

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS**

Thursday, April 9, 2026

The meeting was called to order at 7:30 p.m.

1. ROLL CALL:

Directors Present: Don Amuzie
Tom Chambers
Janet Medina
Julie Richards
Perry Bautista

Staff Present: Michael Conneran, Attorney
Carlos Arias, Field Supervisor
Patricia Mairena, General Manager
Joubin Pakpour, Engineer (via Zoom)
Jonathan Abadesco, Auditor (via Zoom)

Visitors Present: Sergio Medina
Jason del Rosario (arrived later in the meeting)

2. PLEDGE OF ALLEGIANCE: Led by Director Chambers.

3. CONSENT CALENDAR:

President Bautista asked the Board if there was any discussion; otherwise, he would entertain a motion to accept the consent calendar.

Director Chambers moved to approve the Consent Calendar as written, seconded by Director Amuzie.

The motion was carried unanimously.

4. PUBLIC COMMENT: None

5. BUSINESS (OLD): None

6. BUSINESS (NEW):

A. PUBLIC HEARING: Consideration of Ordinance No. 78, Amendment to Policy for Directors' Compensation and Expense Reimbursement.

President Bautista opened the Public Hearing for Consideration of Adoption of Ordinance No. 78, Amendment to Policy for Directors' Compensation and Expense Reimbursement.

Attorney Conneran provided an introduction and stated that the Board had asked to present an updated Ordinance and Policy for Director's Compensation and Expense Reimbursement and mentioned that the last update was adopted in 1991. Attorney Conneran also stated that the list of compensated meetings had been revised, as well as increasing the amount of the first meeting attended to \$200, and the subsequent meetings on the list to \$125 per meeting.

Director Chambers asked to delete compensation for attendance to BAWSCA meetings, as the BAWSCA representative was already compensated by BAWSCA. Director Chambers requested that the wording "the next regular meeting" at the end of Category B be replaced with "subsequent meeting" and asked that under the Category for Emergencies (now C), the wording "General Manager has pre-approved the participation" be added.

Director Chambers expressed his thoughts on removing Trainings Required by Law from Category A; a discussion by the Board regarding this topic followed.

With no comments from the public, President Bautista closed the Public Hearing and opened up the topic for additional discussion by the Board regarding required trainings.

Attorney Conneran recapped the changes requested by Director Chambers and suggested that the required trainings be removed from Category A and placed in Category B, with pre-approval by the Board. President Bautista stated that he would be fine with that.

Director Chambers moved to Adopt Ordinance No. 78, Amendment to Policy for Directors' Compensation and Expense Reimbursement, seconded by Director Medina.

Three of Eight
Minutes of the Regular Meeting of the Board of Directors
Thursday, April 9, 2026

Roll Call

Director Amuzie	Aye
Director Chambers	Aye
Director Medina	Aye
Director Richards	Aye
President Bautista	Aye

The motion was carried unanimously.

B. Review/Approve June 30, 2025, Audit Report (presented via Zoom).

Mr. Jonathan Abadesco, CPA with C.J. Brown & Company CPAs introduced himself to the Board. General Manager Mairena displayed his PowerPoint presentation. Mr. Abadesco mentioned that the 2025 audit was conducted with auditing standards generally accepted in the United States and provided an overview of the audit procedures. Mr. Abadesco reported that within the financial statements was the Auditor's opinion, which stated that the District received an unmodified opinion, which was "clean" opinion. Mr. Abadesco stated that the Letter to Management was also part of the report.

Mr. Abadesco told the Board that the Letter to Management was a report that communicated to the Governing Board: the Auditor's Responsibility Under U.S. GAAS, the Scope of the Audit, the District's Accounting Practices, Any Adjustments to the General Ledger, Any Difficulties Encountered in Performing the Audit (None Noted), and Any Disagreements with Management (None Noted). Mr. Abadesco reported that overall, after assessing these controls, they noticed that there were proper check and balances within the controls, and congratulated the District General Manager and Staff on their work.

