

**SAN JUAN WATER DISTRICT  
BOARD MEETING AGENDA  
9935 Auburn Folsom Road  
Granite Bay, CA 95746**

Revised  
9/17/2021

**September 22, 2021  
6:00 p.m.**

**This Board meeting will be conducted both in-person at the District's Boardroom at the address above, and via videoconference. Due to State guidelines on physical distancing in public gatherings, the Boardroom can accommodate a maximum of 10 members of the public at one time. All attendees of the Board meeting in the boardroom must wear masks. The District recommends that members of the public participate in Board meetings via videoconference per the instructions below. Persons who do plan to attend the meeting in person are urged to contact the Board Secretary prior to the meeting. The contact information for the Board Secretary is:**

**Teri Grant  
(916) 791-6905  
[tgrant@sjwd.org](mailto:tgrant@sjwd.org)**

**To attend via videoconference, please use the following link:**

**Please join the meeting from your computer, tablet or smartphone.  
<https://global.gotomeeting.com/join/475300733>**

**This meeting is locked with a password: SJWD2021**

**You can also dial in using your phone.  
United States: [+1 \(646\) 749-3122](tel:+1(646)749-3122)**

**Access Code: 475-300-733**

**Please mute your line.**

**Whether attending via videoconference or in person, the public is invited to listen, observe, and provide comments during the meeting. The Board President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.**

**\*\*\*Important Notice: For any meetings that include a closed session, the videoconference will be terminated when the Board adjourns into closed session. Members of the public who would like to receive the report out from closed session and time of adjournment from closed session into open session and adjournment of the meeting should provide a valid email address to the District's Board Secretary, Teri Grant, at: [tgrant@sjwd.org](mailto:tgrant@sjwd.org), before or during the meeting. No other business will be conducted after the Board adjourns from closed session into open session. Promptly after the meeting, the Secretary will email the written report to all persons timely requesting this information.**

The Board may take action on any item on the agenda, including items listed on the agenda as information items. The Board may add an item to the agenda (1) upon a determination by at least three Board members that an emergency situation exists, or (2) upon a determination by at least four Board members (or by three Board members if there are only three Board members present) that the need to take action became apparent after the agenda was posted.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Please inform the General Manager if you have such a request to expedite an agenda item.

Documents and materials that are related to an open session agenda item that are provided to the District Board less than 72 hours prior to a regular meeting will be made available for public inspection and copying at the District office during normal District business hours.

If you are an individual with a disability and need assistance or accommodation to participate in this Board meeting, please call Teri Grant, Board Secretary, at 916-791-0115, or email Ms. Grant at [tgrant@sjwd.org](mailto:tgrant@sjwd.org).

**Please silence cell phones and refrain from side conversations during the meeting.**

**I. ROLL CALL**

**II. PUBLIC FORUM AND COMMENTS**

This is the opportunity for members of the public to comment on any item(s) that do not appear on the agenda. During the Public Forum, the Board may ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determination to add the matter to the agenda.

**III. CONSENT CALENDAR**

All items under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board, Audience, or Staff request a specific item removed after the motion to approve the Consent Calendar.

1. Minutes of the Board of Directors Meeting, August 25, 2021 (W & R)

**Recommendation:** *Approve draft minutes*

2. Turbidimeter Replacements Project (W)

**Recommendation:** *Award the sole source purchase of 28 water turbidimeters and ancillary materials from Hach Company*

3. WTP Filter Basins Rehab Project (W)

**Recommendation:** *Authorize a construction contract amendment with ERS Industrial Services, Inc. for the completion of construction of the WTP Filter Basins Rehab Project*

**IV. NEW BUSINESS**

1. Retail Financial Plan (R)

*Review and discuss*

2. RWA Listening Session (W & R)

*Discussion*

3. ACWA President and Vice President

**Action:** *Designate Representative to Cast District's Ballot*

**V. OLD BUSINESS**

1. 2021 Hydrology and Operations Update (W & R)

*Discussion*

2. District COVID Plan (W & R)

*Presentation and Discussion*

3. Governor Newsom's 15% Voluntary Conservation Request (W & R)

*Discussion*

**VI. INFORMATION ITEMS**

1. General Manager's Report

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

*Staff Report on District Operations*

- 1.2 Miscellaneous District Issues and Correspondence

2. Director of Finance's Report
  - 2.1 Miscellaneous District Issues and Correspondence
3. Operation Manager's Report
  - 3.1 Miscellaneous District Issues and Correspondence
4. Engineering Services Manager's Report
  - 4.1 Miscellaneous District Issues and Correspondence
5. Legal Counsel's Report
  - 5.1 Legal Matters

## **VII. DIRECTORS' REPORTS**

1. Sacramento Groundwater Authority (SGA) – T. Costa
2. Regional Water Authority (RWA) – D. Rich
3. Association of California Water Agencies (ACWA)
  - 3.1 ACWA – P. Tobin
  - 3.2 Joint Powers Insurance Authority (JPIA) – P. Tobin
  - 3.3 Energy Committee – T. Costa
4. Central Valley Project (CVP) Water Association – T. Costa
5. Other Reports, Correspondence, Comments, Ideas and Suggestions

## **VIII. COMMITTEE MEETINGS**

1. Engineering Committee – September 15, 2021
2. Finance Committee – September 21, 2021

## **IX. UPCOMING EVENTS**

1. 2021 ACWA Fall Conference  
November 30 - December 2, 2021  
Pasadena, CA and Virtually

## **X. ADJOURN**

### **UPCOMING MEETING DATES**

October 27, 2021  
November 10, 2021

I declare under penalty of perjury that the foregoing agenda for the September 22, 2021 regular meeting of the Board of Directors of San Juan Water District was posted by September 17, 2021, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and on the District's website at sjwd.org, and was freely accessible to the public.

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Teri Grant, Board Secretary

# AGENDA ITEM III-1

## DRAFT

### SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes  
August 25, 2021 – 6:00 p.m.

Conducted via Videoconference & In-Person

#### BOARD OF DIRECTORS

Pam Tobin	President via videoconference
Ken Miller	Vice President
Ted Costa	Director
Marty Hanneman	Director via videoconference
Dan Rich	Director

#### SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Operations Manager
Lisa Brown	Customer Service Manager
Adam Larsen	Field Services Manager
Andrew Pierson	Engineering Services Manager
Greg Turner	Water Treatment Manager
Greg Zlotnick	Water Resources Manager
Rob Watson	Retired Annuitant
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	Legal Counsel
Elizabeth Ewens	Legal Counsel

#### OTHER ATTENDEES

Joanna Gin	Citrus Heights Water District Legal Counsel
Sandra Harris	Customer
Mark Hildebrand	Hildebrand
Phil Russ	

#### AGENDA ITEMS

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

President Tobin 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-person: Ted Costa, Ken Miller and Dan Rich. The following directors were present via teleconference: Marty Hanneman and Pam Tobin.

***Director Costa moved to add an item to the agenda under New Business to consider a nomination for Special District Commissioner Office No. 7 with Sacramento LAFCo. Vice President Miller seconded the motion and it carried with the following roll call vote:***

**Ayes:** Directors Costa, Hanneman, Miller, Rich and Tobin  
**Noes:** None  
**Absent:** None

## II. PUBLIC FORUM

The Board Secretary informed the Board that an email was received from Amber Beckler regarding Consent Calendar item 5, and was forwarded to the Board members prior to the meeting.

## III. CONSENT CALENDAR

All items under the consent calendar are considered to be routine and are approved by one motion. There will be no separate discussion of these items unless a member of the Board, audience, or staff request a specific item removed after the motion to approve the Consent Calendar.

President Tobin pulled Consent Calendar item 5 for discussion.

1. **Minutes of the Board of Directors Meeting, July 28, 2021 (W & R)**  
*Recommendation: Approve draft minutes*
2. **Upper Granite Bay Pump Station Generator Replacement Project (R)**  
*Recommendation: For authorization and approval to award a construction contract to Clyde G. Steagall, Inc. for the construction of the Upper Granite Bay Pump Station Generator Replacement Project*
3. **Bacon & Upper Granite Bay Pump Station Generator Replacement Project (R)**  
*Recommendation: For authorization and approval of Amendment No. 2 to EETS, Inc. for Design and Engineering Services During Construction for the Bacon & Upper Granite Bay Pump Station Generator Replacement Project*
4. **Drought Operations Planning Project (W)**  
*Recommendation: For authorization and approval to award a Professional Services Contract to Water System Consulting, Inc. for the Drought Operations Planning Project - 2021*

**5. Farschon Place Pipeline Easement Grant to SJWD (R)**

*Recommendation: Adopt Resolution 21-12 accepting a dedicated waterline easement for a new pipeline installation on Farschon Place to supply the Whitehawk II development project, and authorize staff to accept and process the documents from the property owner*

**6. Extension of Appointment of a Critically-Needed Position (W & R)**

*Recommendation: Adopt Resolution No. 21-13 approving an agreement to extend the appointment of Rob Watson to a critically-needed engineering position as a retired annuitant*

**7. Treasurer's Report – Quarter Ending June 30, 2021 (W & R)**

*Recommendation: Receive and file*

***Director Hanneman moved to approve the Consent Calendar items 1, 2, 3, 4, 6 and 7. Director Costa seconded the motion and it carried with the following roll call vote:***

**Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin**

**Noes: None**

**Abstain: None**

At the request of President Tobin, the Board Secretary read the email from Ms. Beckler regarding Consent Calendar item 5 – a copy will be attached to the meeting minutes. Director Hanneman voiced concern regarding a high density division and stated that he was not in support of a project such as this.

