

Finance Committee Meeting Minutes
San Juan Water District
April 7, 2026
1:00 p.m.

Committee Members: Pam Tobin, Director (Chair)
Mike McRae, Director (Member)

District Staff: Adam Larsen, General Manager
Donna Silva, Director of Finance
Greg Zlotnick, Director of Water Resources & Strategic Affairs
Devon Barrett, Customer Service Manager
Entela Fallstead, Senior Accountant
Teri Grant, Clerk of the Board/Executive Assistant

Members of the Public: User 1

1. Review General Manager Reimbursements (W & R)

There were no reimbursement requests submitted by the General Manager.

2. Review Check Register from March 2026 (W & R)

The Committee reviewed the March 2026 check register and found it to be in order.

3. Review of Legal Bills (W & R)

The Committee reviewed the legal bills and found them to be in order.

4. Investment Policy (W & R)

Ms. Silva reviewed the written staff report which will be included in the Board packet. She explained that a 2008 Government Code change made annual updates to investment policies optional. As a result, the District discontinued annual updates, creating a compliance gap since the Investment Policy is the vehicle through which investment authority is delegated and another Government Code provision limits delegation of investment authority to one year. She noted that while past investment transactions were audited and policy-compliant, some may have occurred without active Board delegation. To address this issue, she recommended mandating annual updates to the Investment Policy to ensure continuous delegation of authority and incorporating monthly investment transaction reports into the General Manager's Board report.

The Committee discussed the matter and concurred that the Board should ratify past investment transactions to resolve the unintended authorization gap. The Committee also recommended consistency in terminology between the policy and staff reports, such as using "Director of Finance" rather than "Investment Officer" or "Treasurer."

The Finance Committee recommends a Board motion for approval of amendments to FIN5.6 Investment Policy and retroactive delegation of investment authority for specified periods, both through adoption of Resolution 26-06

5. Payment to Reduce Unfunded Actuarial Pension Liability (W & R)

Ms. Silva reviewed the written staff report which will be included in the Board packet. She explained that the District makes an annual discretionary \$200,000 supplemental payment

to CalPERS to reduce its unfunded pension liability. The payment is generally applied to the longest-amortized liability base, saving an estimated \$166,000 in interest over the amortization period. She noted that the District is approximately 86% funded, exceeding the statewide average but below the 95% target, and that the payment is allocated between retail and wholesale operating budgets based on FTE labor splits.

Following discussion, the Committee recommends Board approval of the \$200,000 supplemental pension payment under the Consent Calendar. Ms. Silva will also provide the Board with an estimate of the number of years of continued payments needed to reach the 95% funding target.

The Finance Committee recommends a Board motion for approval to remit a discretionary and supplemental payment of \$200,000 to CalPERS to further reduce the unfunded pension liability.

6. Other Finance Matters (W & R)

There were no other matters discussed.

7. Public Comment

There were no public comments.

The meeting was adjourned at 1:27 p.m.