Mr. Abadesco brought up for future consideration the District splitting the Water and Wastewater activities into two separate funds within the Accounting System and implementing a Pooled Cash System, both of which would require time and cost commitment from the District.

Mr. Abadesco pointed out that new for this year was the implementation of GASB No. 101 – Compensated Absences and as a result, the District's net position was restated for the past years 2024 (\$21,428) and 2023 (\$18,919), to include FICA and Medicare.

Mr. Abadesco reviewed the highlights of the PPAs (Prior Periods Adjustments) which included GASB 101, ERAF Property Tax Receivable, and Water and Sewer Operating Expense and Non-Operating Revenue Allocation Method prior period adjustments.

Four of Eight
Minutes of the Regular Meeting of the Board of Directors
Thursday, April 9, 2026

Mr. Abadesco stated that during this year, the District had made changes to its water and sewer expenses and non-operating income allocation methodology, and with those changes, the District needed to restate its net position between the water and sewer funds balances. General Manager Mairena mentioned that this was the first year of the water and sewer expenses separation, so restatements needed to be made to prior years.

Mr. Abadesco proceeded to present a slide showing the Condensed Statements of Revenues, Expenses, and Changes in Net Position highlights:

- Net position increased by roughly \$1.9 million.
- Total revenue increased by about \$1.1 million.
- Total expenses increased by \$125,000.

Mr. Abadesco briefly reviewed the changes in the operating and non-operating revenue and expense categories. Mr. Abadesco reviewed a condensed version of the Water and Sewer Enterprise Funds reports and asked the Board if they had any questions.

Mr. Abadesco ended his presentation and thanked the Board for their consideration.

Director Chambers moved to approve June 30, 2025, Audit Report, seconded by Director Medina.

The motion was carried unanimously.

C. LAFCo Special District Regular Member Election 2026: Submit Written Nominations for the Regular LAFCo Member and Authorization to Transmit the LAFCo Special District Member Ballot by Electronic Mail.

General Manager Mairena reviewed the email she had received on the LAFCo Special Districts Election and stated that just as in years past, the authorization, normally given to the Board president, would need to be received by LAFCo no later than 5:00 pm on April 27, 2026, via mail, fax, or email.

Attorney Conneran explained that there were two things being asked of the District: nominations (if any) and a signed Authorization to Transmit the LAFCo Special District Member Ballot by Electronic Mail. Attorney Conneran stated that if the Board wanted to nominate anyone, the Board would need to make a motion to authorize President Bautista to submit the nomination.

Five of Eight
Minutes of the Regular Meeting of the Board of Directors
Thursday, April 9, 2026

President Bautista asked the Board if anyone wanted to be nominated.

Director Chambers moved to approve President Bautista to Submit Written Nominations for the Regular LAFCo Member and Authorized him to Transmit the LAFCo Special District Member Ballot by Electronic Mail, seconded by Director Medina.

The motion was carried unanimously.

D. Consideration to Set a Public Hearing to Approve the Updated UWMP for June 11, 2026.

General Manager Mairena stated that in order for the Board to approve the UWMP (Urban Water Management Plan), a public hearing will need to be held, and a draft of the report be available in advance of the public hearing.

Director Chambers moved to Set a Public Hearing to Approve the Updated UWMP for June 11, 2026, seconded by Director Amuzie.

The motion was carried unanimously.

7. WRITTEN COMMUNICATIONS: None

8. ATTORNEY'S REPORT: None

9. GENERAL MANAGER'S REPORT:

A. Engineer's Report (Pakpour).

1. Skyline No. 3 Retrofit Project - Progress Payment No. 6 and Update.

Engineer Pakpour mentioned that Euro Style Management (ESM) had completed all the structural element work inside the tank during the month of March. Engineer Pakpour commented that ESM had started the coating process.

Engineer Pakpour stated that Brandon will report on the four pending change orders at the next board meeting. These pending change orders are Overflow Modification, Existing Foundation Concrete Chipping, Anchor Chair Material Cost Adjustment, and Tank Structural Repairs.