***Director Hanneman moved to not approve Resolution 21-12. President Tobin seconded the motion.***

The Board discussed the pros and cons of the easement request including but not limited to controlling density of development projects, the benefit to the District to have the easement for the water system, the District's responsibility to serve water if the District has the water supply, and the District's water master plan and zoning changes. GM Helliker clarified that the District already informed the developer that water supply is available for the project and this request is for the easement to place the pipeline in order to serve this water.

Ms. Sandy Harris addressed the Board and voiced concern on the higher density development and water supply availability.

Mr. Adam Larsen informed the Board that the placement of the pipeline in this requested easement is a benefit to the District for water quality and redundancy in the system. Mr. Andrew Pierson informed the Board that the developer worked over the last several months with the property owners to secure this easement agreement. In addition, when the pipeline was installed in 1975 on Farschon Place the as-builts showed this future easement which would extend the pipeline to the Douglas Blvd. pipeline regardless of the development in that area.

Mr. Phil Russ addressed the Board and voiced concern regarding the higher density developments and the annual request to existing customers to conserve water.

Legal Counsel Jones stated that the District is compelled to provide water to the extent that the water is available; however, the District can decide on alternative methods of how to provide that water. President Tobin suggested, and Director Hanneman agreed, that this topic be tabled to the next meeting to allow time to discuss this with the owners and the developer. Director Hanneman suggested that Supervisor Suzanne Jones attend the next Board meeting to discuss this issue. Vice President Miller called for the question.

***Director Hanneman pulled his motion. President Tobin pulled her second to the motion.***

Director Costa mentioned that the District has no say in subdivision issues when there are less than 250 homes involved, which he believes the legislature enacted; therefore, the only issue to discuss is the placement of the pipeline at the requested location or another location.

***President Tobin moved to table this item to discuss until the next Board meeting. Director Hanneman seconded the motion.***

***Director Rich made a substitute motion to adopt Resolution 21-12 and request that a representative from the planning commission and/or Board of Supervisors attend a future meeting to discuss land use issues in Granite Bay. Vice President Miller seconded the motion and it carried with the following roll call vote:***

**Ayes: Directors Costa, Miller and Rich**

**Noes: Hanneman and Tobin**

**Abstain: None**

## **IV. PUBLIC HEARING**

### **1. Adoption of Ordinance 21-01 (W & R)**

**President Tobin opened the Public Hearing at 6:34 p.m.**

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

GM Helliker informed the Board that Ordinance 21-01 amends Ordinance No. 1100 and rescinds Ordinance 1100.03.1 – Board Rules, Appendix A of the District Code of Ordinances.

There were no public comments.

**President Tobin closed the Public Hearing at 6:36 p.m.**

***Director Costa moved to waive the second reading and adopt Ordinance No. 21-01 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance No. 1100 and Rescinding Ordinance 1100.03.1 – Board Rules, Appendix A of the District Code of Ordinances. Vice President Miller seconded the motion and it carried with the following roll call vote:***

**Ayes: Directors Costa, Hanneman, Miller and Rich**

**Noes: Tobin**

**Absent: None**

**2. Adoption of Ordinance 21-02 (W & R)**

**President Tobin opened the Public Hearing at 6:37 p.m.**

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

President Tobin informed the Board that Ordinance No. 21-02 – An Ordinance of the Board of Directors of the San Juan Water District amends Ordinance No. 23000 – District Water Conservation Program, rescinds Ordinance 23000.03 Appendix C – Water Conservation Stage Declaration and adopts Ordinance 23000.03 Appendix A – Water Shortage Stage Requirements of the District Code of Ordinances.

GM Helliker explained that this ordinance is to implement the Water Shortage Contingency Plan that the Board approved in June.

There were no public comments.

**President Tobin closed the Public Hearing at 6:40 p.m.**

***Vice President Miller moved to waive the second reading and adopt Ordinance No. 21-02 – An Ordinance of the Board of Directors of the San Juan Water District Amending Ordinance No. 23000 – District Water Conservation Program, Rescinding Ordinance 23000.03 Appendix C – Water Conservation Stage Declaration and Adopting Ordinance 23000.03 Appendix A – Water Shortage Stage Requirements of the District Code of Ordinances. Director Rich seconded the motion and it carried with the following roll call vote:***

**Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin**

**Noes: None**

**Absent: None**

### **3. Statewide Community Infrastructure Program (SCIP) Participation (W & R)**

**President Tobin opened the Public Hearing at 6:41 p.m.**

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

Ms. Silva provided a staff report which will be attached to the meeting minutes. She explained that the District assesses retail and wholesale capital facility fees on new development. She explained that if the District were to join the California Statewide Communities Development Authority and the Statewide Community Infrastructure Program then the property owner (developer) could debt finance the capital facility fees.

There were no public comments.

**President Tobin closed the Public Hearing at 6:45 p.m.**

*Vice President Miller moved to adopt Resolution 21-14 approving membership in the California Statewide Communities Development Authority and joining the Statewide Community Infrastructure Program to allow property owners (developers) to finance capital facility fees and construction of capital facilities. Director Costa seconded the motion and it carried with the following roll call vote:*

**Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin**

**Noes: None**

**Absent: None**

## **V. OLD BUSINESS**

### **1. Retail Capital Facilities Fee Update (R)**

Ms. Silva informed the Board that this item is the result of the study that the District recently completed on the capital facility fees and was brought to the Board once the Retail Master Plan was completed. She introduced Mark Hildebrand of Hildebrand Consulting who completed the study.

Mr. Hildebrand conducted a presentation which will be attached to the meeting minutes. He explained that the capital facility fee is a one-time fee charged to new development for capacity in the water system. He reviewed the two approaches to developing the fees: Buy-In approach and Incremental Cost Approach. He explained that the District utilizes a Hybrid approach which combines the two approaches.

Mr. Hildebrand informed the Board that he reviewed the 2006 fees when it was discovered that the 2021 Retail Capital Facility Fee study calculated a fee that is lower than the fee that was established (then escalated) in 2006. He determined the cause to be that the cost of projects was less than expected and some

projects never came to fruition, however all fees had been expended on authorized projects and there were no excess fees.

Mr. Hildebrand reviewed the Buy-In calculation, the Incremental methodology, and the Hybrid calculation. He explained that the Hybrid approach lowers the capital facility fee about 15% across the board except for the 6" meter, which is increased by 5.2%. He explained that the next step would be for Board approval of the fees along with authorizing the General Manager to implement annual inflationary adjustments.

The Board discussed the topic and voiced concern regarding the significant reduction in fees. Director Hanneman suggested a peer review of the study. In response to Director Rich's question regarding using these fees to offset the CIP costs, Mr. Hildebrand explained that when possible these fees do cover portions of the CIP costs. Mr. Hildebrand explained that these fees cannot be used when replacing an 8-inch pipeline with an 8-inch pipeline; however, when replacing with a larger pipeline, then the cost difference can be covered by the fees for expansion.

The Board discussed the topic and would like more discussion and information on this topic to understand how the fees were arrived at. Director Rich suggested that this topic be tabled at least until the Retail Financial Plan is reviewed.

***Director Hanneman moved to table this topic until a future meeting. President Tobin seconded the motion and it carried with the following roll call vote:***

**Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin**

**Noes: None**

**Absent: None**

## **2. Retail Capital Improvement Program (R)**

Mr. Tony Barela conducted a presentation on the Capital Improvements Program & Meter Replacement Plan, which will be attached to the meeting minutes. He informed the Board that the Retail Master Plan was completed in December 2020 and the Meter Replacement Program Planning Study is near completion. He explained that these two documents are used for planning purposes.

Mr. Barela reviewed the Retail Master Plan and covered the hydraulic connectivity and condition of the pipelines, the 10-year CIP details, service lateral replacements, condition assessments and air release valves, and system storage.

Mr. Barela reviewed the Meter Replacement Program and discussed the current meter stock and the proposed meter program. He explained that the recommendation is to use the Positive Displacement Meters since the District's water quality is so good and the life of the unit can be extended.

Mr. Barela reviewed the 10-year Capital Improvement Plan costs. He explained that the District has spent \$2-3 million per year on capital improvements and this new plan estimates a \$7 million per year cost due to the type of projects that are included in the plan. GM Helliker informed the Board that this CIP overview is based on the Retail Master Plan and the next phase will be to discuss the Retail Financial Plan to determine how to manage the cost. Director Costa commented that at one point the Board set a goal to replace 1% of the pipelines per year. Mr. Barela informed the Board that the current recommendation is to replace pipelines on a performance-based method.

### **3. District COVID-19 Plan (W & R)**

GM Helliker provided the Board with his staff report which will be attached to the meeting minutes. He explained that the first District COVID-19 plan was put into place on March 19, 2020, and has been updated multiple times as guidelines and directives have changed since that time. He reviewed the latest data from the state, Sacramento County and Placer County regarding COVID-19 cases. He informed the Board that the District's plan is working well and although a few have contracted the virus outside of work, there has been no outbreak at work and nobody has been hospitalized.

In response to Director Hanneman's question, Ms. Silva informed the Board that approximately 22 of the 48 employees (46%) at the District have reported that they are vaccinated. Director Hanneman voiced concern regarding the low percentage of staff who are vaccinated and he suggested that the District make vaccinations mandatory (unless there are health or religious reasons) or require that they have weekly testing at the employee's cost. President Tobin suggested that Legal Counsel review the issue and summarize legal requirements, complete a survey of other water agencies and municipalities and how they are addressing this issue, and suggested that employees work from home or are placed on unpaid administrative leave until they receive a vaccine or COVID-19 is under control/over, subject to Legal Counsel analysis. Director Costa, Director Miller and Director Rich were not in agreement regarding mandating a vaccine.

Mr. Barela informed the Board that staff and the management team have worked very hard since the beginning of the pandemic to conduct regular meetings of the emergency operations committee and to develop, update and implement the plan. Ms. Sandy Harris addressed the Board and agreed that employees should not be mandated to take a vaccine.

