

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

November 8, 2023 – 6:00 p.m.

BOARD OF DIRECTORS

Dan Rich	President
Manuel Zamorano	Vice President
Ted Costa	Director
Ken Miller	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
Kristen Castanos	Water Counsel

OTHER ATTENDEES

Attendee	
Caller 01	
User 1	
Mike Spencer	SJWD Employee

AGENDA ITEMS

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

President Rich 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.

II. PUBLIC FORUM

There were no public comments.

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.

1. Minutes of the Board of Directors Meeting, October 25, 2023 (W & R)

Recommendation: Approve draft minutes

2. Minutes of the Board of Directors Special Meeting, October 27, 2023 (W & R)

Recommendation: Approve draft minutes

Director Costa moved to approve the Consent Calendar. Vice President Zamorano seconded the motion and it carried unanimously.

IV. OLD BUSINESS

1. Wholesale Financial Plan (W)

Ms. Silva reported that a meeting was held last week to discuss the Wholesale Financial Plan, as part of the 150-day comment period. The attendees included representatives from Citrus Heights and Fair Oaks water districts, SJWD's rate consultant (Mark Hildebrand), and the agencies' rate consultant, along with GM Helliker and herself. They discussed the comments that were submitted and the issues that the agencies had regarding the Wholesale Financial Plan.

Ms. Silva informed the Board that the District's methodology and cost allocation were discussed and that staff indicated to the agencies that no potential ideas or recommendations for a different methodology were received. She noted that she told the agencies that the District would be open to reviewing alternative methods, provided that they did not include allocation of fixed costs based on projected future water use or continuing an allocation based on a rolling five-year average of water use. She commented that the District wants stability in the allocation of the fixed charge.

Ms. Silva informed the Board that the idea of a "Take or Pay" contract was discussed, and staff informed the agencies to put together a proposal for such a contract. She explained that the Board will be reviewing the five-year rate schedule at the December Board meeting, so there is not much time to make substantial changes to contracts. She informed the Board that the agencies asked if there was any flexibility in the deadline and staff indicated that some flexibility into January might be considered; however, she pointed out that the District has not adjusted wholesale rates for almost three years. Therefore, staff recommends that the Board consider adopting the proposed five-year rate schedule either in December or January while continuing any further conversations with the wholesale customer agencies.

GM Helliker informed the Board that he gave the agencies until November 17th to present any proposals. In response to President Rich's question regarding adopting a one-year schedule then amending it later, Ms. Silva explained that there is no benefit in that and suggested that the Board consider the full five-year schedule then amend that schedule if needed.

The Board discussed the timing of the 150-day notice and expressed concern that the agencies waited so long to provide any comments. GM Helliker explained that staff will review/analyze any proposals received, then have further discussion with the agencies to consider how to incorporate any of their requests before bringing the item to the Board for review at the December 13th Board meeting.

In response to Director Costa's question, GM Helliker explained that the agencies challenged the use of the peak value and that Mr. Hildebrand explained at the meeting that his experience with rate structures has been that they more commonly use long term averages rather than peak demands during a certain period of time. However, Mr. Hildebrand informed the agencies that the District's use of peak value is not unusual and is an industry-accepted methodology. GM Helliker explained that he informed the agencies that if they wanted to implement a "Take or Pay" contract, that such a contract would have to be reviewed by Legal Counsel and would have to be approved by all of the wholesale customer agencies. GM Helliker informed the Board that he provided the agencies with some examples of other agencies' methodologies.

GM Helliker informed the Board that a Public Records Act request was received after the meeting for records pertaining to the Wholesale Financial Plan, to which staff will respond. Director Miller voiced concern regarding the July notification which provided ample time for comments to be received and suggested that the Board move forward with reviewing and setting the rate schedule at the December Board meeting.

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

GM Helliker reported that the 2x2 FOWD/SJWD Ad Hoc Committee met a few weeks ago and he was directed to set up a meeting with the general managers but has not received any responses yet. Director Costa would like to put on the December Board meeting agenda, for discussion and possible action, an item regarding groundwater banking and RWA to discuss if RWA is meeting the District's needs. In addition, Director Costa suggested that GM Helliker invite RWA to the Board meeting.

GM Helliker reported that the RWA Program Committee met last week and the same information regarding the water accounting system that was presented at the 2x2 committee meeting with FOWD was presented at the RWA meeting. GM Helliker stated that it is important that the District and its sister agencies define the operating rules that would be acceptable and then compare them with any proposal from RWA. He informed the Board that RWA held two public meetings with little to no attendees, so they asked for input from responsible agencies, and received no input. Therefore, RWA is moving forward with an environmental impact report (EIR), which has raised questions, since there is no specific project that would merit an EIR. In response to Director Costa's comments, GM Helliker informed the Board that SGA discussed the water bank and RWA's concepts, as well as SGA's responsibilities, at their meeting last month.

V. 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 October which was included in the Board packet.

- 1.2 **Miscellaneous District Issues and Correspondence**
No report.

2. DIRECTOR OF FINANCE'S REPORT

- 2.1 **Miscellaneous District Issues and Correspondence**
No report.

3. DIRECTOR OF OPERATIONS' REPORT

- 3.1 **Miscellaneous District Issues and Correspondence**
No report.

4. DIRECTOR OF ENGINEERING SERVICES' REPORT

- 4.1 **Miscellaneous District Issues and Correspondence**
No report.

5. LEGAL COUNSEL'S REPORT

- 5.1 **Legal Matters**
No report.

VI. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

No report.

2. REGIONAL WATER AUTHORITY (RWA)

President Rich reported that RWA meets November 9, 2023, and he will attend virtually; therefore, GM Helliker and Mr. Zlotnick will attend in person and will be able to cast any votes as needed in person.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin reported that FEMA announced funding of \$211 million for dam safety grants nationwide. She reported that there is a special ACWA Executive Committee meeting scheduled for November 16th and along with the regular ACWA Board meeting on November 17th there will be a regular ACWA Executive Committee meeting to discuss the Executive Director's evaluation.

Director Tobin reported that the ACWA Fall Conference has a new conference format that includes public forums so that everyone can participate. In addition, she reported that the ACWA Foundation is awarding \$55,000 in scholarships. She reported that ACWA's Quench California released a new toolkit for the statewide education campaign. In addition, she reported that the Sites Reservoir Project was certified on November 6 by Governor Newsom under SB 149.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Director Tobin informed the Board that there is a District meeting of the Ad Hoc Health Benefits Committee tomorrow to review the ACWA JPIA and CalPERS healthcare benefits.

3.3 Energy Committee - Ted Costa

Director Costa had no report and Mr. Zlotnick will try to attend the Energy Committee meeting at the ACWA Fall Conference if his schedule does not conflict.

4. CVP WATER USERS ASSOCIATION

Director Costa reported that CVP Water Users Association meets December 7, 2023.

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

Director Tobin reported that Sacramento LAFCo moved their meeting to January 2024.

VII. COMMITTEE MEETINGS

1. Finance Committee – October 31, 2023

The committee meeting minutes were included in the Board packet.

At 6:34 p.m., President Rich announced that the Board was adjourning to Closed Session.

VIII. 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: 23WM000080, Sacramento County Superior Court

IX. OPEN SESSION

The Board gave direction to Legal Counsel.

X. ADJOURN

The meeting was adjourned at 7:21 p.m.

DAN RICH, President
Board of Directors
San Juan Water District

ATTEST: _____
TERI GRANT, Board Secretary