlotnick for their work on this and mentioned that he had staff's analysis of this reviewed by an independent expert who agreed with the analysis and noted that the District is not an electrical company and needs to focus on water. Director Miller commented that it was he and Vice President Costa who were involved in the 1986 decision to be involved with the COTP Project and is happy to hear about the positive financial results and understands that it is now time to move on.

Director Miller moved to accept the joint offer from the Turlock Irrigation District (TID) and the City of Roseville (Roseville) for the purchase of the District's 1 MW of transmission capacity in the California-Oregon Transmission Project (COTP) for \$150,000. Director Rich seconded the motion, and it carried unanimously.

Vice President Costa stated that the District was formed to provide water and power, and voiced concern that staff did not inform the Board regarding their work on the COTP lease. President Zamorano mentioned a discussion he had with the expert he referred staff to regarding this topic and they discussed the possibility of installing in-line generators on the pipelines. President Zamorano informed the Board that the expert's opinion was that it was too costly and that the District has the best prices

with WAPA for the power. GM Helliker informed the Board that Mr. Barela will be providing more information at the October Board meeting regarding inline generators (turbines).

Mr. Mike McRae addressed the Board (he had technical difficulties, and his connection dropped during the public comment period, so President Zamorano allowed his comment after the next agenda item was completed) and inquired if the transmission line capacity was offered to multiple providers. GM Helliker reported that staff worked with the Transmission Authority of Northern California (TANC) to identify potential interested parties and was directed to the two agencies and there were no other offers.

VI. OLD BUSINESS

1. Lime Silo Recoating Project (W)

Mr. Pierson reviewed the staff report which was provided in the Board packet. He explained that the Lime Silo needs to have a second coat of paint applied to protect the structure and additional funds are needed. Therefore, a contract amendment is requested in the amount of \$6,554, bringing the total construction budget to \$110,456.

Director Tobin moved to authorize a contract amendment to the construction contract with River City Painting, Inc.. Vice President Costa seconded the motion and it carried unanimously.

2. Conjunctive Use and Groundwater Banking Activities Update (W & R)

GM Helliker reviewed the staff report which was provided in the Board packet. His report covered Previously-Banked Water, Additional Funding Request, and Individual Partnerships. He informed the Board that the Groundwater Bank Program Committee met today and discussed previously-banked water. In addition, Paul Selsky, SGA Chair, created an ad hoc committee to discuss this topic and GM Helliker will be meeting with him on Friday to discuss having the meeting open to the public. He noted that there are agencies that want their previously-banked water accounted for in the new water bank.

GM Helliker reviewed the Sacramento Regional Water Bank funding since 2019 for Phase 1 and Phase 2 of the project. He informed the Board that they want additional funding for Phase 3 of the project in the amount of \$629,000. He explained what the funds would be used for, and that the District's portion of the funding would be approximately \$40,000. In addition, he explained that if the District does not contribute then the District will not be part of the deliberations going forward; therefore, he highly recommends that the District continue to participate in the program. In response to Director Rich's question, GM Helliker informed the Board that the EIR is targeted for completion in the middle of 2025. In response to Director Tobin's question, Ms. Silva informed the Board that she does have the opportunity to review funding requests with the General Manager and he is correct that there are

wholesale funds available to cover this project. Vice President Costa voiced concern that it would be a taking if the agencies were not allowed to show their banked water in the new water bank since they have been banking water and spending funds over many years.

GM Helliker provided an update on the individual partnerships with Fair Oaks, Citrus Heights and Sacramento Suburban Water Districts and Orange Vale Water Company. He explained that since the District is discussing a merger with SSWD, he does not expect to finalize the financial arrangement discussion with SSWD regarding the options prior to finalizing the merger discussions.

The Board discussed groundwater wells including the wholesale customer agency wells and independent District wells. President Zamorano expressed his desire to construct wells within the District boundaries. Director Tobin mentioned that there is funding available for new projects. Director Rich voiced concern on the cost of constructing a new well. Director Miller voiced concern about discussing the construction of a new well while the District is in the process of discussing a merger with an agency that already has over 75 wells. Director Rich commented that the District will need to figure out what the best option is with SSWD whether it's a merger or a partnership, or if the District should construct its own wells. Director Miller pointed out that there are three Board members who expressed some level of non-support of a merger and he is concerned about moving forward and spending money on a study.

In response to Vice President Costa's comment about already completing studies with SSWD and that the process has been very slow, GM Helliker pointed out that the District has not completed a Business Case Analysis. Director Tobin commented that it is important for Board members to attend ACWA region events in order to gain information about topics that are relevant to the District, such as the recent Region 5 event which discussed a \$600 million new project which obtained federal and state funding to cover the project completely. GM Helliker pointed out that the District is receiving \$1.4 million from EPA for the Kokila Reservoir Project, and that there is funding for other projects as long as they are ready to go.

In response to President Zamorano's comment about delays, GM Helliker pointed out that, for the last two years, he has reported monthly to the Board regarding the discussions between staff and SSWD regarding groundwater production capacity. President Zamorano requested that, at the next Board meeting, the Board discuss hiring a consultant to evaluate the possibility of installing a well. GM Helliker voiced concern that the District would have to spend millions of dollars and spend over ten years to complete a well installation, when an agreement with SSWD would likely be within a year.