Legal Counsel Jones informed the Board that his firm has been watching this topic and their local jurisdiction clients have yet to mandate vaccinations or testing. He explained that there is no case law yet and that is one reason why the smaller agencies are watching before enacting any mandates. Director Rich suggested that this topic remain on the Board agendas as a standing item. GM Helliker confirmed that legal counsel will conduct a legal analysis and he will complete a survey of local agencies.

**4. Confirmation of Board Approval of Bonus for General Manager (W & R)**

Director Costa informed the Board that the Personnel Committee recommended a one-time bonus that was not included in the motion at the last meeting, and this is to confirm that recommendation.

*Director Costa moved to confirm a \$3,430 one-time bonus to Paul Helliker, General Manager. Director Miller seconded the motion and it carried with the following roll call vote:*

**Ayes:** Directors Costa, Hanneman, Miller and Rich

**Noes:** Tobin

**Absent:** None

**5. 2021 Hydrology and Operations Update (W & R)**

GM Helliker reviewed data on Folsom Reservoir, which included the current storage level at 24% of capacity, data on releases, temperature information and storage projections. In addition, he reviewed a chart that showed conservation targets in the region from agencies taking water from the American and Sacramento rivers.

## VI. NEW BUSINESS

**1. ACWA Region Board Elections 2022-23 Term (W & R)**

President Tobin informed the Board that the ACWA Region 4 Board of Directors ballot is ready for the District to cast a vote. GM Helliker pointed out that the ACWA Nominating Committee's recommended slate is on the ballot along with the option to vote independently. Director Costa suggested that President Tobin cast the vote for the District.

*Director Costa moved to have President Tobin cast the vote for ACWA Region 4 Board at her discretion. Director Hanneman seconded the motion and it carried with the following roll call vote:*

**Ayes:** Directors Costa, Hanneman, Miller, Rich and Tobin

**Noes:** None

**Absent:** None

**2. Sacramento LAFCo Nominations 2022-23 for Special District Representation (W & R)**

President Tobin reminded the Board that this item to consider a nomination for Special District Commissioner Office No. 7 and Alternate Special District Commissioner for Office No. 6 and 7 was added to the agenda.

*President Tobin moved to nominate Ted Costa for Sacramento LAFCo Special District Commissioner Office No. 7. Director Rich seconded the motion and it carried with the following roll call vote:*

**Ayes:** *Directors Costa, Hanneman, Miller, Rich and Tobin*  
**Noes:** *None*  
**Absent:** *None*

## 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 July which will be attached to the meeting minutes.

#### 1.2 Miscellaneous District Issues and Correspondence

No report.

### 2. DIRECTOR OF FINANCE'S REPORT

#### 2.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that staff discovered an error in the FY 2021-22 Wholesale Operating budget. She explained that the error was found in wholesale water sale revenue which calculated to a \$284,000 overstatement in revenue. After discussing with the General Manager and Legal Counsel, it was determined that the adjustment just needs to be brought to the Board's attention. There was Board consensus that the adjustment should occur and the budget document will be updated.

### 3. OPERATIONS MANAGER'S REPORT

#### 3.1 Miscellaneous District Issues and Correspondence

No report.

### 4. ENGINEERING SERVICES MANAGER'S REPORT

#### 4.1 Miscellaneous District Issues and Correspondence

No report.

### 5. LEGAL COUNSEL'S REPORT

#### 5.1 Legal Matters

Legal Counsel Jones reported that he met with water counsel, Stoel Rives, regarding two items of litigation that will be transferred from him to Stoel Rives.

## VIII. DIRECTORS' REPORTS

### 1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

Director Costa reported that a meeting was held regarding the governance issue. He informed the Board that another meeting will be held and a possible vote will occur at that time.

## **2. REGIONAL WATER AUTHORITY (RWA)**

Director Rich informed the Board that a written report was provided, which will be attached to the minutes. He stated that the RWA meeting on August 31<sup>st</sup> was cancelled.

## **3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)**

### **3.1 ACWA - Pam Tobin**

President Tobin informed the Board that the ACWA Fall Conference will be held in person and virtually. She informed the Board that ACWA is looking into electronic voting for the election of the President and Vice President.

### **3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin**

President Tobin informed the Board that JPIA Executive Board has met to discuss claims and potential litigation.

### **3.3 Energy Committee - Ted Costa**

No report.

## **4. CVP WATER USERS ASSOCIATION**

Director Costa reported that the CVP Water Users Association meets quarterly.

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

Director Costa informed the Board that a water initiative will be filed with the Attorney General. He explained that the initiative will put 2% of the state budget into a special fund and they will sell bonds (up to \$40 billion) to be used for water storage, conjunctive use, groundwater storage, and desalination.

## **IX. COMMITTEE MEETINGS**

### **1. Engineering Committee – August 16, 2021**

The committee meeting minutes will be attached to the original board minutes

### **2. Finance Committee – August 24, 2021**

The committee meeting minutes will be attached to the original board minutes.

## **X. UPCOMING EVENTS**

### **1. 2021 ACWA Fall Conference**

November 30 - December 2, 2021  
Pasadena, CA

At 9:02 p.m., President Tobin announced that the public videoconference would be terminated and that the Board was adjourning to Closed Session.

## **XI. CLOSED SESSION**

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(d)(2) and (d)(4); potential for litigation involving the State Water Resources Control Board's proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.
2. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(d)(2) and (d)(4); potential for litigation involving the State Water Resources Control Board's proceedings related to curtailment of water rights.

## **XII. OPEN SESSION – ANNOUNCEMENT OF ACTION FROM CLOSED SESSION**

There was no reportable action.

## **XIII. ADJOURN**

The meeting was adjourned at 9:12 p.m.

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ATTEST:

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PAMELA TOBIN, President  
Board of Directors  
San Juan Water District

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TERI GRANT, Board Secretary

The meeting minute attachments are located under Meeting Minutes – *Draft* on the webpage.

## STAFF REPORT

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To: Board of Directors  
From: Greg Turner, WTP Manager  
Date: September 22, 2021  
Subject: Turbidimeters Replacement Project

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### **RECOMMENDED ACTION**

Staff requests consideration of a motion to award the sole source purchase of 28 water turbidimeters and ancillary materials from Hach Company in the amount of \$75,002.42 with a price contingency of \$7,500.24 (10%) for an authorized total budget amount of \$82,502.66. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

### **BACKGROUND**

The Water Treatment Plant utilizes 28 turbidity instruments to monitor water clarity throughout the water treatment process. The existing turbidimeters were purchased and installed in May of 2005. They now have reached their end of life and no longer have replacement parts available nor is the equipment supported by the manufacturer. Replacement with the newest model turbidimeter that is compatible with current instrument controllers is necessary.

### **STATUS**

Sole source purchase is necessary due to existing controller and instrument compatibility. After purchase, the turbidimeters will be installed by Staff to eliminate contracted construction costs. The purchase and installation should provide approximately 10 years of service.

### **BUDGET IMPACT**

The Project is included in the District's approved Wholesale CIP budget for Fiscal Year 2021-2022. The purchase is within projected the budget estimate.

## STAFF REPORT

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To: Board of Directors  
From: Andrew Pierson, Engineering Services Manager  
Date: September 22, 2021  
Subject: Water Treatment Plant (WTP) Filter Basins Rehab Project – Construction Contract Amendment

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### RECOMMENDED ACTION

Staff requests consideration of a motion to approve a construction contract budget increase of \$204,209.59 to the construction contract with ERS Industrial Services, Inc. for the completion of construction of the WTP Filter Basins Rehab Project. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

### BACKGROUND

The WTP Filter Basins Rehab Project involves the rehabilitation of both the North and South Filter Basins, including removing and replacing of all filter media, preparing and coating the concrete surfaces of the filter cells with an elastomeric polyurethane liner, replacing all filter nozzles, and applying a cementitious coating to the interior walls.

The Contractor started work in November 2019 in the North Filter Basin. During construction, the Contractor encountered several unforeseen conditions that caused significant delays and thereby required additional time, labor, and materials to complete the work. Some of the major unforeseen conditions and additional work required include the existing stainless steel filter plates being adhered to the angle supports, which resulted in a need to remove the adhesive material from both the plates and supports for all 120 filter cells; additional labor and materials to sandblast under the existing angle supports to allow the elastomeric polyurethane liner to adhere; replacing missing and damaged studs on the angle supports in order to reinstall the filter plates; and additional structural concrete crack repair. Due to these and other unforeseen conditions and additional work required, the Contractor requested and was awarded an additional 95 calendar days of contract time. As a result of the additional time required to complete the work in the North Filter Basin, construction of the South Filter Basin was forced to be postponed due to the construction schedule extending into the peak flow demand period.

As expected, when the Contractor started work in November 2020 in the South Filter Basin, the same unforeseen conditions were encountered as was the case in the North Filter Basin. However, in addition, when the Contractor was loading the District supplied anthracite material, it was discovered there was insufficient material onsite. Consequently, the Contractor had to purchase, wash, and install additional anthracite material to complete the project.

### BUDGET IMPACT

The original construction contract approved by the Board was for \$3,126,754 with a construction contingency of \$312,675 (10%), for a total construction budget of \$3,439,429. Based on the extra work that resulted from the unanticipated field conditions, Staff is recommending increasing the construction contingency balance from \$312,675 to \$516,884.59 (from 10% to 16%) for a total construction budget of \$3,643,638.59. This represents a total budget increase of \$204,209.59 to cover the unanticipated additional construction cost.

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: September 22, 2021  
Subject: Presentation of Retail Financial Plan and Rate Study

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### **RECOMMENDED ACTION**

Receive report; direct staff to prepare Proposition 218 Notice based on the rate schedule selected by the Board after receiving and considering the results of the study.