Six of Eight
Minutes of the Regular Meeting of the Board of Directors
Thursday, April 9, 2026

Engineer Pakpour asked the Board if they had any questions. Engineer Pakpour mentioned that on the payment side, the work was 77% complete, and the contractor had about 18 working days remaining on the project, with some potential rain days being added.

Engineer Pakpour proceeded to display various pictures of the work being done for the project and providing descriptions.

Engineer Pakpour asked if there were any questions.

Director Amuzie asked why the tank did not have a foundation before. Engineer Pakpour provided an explanation, mainly that the codes were different then.

Attorney Conneran asked if the Board needed to approve the progress payment. Engineer Pakpour replied that the Board had already approved the project.

2. Appian-280 Easement Sanitary Sewer Improvements – Brief Update.

Engineer Pakpour reported that they had submitted 65% plans to Daly City and to Field Supervisor Arias and District staff, and they hope to get comments back by next week and then review them.

Engineer Pakpour stated that they anticipated going out to bid by mid-July and starting construction later in the summer once the contract and all the submittals get reviewed.

3. Standard Specifications – Brief Update.

Engineer Pakpour stated that updating the Specifications is something the District does with two other agencies, Mid Pen and Purissima Hills, in a two- or three-year cycle. Engineer Pakpour mentioned that this project was on time and on budget.

Engineer Pakpour mentioned that about a month ago, a group from all three agencies had met at Mid Pen, and the next meeting to review the revisions was scheduled for April 20, 2026, at Purissima Hills. Engineer Pakpour stated that hopefully, after that meeting, a draft would be ready to be submitted for review. Engineer Pakpour also stated that this project was on time and on budget.

Engineer Pakpour asked if the Board had any questions and concluded his report.

B. Report on District's Water Conservation for March 2026.

General Manager Mairena displayed the monthly comparison chart of water use and reported that water consumption for March 2026 was lower, in comparison to the same period for FY 2020-2021, the last year with average usage before the last drought. General Manager Mairena mentioned that the GPCPD (gallons per capita per day) was also pretty low and reminded the Board that customers had been conserving water for the January - February sewer measurement period, and they are still in water conservation mode.

C. Report of SamTrans Bus Hitting Fire Hydrant at 3500 Callan Boulevard.

General Manager Mairena reported to the Board that she was still awaiting all the expenses related to this incident and mentioned that she had contacted JPIA to seek their assistance with the claim, but she was told that fire hydrants were not covered under the District's policy; therefore, they could not assist with claims collection. General Manager Mairena stated that she was still waiting to hear back from SamTrans, but she did have a claim number when she had first called.

General Manager Mairena asked if there were any questions and told the Board she will be reporting on this matter again.

10. ITEMS FROM BOARD OF DIRECTORS:

A. Report on SMC CSDA Meeting of March 9, 2016 (Chambers).

Director Chambers reviewed his written report with the Board and mentioned that since there were no candidates/volunteers for the Treasurer position, he may be volunteering. Director Chambers asked if there were any questions.

General Manager Mairena mentioned that for now, the meetings are going to be held quarterly, via Zoom.

B. Report on BAWSCA Meeting of March 19, 2026 (Chambers).

Director Chambers reviewed his written report with the Board and asked if there were any questions.

Eight of Eight
Minutes of the Regular Meeting of the Board of Directors
Thursday, April 9, 2026

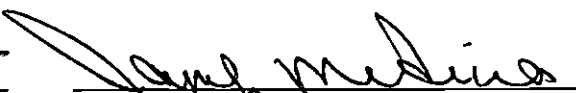
11. CLOSED SESSION: None

12. ADJOURNMENT:

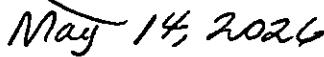
Without objection, President Bautista adjourned the meeting.
Time 8:42 p.m.



Secretary



Vice President



Date