Director Tobin mentioned that should the Special District Grant Accessibility Act pass, then special districts will have access to various forms of federal funding. GM Helliker commented that funding is usually at 50% for federal funding and they are

very competitive grants, and there is no guarantee that the District would receive a grant. In addition, he mentioned that a staff report will be prepared for this topic which will outline the various pros and cons.

3. 2024 Hydrology and Operations Update (W & R)

GM Helliker reviewed data which included the current reservoir storage levels across the state, data on releases, temperature and precipitation outlooks, and storage levels and projections at Folsom Reservoir.

VII. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 General Manager's Monthly Report (W & R)

GM Helliker provided the Board with a written report for August which was included in the Board packet.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that SB 366 passed the House and Senate without opposition, and it's expected to be signed by the Governor. He reported that two proposals were received for the Business Case Analysis – one from Baker Tilly and another from Stantec. Those proposals will be reviewed by staff prior to interviews on September 30th, with staff's recommendation to be presented at the Joint Board meeting on October 3rd.

GM Helliker reported that the State Water Board adopted the Conservation Regulations in July but they have not yet been approved by the Office of Administrative Law. It is expected that the standards will be approved later this month and go into effect in January. The projected reduction in deliveries that the District will have to meet is a minimum of 23% by 2040. He informed the Board that he will review the options to take regarding the Conservation Standards at the next Board meeting.

GM Helliker reported that Sacramento County announced that they would be reducing their funding for the Water Forum from \$800,000 to their proportional share, yet to be determined. He stated that the District and other agencies in Sacramento County will now have the prospect of making up the difference. He commented that the region needs the Water Forum because they are included in the activities that will be funded by the Voluntary Agreement and they do a good job with managing the habitat projects and we will benefit from their work.

2. DIRECTOR OF FINANCE AND HUMAN RESOURCES' REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that staff is working on the Retail Financial Plan update and the items that the Board have been discussing, such as wells and partnering, will impact the plan so she hopes to receive direction from the Board prior to the Prop. 218 notice being released.

3. DIRECTOR OF OPERATIONS' REPORT

3.1 Miscellaneous District Issues and Correspondence

Mr. Barela reported that over the last year, the Water Treatment Plant operations team conducted multiple manual operations exercises related to emergency response. Last week, the operations team conducted an exercise where they actually shut down the SCADA system and operated the treatment plant manually. The exercise and training were a great success. He commended the Water Treatment Plant team for their excellent training and gave an extra shout out to Greg Turner, WTP Manager, and Mike Spencer, WTP Chief Operator, and the Board concurred. Mr. Spencer thanked Mr. Barela for the overview of the training and commended the WTP staff for their work. Mr. Spencer informed the Board that a manual operations drill will be scheduled annually.

4. DIRECTOR OF ENGINEERING SERVICES' REPORT

4.1 Miscellaneous District Issues and Correspondence

Mr. Pierson reported that the project at Douglas Blvd. and Auburn Folsom Road is complete, and Placer County is going to start work in the same area, which is not the District's contractors. In addition, he reported that there have been some slight changes to the Wholesale Master Plan and that document should be finalized soon.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

No report.

VIII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

Vice President Costa reported that the next meeting is scheduled in October. He reported that he and President Zamorano are meeting with Jim Peifer in the morning.

2. REGIONAL WATER AUTHORITY (RWA)

No report.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reported that she attended the Region 5 event and encouraged the Board members to attend ACWA Region events. She also attended the Federal Affairs Committee meeting that met this morning and provided some information on legislative bills that they discussed at the meeting. She reviewed the ACWA documents that were included in the Board packet. She mentioned funding that the District should look into.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

No report.

4. CVP WATER USERS ASSOCIATION

Vice President Costa reported that CVP Water Users Association met on September 5, 2024.

5. OTHER REPORTS, CORRESPONDENCE, COMMENTS, IDEAS AND SUGGESTIONS

Director Miller suggested that the District investigate purchasing a large screen monitor for the boardroom to help with clarity, definition, and presentation. President Zamorano directed staff to research large screen monitors and report back at the October Board meeting. In response to Director Rich's question, GM Helliker informed the Board that the microphones in the boardroom pick up the speakers just fine as long as they speak in a normal voice.

IX. COMMITTEE MEETINGS

1. Finance Committee – August 10, 2024

The committee meeting minutes were included in the Board packet. Director Tobin reported that the Legal Bill analysis will be attached to the meeting minutes.

X. UPCOMING EVENTS

1. 2024 ACWA Fall Conference

December 3-5, 2024
Palm Desert, CA

At 7:50 p.m., President Zamorano announced that the Board was adjourning to Closed Session and called for public comment. There was no public comment.

XI. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Section 54956.9)

Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 24WM000064, Sacramento County Superior Court

2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code § 54957

Title: General Manager

XII. OPEN SESSION

There was no reportable action.

XIII. ADJOURN

The meeting was adjourned at 8:20 p.m.

MANUEL ZAMORANO, President
Board of Directors
San Juan Water District

ATTEST: _____
TERI GRANT, Board Secretary