### **BACKGROUND**

The District's last Retail Financial Plan and Rate Study was completed in November 2016, resulting in a five year rate schedule ending January 1, 2021. The effective rate increases under that schedule were as follows:

January 2017:	8%
January 2018:	9%
January 2019:	8%
January 2020:	8%
January 2021:	6%

The District completed the Retail Master Plan in FY 2020-21, which identified the capital improvements needed to the distribution system over the next 10 years. With the last of the rate increases from the previous financial plan in effect as of January 2021, and the completion of the Retail Master Plan, it was time to commence the next Retail Financial Plan and Rate Study.

### **CURRENT STATUS**

Hildebrand Consulting was selected in January 2021 to update the financial plan and develop recommendations for retail water rates for a three year period from Calendar year 2022 through 2024. The purpose of the study was to ensure that the District's water rates are sufficient to fund ongoing operations and maintenance, debt service (including meeting rate covenants) and capital improvements while maintaining prudent reserves.

The study generally utilized FY 2019-20 actual financial results as the base year for analysis. Certain FY 2020-21 revenue and expense data were used to calibrate the base year results to reflect known trends such as unanticipated increased water demand in FY 2020-21, a drought related reduction in demand in

FY 2021-22, and new programs that would carry forward throughout the planning period.

The Financial Plan recommends the following rate increases:

	<b>Current</b>	<b>Proposed Implementation Dates</b>		
		<b>Jan 1, 2022</b>	<b>Jan 1, 2023</b>	<b>Jan 1, 2024</b>
Overall Rate Revenue Increase -->		7%	7%	7%
<b>Daily Base Charges</b>				
Up to 1" meter	\$2.23	\$2.45	\$2.62	\$2.80
1 1/2" meter	\$5.78	\$6.18	\$6.61	\$7.07
2" meter	\$9.20	\$9.76	\$10.44	\$11.17
3" meter	\$17.13	\$18.10	\$19.37	\$20.73
4" meter	\$28.48	\$30.02	\$32.12	\$34.37
6" meter	\$56.88	\$59.82	\$64.01	\$68.49
8" meter	\$90.94	\$95.57	\$102.26	\$109.42
<b>Water Usage Charge (\$/CCF)</b>				
All water usage	\$0.92	\$0.93	\$1.00	\$1.07

The increases are driven by the following variables (listed by general order of magnitude):

- Increase of average annual capital spending from \$2.8 million to \$7.5 million. The capital plan can be found starting on page S2-1 of the report.
- Implementation of meter replacement program in FY 2021-22. This program will replace approximately 500 meters in perpetuity and 2,000 end points per year, for the next five years. The initial annual cost of the meter replacement program is \$662,000.
- Expansion to distribution system maintenance program in FY 2020-21, resulting in a \$440,000 increase in annual operating costs
- Inflation of Operating Costs:
  - Operating costs inflate by 3% per year (including source of supply costs)
  - Salaries and Benefits inflate by 5% per year
  - When factoring in increased maintenance programs, overall inflation of operating costs is approximately 3.6% per year.
- Increase to long-term capital reserve targets to achieve (pay-as-you-go) cash financing of the capital program in the long run.
  - Two capital projects in the short term are slated for debt financing....Kokila Reservoir and Eureka Road Transmission Pipeline Replacement

- 2% annual increases in property tax revenues
- 1.5% rate of return on investments
- Relatively constant demand for water in the retail service area

The **rate increases are lower than they otherwise would have been** due to the many actions the District has taken over the past five years to control costs and increase cost recovery outside of water rates. Those actions include refinancing of debt, pay down of the District's unfunded pension liability, renegotiation of water contracts, water transfers to generate additional revenues, reducing the District's salary schedule to market median, etc.

The plan also developed drought rates that align with the Districts Water Shortage Contingency Plan and rates for Private Fire Lines, as further discussed in the Financial Plan report.

#### **Alternative Options:**

The proposed rate increases are based on an assumption that the District generally wishes to be on a pay-as-you-go basis for capital improvements, but anticipates issuing debt for large, short term projects, specifically the Eureka Road Transmission Pipeline Replacement Project (\$3.1 million) and the Kokila Reservoir Replacement Project (\$10.1 million), and utilizing the lower interest rate program through the State of California's Drinking Water Revolving Loan Fund.

The consultant examined the following alternatives:

1. **No rate increase and no new debt:** this approach is not recommended as revenues would not be sufficient to keep up with inflation of operating costs and important capital projects would have to be eliminated.
2. **No debt issuance – all pay as you go:** while this option results in the lowest costs over time, due to the large upcoming projects it would require 16% rate increases for the next two years, followed by a 12% increase and three years of 3% rate increases. The next five years would have no rate increases.
3. **Issue more debt:** this option examined the effects of issuing an additional \$12.5 million of debt to finance more capital projects, in addition to the Eureka Road Transmission Pipeline and the Kokila Reservoir Replacement. This would result in greater expenses over time, but lower short term rate increases. Rate increases over the next three years would be 5%, 5% and 6%, with 5% for each of the next 5 years and three years of 4% rate increases.

The other option not considered in the study, was the elimination or postponement of specific capital or maintenance projects. The Board was presented with the Capital Improvement Plan that resulted from the Retail Master Plan at the August 2021 Board meeting. If the Board desires a lower level of infrastructure

## **STAFF REPORT**

*Retail Financial Plan and Rate Study  
Donna Silva*

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maintenance and replacement it would need to specifically identify projects to defer in order to lower the needed rate increases.

### **Next Steps:**

After receiving direction from the Board on the desired rate strategy, staff, in consultation with the rate consultant and legal counsel, will prepare and send the required Proposition 218 notice of public hearing. The rates published in the notice set the maximum amount of a potential rate increase. After the hearing, the Board could choose to approve rates lower than those noticed, but not higher. The notice must be sent at least 45 days prior to the public hearing. The public hearing on the proposed rates will be held in the fall.

### **Attachments:**

San Juan Water District 2021 Retail Water Rate Study Report  
San Juan 2021 Retail Rate Study Presentation



2021 Retail Water Rate Study Report -  
**DRAFT**

September 8, 2021



September 8, 2021



Donna Silva, Director of Finance  
San Juan Water District  
9935 Auburn Folsom Rd.  
Granite Bay, CA 95746

Re: 2021 Retail Water Rate Study

Dear Ms. Silva,

Hildebrand Consulting is pleased to present this 2021 Retail Water Rate Study (Study) for the San Juan Water District (District). We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the Study, as well as the input and guidance provided by the Water Rate Structure Committee.

If you or others at the District have any questions, please do not hesitate to contact me at:

[mhildebrand@hildco.com](mailto:mhildebrand@hildco.com)  
(510) 316-0621

We appreciate the opportunity to be of service and look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink that reads "Mark Hildebrand".

Mark Hildebrand  
Hildebrand Consulting, LLC

Enclosure

## Executive Summary

Hildebrand Consulting, LLC has been retained by San Juan Water District (District) to conduct a water rate study (Study) for the District's retail water system. The full report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations. The scope of this Study is to prepare a multi-year financial plan, review the water rate structure, propose a 3-year rate schedule, and update the District's Drought Surcharges. This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the AWWA M1 Manual, and all applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

### Financial Plan

A 10-year Financial Plan was developed through several interactive work sessions with District staff. The analysis identifies a revenue shortfall in upcoming years which leads to a conclusion that revenue adjustments are required for the District. The District collects rate revenue bimonthly from water customers in the form of a fixed "Base Charge" assessed based on meter size and a water "Usage Rate" applied to actual water use. In addition to rate revenue, the District receives additional "non-rate revenue" from sources such as miscellaneous service fees, property taxes, leases, Capital Facilities Charges revenue, and interest revenue on investments. The District's expenses include operating and maintenance expenses, debt service, and capital spending.

The District plans to increase its average annual spending from \$2.8 million to \$7.5 million in order to pro-actively address water system rehabilitation needs associated with aging pipes, pump stations, water tanks, and other system deficiencies. This level of spending is aligned with the District's 2020 Retail Master Plan. While the District typically follows a policy of cash financing capital projects whenever possible, there are instances when debt financing is appropriate. Such instances are typified by abnormally large spikes in capital spending. Given the District's current reserves it is recommended that the District issuing a new debt for about \$12.5 million to fund



a portion of FY2022 and FY2023 projects (namely the Kokila Reservoir and Eureka Rd Transmission Line). Issuing this debt will allow the District to simultaneously cash finance the rest of the capital projects over the next 10 years and establish larger reserve targets (which promotes pay-as-you-go capital funding) while minimizing water rate increases.

All of the above information was entered into a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period. This Study proposes 3 years of 7% annual rate adjustments.

### **Cost of Service and Rate Design**

The Cost-of-Service (COS) analysis evaluates the cost of providing water and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service. The COS analysis is performed in order to comply with Proposition 218, which requires water rates to be equitably apportioned and proportional to the cost of providing water service. This Study employed a COS methodology that is consistent with the “commodity-demand” COSA methodology promulgated in AWWA’s *Manual M1: Principles of Water Rates, Fees, and Charges (M1)*. This is a well-established methodology as recognized by the AWWA and other accepted industry standards.

The cost allocation methodology begins by assigning all costs to one of three revenue recovery categories, including the account charge, the meter charge and the usage charge. The District’s Base Charge was then calculated based on a combination of the account charge and meter charge identified through the cost of service analysis. Base Charges apply to all customer water bills, regardless of the amount of water actually used. In calculating Base Charges, the account charge is allocated equally to all customers and the meter charge is allocated to customers based on their meter size. Under the proposed water rates for CY 2022, the uniform water rate would be \$0.93 per CCF. The 3-year schedule of proposed water rates are presented in the table below.



	Current	Proposed Implementation Dates		
		Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
Overall Rate Revenue Increase -->		7%	7%	7%
<b>Daily Base Charges</b>				
Up to 1" meter	\$2.23	\$2.45	\$2.62	\$2.80
1 1/2" meter	\$5.78	\$6.18	\$6.61	\$7.07
2" meter	\$9.20	\$9.76	\$10.44	\$11.17
3" meter	\$17.13	\$18.10	\$19.37	\$20.73
4" meter	\$28.48	\$30.02	\$32.12	\$34.37
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8" meter	\$90.94	\$95.57	\$102.26	\$109.42
<b>Water Usage Charge (\$/CCF)</b>				
All water usage	\$0.92	\$0.93	\$1.00	\$1.07

## Drought Surcharges

Drought Surcharges are overlaid on then-current water usage rates during water shortage events, as declared by the District. Drought Surcharges are temporary and affect only the Usage Charge and not the fixed Base Charge. The Drought Surcharge is a tool the District would use to reduce the (potentially severe) financial impacts associated with reduced water sales and increases in operating costs during a drought event.

SJWD WSCP Stages:	Normal Supply Conditions <sup>1</sup>	Stage 1 - Alert	Stage 2 - Warning	Stage 3 - Crisis	Stage 4 - Emergency
Corresponding State Mandated Shortage Levels:	(normal)	Stage 1	Stages 2 & 3	Stages 3, 4 & 5	Stage 6
Use Reduction Goal -->	n/a	0% to 10%	10% to 25%	25% to 50%	Greater than 50%
Drought Rate Surcharge -->	n/a	0%	5%	10%	20%



### Private Fire Line Rates

The District assesses a charge for separate private service connections that provide fire suppression capabilities to structures and property (e.g., serving automatic internal sprinkler systems). The District provides maintenance and replacement services up to the backflow device for private fire service lines, which is a service that is not provided to other customers. The monthly Private Fire Line Rates are summarized in the table below and are calculated based on the cost of regular maintenance and the cost of replacing the line.

Service Line Size:	4"	6"	8"	10"	12"
Daily Charge:	\$1.03	\$1.20	\$1.34	\$1.46	\$1.60

It is recommended that the District increase the above rates by 3% per year, which is equal to forecasted annual cost inflation over the next 2 years.

### Conclusion

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the water rates are expected to enable the District to continue to provide reliable service to customers while meeting the state's mandates.

The water rates, including the Drought Surcharges, will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

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**Schedule 2** - Capital Spending Plan

**Schedule 3** - Cash Flow Pro Forma (Operating Fund and Capital Fund)

**Schedule 4** - 3-Year Schedule of Proposed Rates

## List of Acronyms

AF	acre-feet (measure of water volume)
AWWA	American Water Works Association
CAFR	Comprehensive Annual Financial Report
CCF	hundreds of cubic feet (measure of water volume)
CIP	capital improvement program
COS	cost of service
CY	calendar year
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
O&M	operations and maintenance
OPEB	Other Post-Employment Benefits
pay-go	“pay as you go” (i.e., cash financing for capital projects)
WSCP	water shortage contingency plan

## Section 1. INTRODUCTION

Hildebrand Consulting, LLC has been retained by San Juan Water District (District) to conduct a water rate study (Study) for the District's retail water system. Hildebrand Consulting retained The Reed Group, Inc. as a subconsultant. This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

### 1.1 UTILITY BACKGROUND

The District is a community services district formed under Section 61000 et seq., Title 5, Division 3 of the California Government Code. The District provides both wholesale and retail water service. The wholesale area (which includes the District's 17 square mile retail area) covers approximately 46 square miles in northeastern Sacramento and southeastern Placer Counties. The District wholesales water to San Juan Retail, Citrus Heights and Fair Oaks Water Districts, Orange Vale Water Company, and to the City of Folsom for its customers north of the American River. The retail system serves over 10,000 residential accounts and nearly 500 commercial accounts.

The District's existing water supply consists of three separate raw water contracts. The first source of water is a settlement contract with the U.S. Bureau of Reclamation (Reclamation) that provides, in perpetuity, for the delivery of 33,000 acre-feet of water from the American River based upon the District's water rights, which date from 1853 and 1928. The second source is a repayment contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The third source is a contract with Placer County Water Agency for up to 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant.

This current rate study directly addresses District's Strategic Plan goal to "Operate the District Sustainably and in a Financially Sound Manner while Maintaining a Fair Rate Structure."

The District's retail water rate study was conducted by The Reed Group in 2017 and the last rate adjustment was made in January of 2021.

## 1.2 SCOPE & OBJECTIVES OF STUDY

The scope of this Study is to prepare a multi-year financial plan, review the water rate structure, propose a 3-year rate schedule, and update the District's Drought Surcharges.

The primary objectives of this Study are to:

- i. Develop a multi-year financial plan that integrates operational and capital project funding needs with a funding strategy.
- ii. Identify future annual adjustments to water rates to help ensure adequate revenues to meet the District's ongoing financial obligations.
- iii. Update the cost of providing water service using industry-accepted methodologies.
- iv. Recommend specific updates to the District's existing rate structures in order to ensure that the District is equitably recovering the cost of service and comporting with industry standards<sup>1</sup> and California's legal requirements.

## 1.3 STUDY METHODOLOGY

This Study applied methodologies that are aligned with industry standard practices for rate setting as laid out in the AWWA M1 Manual, and all applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with a review of the District's current financial dynamics and latest available data for the District's operations. A multi-year financial management plan

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<sup>1</sup> As promulgated the American Water Work Association (AWWA) M1 Manual: Principles of Water Rates, Fees and Charges: Manual of Water Supply Practices M1, (7<sup>th</sup> edition), which documents many of the standards used by professionals in the utility rate-setting industry.

was then developed to determine the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. This portion of the Study was conducted using an MS Excel®-based financial planning model which was customized to reflect financial dynamics and latest available data for the District's operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated for fiscal year ending June 2022 (FY 2021/22<sup>2</sup>) were then used to perform a detailed cost-of-service (COS) analysis. The COS analysis and rate structure design were conducted based upon principles outlined by the AWWA, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.

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<sup>2</sup> Fiscal years are sometimes indicated by their ending years. For example, FY 2021/22, starts on July 1, 2021, and ends on June 30, 2022, can also be expressed as FY 2022.

## Section 2. FINANCIAL PLAN

This section presents the Retail System's 10-year Financial Plan, including a description of the source data, assumptions, and the District's financial policies. The District provided historical and budgeted financial information, including historical and budgeted operating costs, a multi-year capital improvement program (CIP), and outstanding debt service obligations. District staff also assisted in providing other assumptions and policies, such as reserve targets and escalation rates for operating costs (all of which are described in the following subsections).

The 10-year Financial Plan was developed through several interactive work sessions with District staff. As a result of this process, the Study has produced a robust financial plan that will enable the District to meet its future revenue requirements and achieve financial performance objectives throughout the projection period while striving to minimize rate increases.

The analysis identifies a revenue shortfall in upcoming years which leads to a conclusion that revenue adjustments are required for the District. The schedules attached to this report include detailed data supporting the Financial Plan discussed herein.

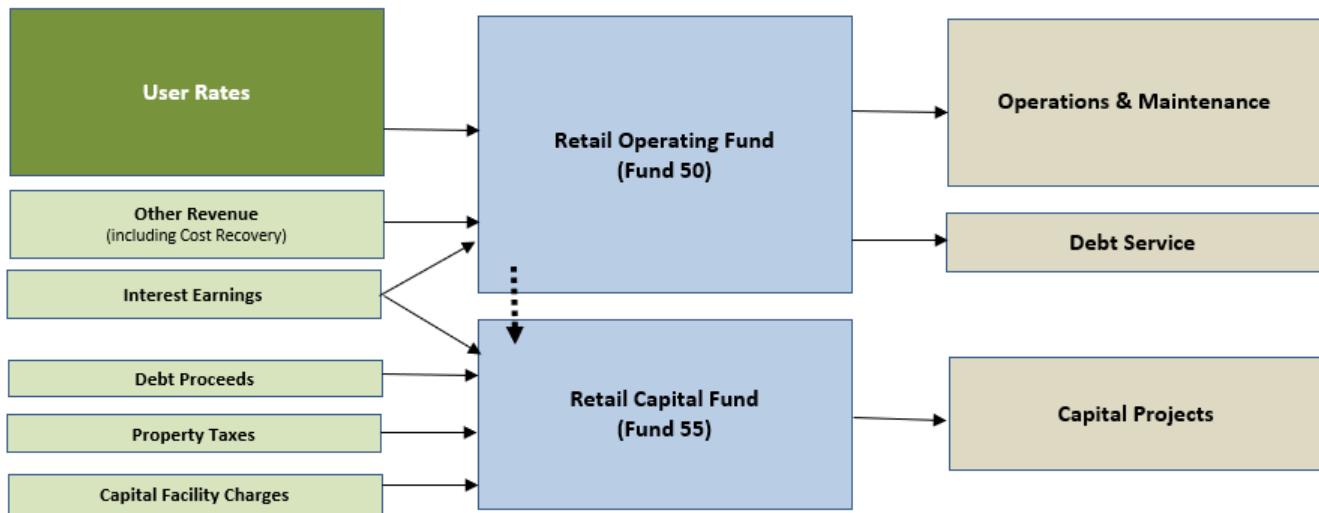
The Financial Plan reflects assumptions and estimates believed reasonable at the present time. However, conditions change. It is recommended that the District review its financial condition and scheduled rate adjustments as part of the annual budget process, as well as perform a more comprehensive financial plan and water rate update every 3 to 5 years, as conditions dictate.

### 2.1 FUND STRUCTURE

The Financial Plan is an annual cash flow model. As a cash flow model, it differs from standard accounting income statements, and balance sheets. The Financial Plan models sources and uses of funds into, out of, and between the Retail Water funds.

The Financial Plan model is based on the Retail Water fund structure and incorporates reserve policies for specified purposes. The reserve structure includes an Operating Reserve within the Operating Fund (Fund 50) and a Capital Reserve within the Capital Fund (Fund 55). **Figure 1** includes a schematic diagram of the funds/reserves and major cash flows associated with the financial plan model.

An understanding of the fund/reserve structure is helpful in understanding the financial plan worksheets that model estimated annual cash flows through Retail Water utility from one year to the next.



**Figure 1: Schematic of Retail Water Funds and Cash Flows**

## 2.2 BEGINNING FUND BALANCES

The budgeted ending cash balance for FY 2020/21 in the Retail Operating Fund was \$2,737,00 while in the Retail Capital Fund the ending cash balance was \$8,039,000. These cash balances were used to establish the “starting point” for the reserve levels for this 10-year financial plan. It should be noted that the amount of cash that the District keeps in reserves is a product of its reserve policies (see Section 2.5.4).

## 2.3 CUSTOMER GROWTH AND WATER USAGE

Over the period of 2016 to 2020 the District has collected an average of about \$315 thousand per year in Capital Facilities Charge revenue from new customers

connecting to the system, which equates to a growth rate of approximately 0.23% per year. This rate of growth is consistent with a utility that is largely “built-out”. This Study assumes that this trend will continue for the duration of the next 10 years.

In the Spring of 2021, the governor declared a drought emergency in 41 counties, including Sacramento County. For purposes of this Financial Plan, it is assumed that water demand will decrease by 5% in FY 2021/22 and rebound the next year. If the decrease in water usage persists or intensifies the District will need to consider enacting its drought surcharge policies (see Section 4). It is impossible to reliably forecast future water use since so much depends on future weather conditions. This Study assumes the above trends but also proposes a Drought Surcharge policy (see Section 4) as a contingency plan in the event that dramatic decreases to water usage occurs.

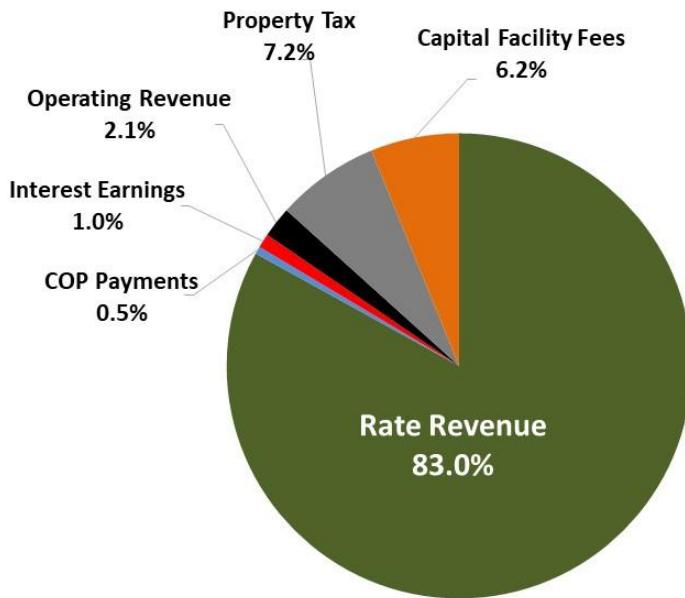
## 2.4 RATE REVENUE

Rate revenue is the revenue generated from customers for water service. The District collects rate revenue bimonthly from water customers in the form of a fixed “Base Charge” assessed based on meter size and a water “Usage Rate” applied to actual water use (measured in hundreds of cubic feet or “CCF”, which is equal to 748 gallons). The Financial Plan starts with rate revenue levels that were estimated based on mid-year projections during FY 2020/21. Estimated future water demand and rate revenues include the small amount of customer growth (see Section 2.3), changes in water usage (see Section 2.3), as well as the annual rate revenue adjustments proposed by this Study. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule 3**.

## 2.5 NON-RATE REVENUES

In addition to rate revenue, the District receives additional “non-rate revenue” from sources such as miscellaneous service fees, property taxes, leases, Capital Facilities

Charges<sup>3</sup> revenue, and interest revenue on investments. Projections of all non-rate revenues were based on FY 2019/20 actual revenues with the exception of interest income which was calculated annually based upon projected fund balances and assumed interest rate of 1.5%, which is consistent with the District's historical interest earnings relative to its total reserve levels. Capital facility fees were also updated based on year-to-date actuals. Property tax revenue is forecasted to increase by 2%. Budgeted non-rate revenues are depicted in **Figure 2** below and listed in detail in **Schedule 3**.



**Figure 2: Budgeted Revenue Categories (FY 2020/21 Projections)**

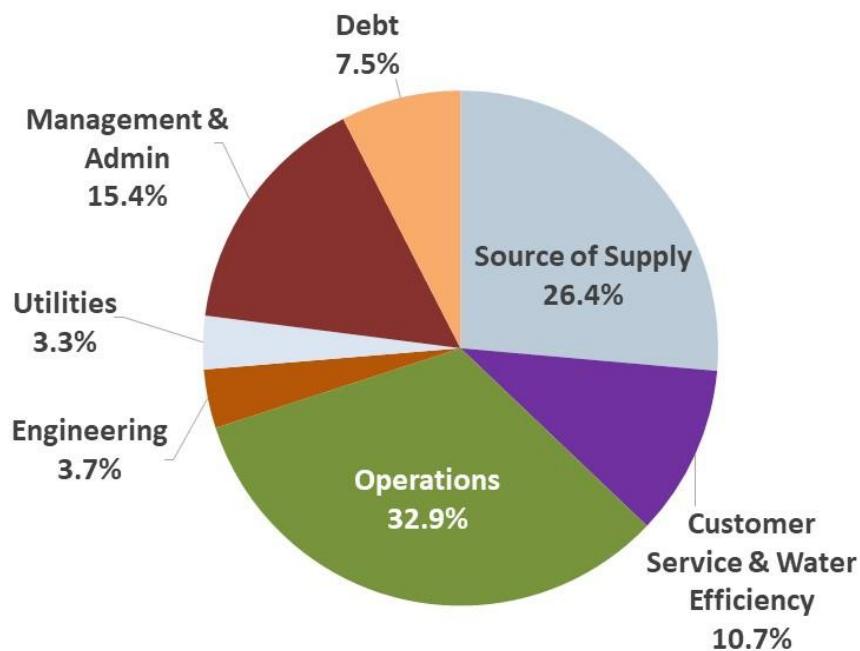
### 2.5.1 Operating and Debt Expenses

The District's expenses include operating and maintenance expenses, debt service, and capital spending. Capital spending is addressed separately in Section 2.5.3.

<sup>3</sup> The District's "Capital Facilities Charges" are known as "Capacity Charges" per Government Code Section 66013.

Future operating and maintenance expenses were projected based upon the actual expenditures from FY 2019/20, calibrated by certain FY 2020-21 expense trends and adjusted for inflation (see Section 2.5.2).

Major budgeted expense categories for FY 2020/21 are depicted in **Figure 3**. Projected operating and maintenance costs are listed in detail in **Schedule 1**. This schedule specifically breaks out salary and benefit costs since these expenses are forecasted to escalate at a different rate than other operating expenses (see Section 2.5.2).



**Figure 3: Operating and Debt Expense Categories (Projected FY 2020/21)**

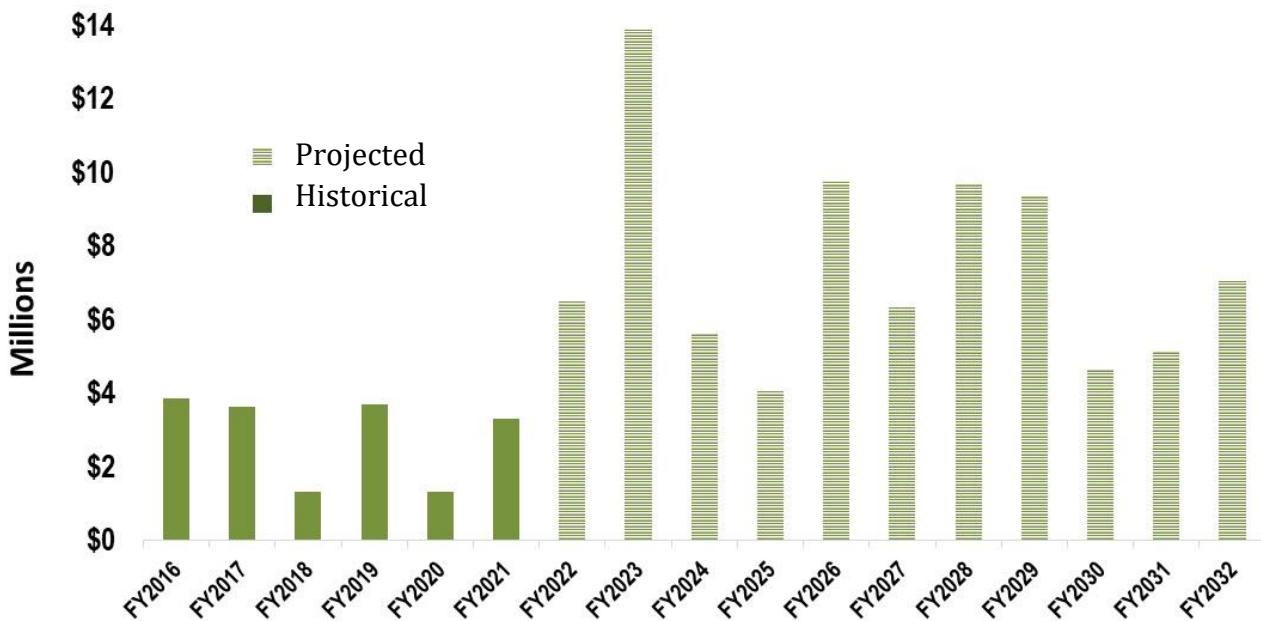
The Retail enterprise's current debt obligations include repayment of 2012 refunding revenue bonds and 2017 refunding revenue bonds. The retail portion of annual debt service on the 2012 bonds totals about \$300,000 and is about \$560,000 on the 2017 refunding revenue bonds. The 2012 bond is scheduled to be paid off in 2033 while the 2017 bond is scheduled to be paid off in 2039.

### 2.5.2 Cost Escalation

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, expenses related to salaries and benefits are projected to increase at a rate of 5% per year while all other expenses (including Wholesale Rates) are projected to increase by 3% per year.

### 2.5.3 Capital Improvement Program

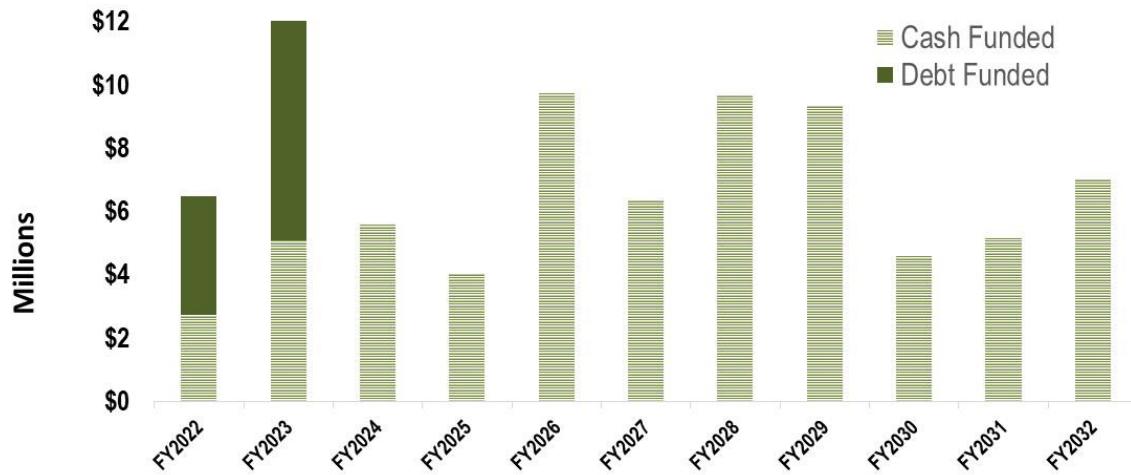
**Figure 4** shows that from FY 2015/16 to FY 2020/21 the District averaged \$2.8 million in cash financed (“pay-go”) capital spending. Going forward, the District is planning to increase its annual spending to an average of \$7.5 million per year. The District is increasing its capital spending in order to pro-actively address water system rehabilitation needs associated with aging pipes, pump stations, water tanks, and other system deficiencies. This level of spending is aligned with the District’s 2020 Retail Master Plan. A detailed list of capital projects and associated costs is provided in **Schedule 2**. Notable projects include the replacement of the Kokila Reservoir (\$9.5 million), multiple distribution mainline replacement projects on Cavitt Stallman (\$9.8 million), a transmission pipeline project on Eureka Rd (\$3.0 million), and a new Field Services / Administration Building (\$3.4 million) needed to address ADA non-compliance.



**Figure 4: Historic and projected capital spending**

#### 2.5.4 Debt Strategy

As part of this study, we worked with District staff to evaluate alternative financing approaches for the above-mentioned capital expenses. While the District typically follows a policy of cash financing capital projects whenever possible, there are instances when debt financing is appropriate. Such instances are typified by abnormally large spikes in capital spending, as can be seen in FY2022/23 and FY2027/28 (see Figure 4). Such spikes in capital spending can either be addressed by drawing down on existing cash reserves or by issuing new debt. Given that the District's current reserves are insufficient to fund both spikes in capital spending, it is recommended that the District issuing a new bond to fund the FY2022 and FY2023 projects (including the Kokila Reservoir and Eureka Rd Transmission Line). Issuing this debt will allow the District to simultaneously cash finance the rest of the capital projects over the next 10 years and establish larger reserve targets (which promotes pay-as-you-go capital funding) while minimizing water rate increases. The total new debt would amount to about \$12.5 million. **Figure 5** shows how this debt strategy effectively "shaves" the need for cash in the immediate future.



**Figure 5: Forecasted Capital Spending with Debt Strategy**

This Study assumes the debt will likely be in the form of low interest rate financing through the State of California's Drinking Water Revolving Loan Fund (SRF) with a repayment period of 30-years and a fixed interest rate of 2.0%<sup>4</sup>. ). Interest rates in this program are approximately half of the interest rate on a traditional bond issuance. If the District is unable to secure financing from the SRF it would seek traditional bond financing, which would be at a higher interest rate.

Table 1 summarizes some of the details of the proposed new debt issues, including the timing and the ensuing annual debt service.

<sup>4</sup> These assumptions were provided by District staff. Hildebrand Consulting is not a financial advisor and cannot provide guidance to the District regarding topics such as future interest rates for bonds.

**Table 1: Summary of Proposed Debt Issue**

	<b>SRF 1</b>	<b>SRF 2</b>
<b>Year of Issue</b>	2022	2023
<b>Bond Funded Projects</b>	\$2,938,000	\$9,565,000
<b>Total Bond Issue</b> (including soft costs)	\$3,099,873	\$10,091,997
<b>Interest Rate on Borrowings</b>	2%	2%
<b>Debt Maturity</b>	30	30
<b>First Payment Year</b>	2023	2024
<b>First Year of Interest Payment</b>	2023	2024
<b>Approx. Annual Debt Payments</b>	\$138,000	\$451,000

### 2.5.5 Debt Service Coverage

The District's 2017 bond requires the District to maintain a debt service coverage ratio (DCR) of at least 1.15. The DCR is calculated based on the combined financial capacity of both the retail enterprise and the wholesale enterprise. Based on recently published guidance from Fitch Ratings<sup>5</sup>, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.5 times annual debt service. This Financial Plan demonstrates that a DCR of at least 3.0 will be maintained throughout the planning period.

### 2.5.6 Cash Reserve Policies

Cash reserve policies are cash balances targets that are retained for specific cash flow needs. The target for reserves is an important component when developing a multi-year Financial Plan and maintaining prudent reserves is an essential component of any sound financial management strategy. Utilities rely on reserves for financial stability; credit rating agencies evaluate utilities in part on their adherence to formally adopted reserve targets; and lending agencies require utilities to maintain specific debt reserves for outstanding loans. The target levels of the policies below are consistent with 1) the District's established policies and practices; 2) the findings of reserve studies conducted by the AWWA; 3) a healthy level of reserves for a utility per the evaluation criteria published by rating agencies (e.g., Fitch, Moody's, and

<sup>5</sup> As published on July 31, 2013.

Standard & Poor's); and 4) Hildebrand Consulting and The Reed Group's industry experience for similar systems.

The following recommended reserve policies are based on Board-approved policies (Policy FIN 5.9). The policy recommendations are intended to help the District mitigate and manage financial risk while meeting service and financial obligations.

**Retail Operating Reserve** - The purpose of the Retail Operating Reserve is to provide sufficient funds (working capital) for operations of the District. The reserve will be maintained in an amount equal to at least 20% of the annual operating expenditures (excluding depreciation). This amounts to about \$2.2 million in FY 2021/22.

**Retail Capital Reserve** - The purpose of the reserve is to accumulate funds necessary to pay for the replacement of Retail's aged assets and to fund new Retail assets as deemed necessary by the District's Master Plan and Capital Improvement Plan. As written, this reserve policy has two components:

- 1) The sum of all annual revenue sources into this reserve should be at least equal to the amount of annual depreciation for Retail's fixed assets.
- 2) The balance of the reserve should be equal to the accumulated depreciation for existing Retail assets, adjusted for inflation. If the Reserve balance is below this threshold, the District will work towards increasing the reserve balance or designate certain large capital replacement projects to be funded by the issuance of debt

The purpose of the second component is to avoid and/or minimize the future issuance of debt for capital asset replacement. The "cushion" provided by cash reserves allows the District to draw down on reserves during above-average capital spending years and build the reserve back up during subsequent years. In reviewing the District's Comprehensive Annual Financial Report (CAFR) and discussing with District Staff, the Retail enterprise's accumulated depreciation is approximately \$29 million. While the District's long term goal of creating such healthy reserves is commendable, it is not reasonable to achieve such reserve levels within the next ten years. As such, this Report recommends a Capital Reserve target of 100% of 10-year

average annual capital spending as an interim goal. This equates to a reserve target of \$7.5 million.

**Target Reserves vs. Minimum Reserves** – When discussing the two reserve policies above, it is important to discern between two types of reserve policies. A *minimum* reserve policy refers to a reserve level that the District should never *plan* to draw down. Such reserves (such as the Operating Reserve policy) should only be drawn down in the event of an unforeseen circumstance. On the other hand, *target* reserves (such as the Capital reserve) are designed to be drawn down and built up over the course of a planning period. The purpose of such a reserve is to give the District financial flexibility, not to create restrictions on minimum levels.

#### 2.5.7 Proposed Rate Revenue Increases

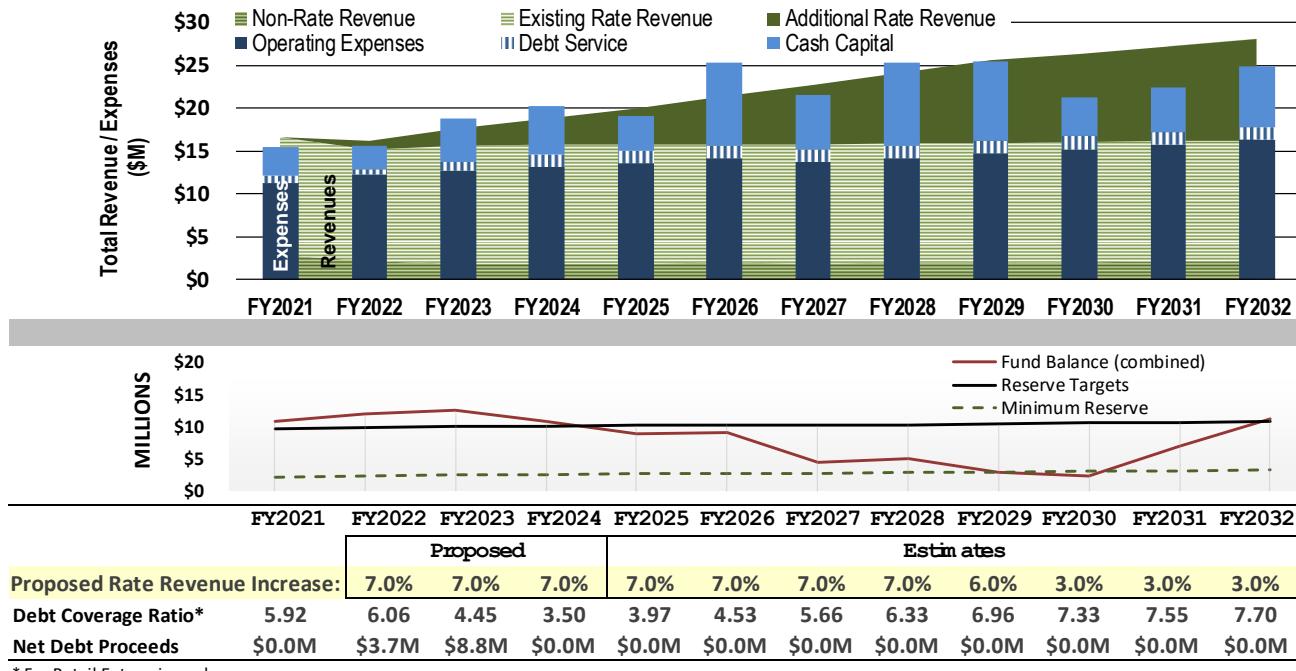
All of the above information was entered into a financial planning model to produce a 10-year projection of the sufficiency of current rate revenues to meet projected financial requirements and determine the level of rate revenue increases necessary in each year of the projection period.

Based upon the previously discussed financial data, assumptions, policies, and debt strategy, this Study proposes a 3-year schedule of annual rate adjustments as detailed in **Table 2**.

**Table 2: Recommended Water Rate Revenue Increase**

Date	Proposed Rate Revenue
January 1, 2022	7.0%
January 1, 2023	7.0%
January 1, 2024	7.0%

The numbers provided in **Schedule 3** (cash flow proformas) are summarized graphically in **Figure 6**, which shows that the reserves are maintained over the course of the planning period and the DCR remains above 3.0 at all times.



**Figure 6: Financial Projection with Recommended Rate Increases**

It is important to understand that the rate increases that are being proposed are necessary in order to recalibrate the District's revenue to be able to support a more proactive capital spending program, which is increasing from \$2.8 million per year to over \$7.5 million per year as outlined by the 2020 Retail Master Plan. The projected rate increases after FY 2024/25 shown in Figure 6 are only estimates to demonstrate that, based on current forecasts, larger rate increases are not anticipated for that time period.

This Study proposes a 3-year rate schedule rather than a 5-year schedule in part because of anticipated state mandates regarding water usage allocations. The financial impacts of those pending water limitations are not yet understood. Once the impacts are better understood, the District will need to consider potential modifications to its rate structure and the possibility of penalty rates in order to respond to the State's decision.



## Section 3. COST OF SERVICE & RATE STRUCTURE

The Cost-of-Service (COS) analysis evaluates the cost of providing water and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service. The COS analysis is performed in order to comply with Proposition 218, which requires water rates to be equitably apportioned and proportional to the cost of providing water service.

Upon completion of the COS analysis, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate schedules for implementation in FY 2020/21. The complete schedule of proposed rates for FY 2021/22 through FY 2025/26 is detailed in **Schedule 4**.

The rate structure proposed by this Study is designed to:

- ▶ Fairly and equitably recover costs through rates
- ▶ Conform to accepted industry practice and legal requirements
- ▶ Provide fiscal stability and recovery of system fixed costs
- ▶ Meet other rate setting objectives, as described in Section 1.4

This Study employed a COS methodology that is consistent with the “commodity-demand” COSA methodology promulgated in AWWA’s *Manual M1: Principles of Water Rates, Fees, and Charges (M1)*. This is a well-established methodology as recognized by the AWWA and other accepted industry standards.

### 3.1 CURRENT RATES

The structure for the District’s current water rates follow a common industry practice with a two-part structure that is comprised of a fixed Base Charge and a consumption-based Usage Charge. The Base Charge is scaled based on the individual account’s meter size and currently recovers approximately 64% of rate revenue. The current Base Charge schedule is summarized in **Table 3**. Bills are sent to customers every two months.

**Table 3: Current Daily Base Charge**

<b>Meter Size</b>	<b>Daily Base Charges</b>
Up to 1" meter	\$2.23
1 1/2" meter	\$5.78
2" meter	\$9.20
3" meter	\$17.13
4" meter	\$28.48
6" meter	\$56.88
8" meter	\$90.94

The Usage Charge is assessed based on actual water usage (measured in CCF). The Usage Charge is a flat (or “uniform”) rate of \$0.92 per CCF.

The District also charges a base charge for private fire services which is further addressed in Section 5.

### 3.2 CUSTOMER STATISTICS

Water rate calculations are based on a number of factors related to the District’s customer base. Factors include the number of customers, customer classes, meter size, and actual water usage. The District provides water service through 10,675 water service connections (customer accounts). Single family, duplex and triplex customers comprise about 95.6 percent of the customer accounts and about 87.0 percent of annual water usage. Multi-family (4 or more units) and commercial customer accounts make up the remaining 4.6 percent of the customer accounts and 13.0 percent of annual water usage.

While there are extremes on both the low and high ends, average bimonthly single-family water usage is about 68.8 CCF (about 857 gallons per day). Water usage for condominium units and multi-family dwellings is lower than for single family residences for a variety of reasons including fewer people per household and limited landscape irrigation (or irrigation that is separately metered). Non-residential water usage can vary dramatically, and non-residential customers are served by meters of varying sizes to accommodate the differences in water demands.

Service connections with different meter sizes can place different demands on the water system. For example, 8 times more water can be delivered through a 3" water

meter than through a 1" meter. The current rate structure is based on hydraulic capacity factors which relate the potential demands on the water system from customers with different sized water meters. These factors are used to determine the number of equivalent meters represented by the total customer base with variable meter sizes.

Typically, the smallest meter size is assigned a hydraulic capacity factor of 1.0 and the ratios of rated flow capacities of the various meter sizes compared to the capacity of that smallest meter are used to determine the capacity factors for other meter sizes. This capacity relationship across meter sizes is used to allocate capacity-related fixed costs to various customers. This is also a common rate-setting practice used in the water industry. In this particular case the District has a mix of 5/8", 3/4", and 1" meter sizes for single family homes since the standard size has changed over the years. Previous cost of service studies took the weighted average of those capacity factors to establish a factor of 0.75 for the average single family home. **Table 4** presents the rated flow capacity of various meter sizes and how these are used to develop hydraulic capacity factors.

**Table 4: Rated Flow Capacity by Meter Size**

Meter Size	Rated Flow Capacity (gpm) <sup>1</sup>	Hydraulic Capacity Factor
1" and below	38 <sup>2</sup>	0.75
1 1/2"	100	2.0
2"	160	3.2
3"	300	6.0
4"	500	10.0
6"	1000	20.0
8"	1600	32.0

<sup>1</sup> AWWA M1 Manual, 7th Edition, Table B-2

<sup>2</sup> Inferred based on calculated hydraulic capacity factor

**Table 5** summarizes customer account and water usage data used in water rate calculations for FY 2021/22. Account information is based on the utility billing data from FY 2019/20.

**Table 5: Summary of Water Service Connections and Water Usage**

	1" and below	1 1/2"	2"	3"	4"	6"	8"	Total	Actual FY 2019/20 Water Use (CCF)
<b>No. of Accounts</b>									
Single Family Residential	10,143	23	19	2				10,187	4,078,686
Multi-Fam. & Non-Resid.	236	89	139	22	2			488	610,647
<b>Total Accounts</b>	<b>10,379</b>	<b>112</b>	<b>158</b>	<b>24</b>	<b>2</b>	-	-	<b>10,675</b>	<b>4,689,333</b>
Hydr. Cap. Factor	0.75	2.0	3.2	6.0	10.0	20.0	32.0		
1" Equivalent Meters	7,784	224	506	144	20	-	-	8,678	

### 3.3 WATER RATE CALCULATIONS

There were two primary steps in calculating the proposed water rates. These are:

- Determine annual water rate revenue requirements
- Analyze the cost of providing service and proportionately allocate costs to be recovered from customers either through the Base Charge or the Usage Charge.

#### 3.3.1 Water Rate Revenue Requirements

The 10-year Financial Plan was used to identify the water rate revenue required to meet financial obligations for each fiscal year of the planning period. The water rate calculations presented herein are based on the revenue to be generated in CY 2022<sup>6</sup>, and reflects the proposed 7 percent overall rate increase to be incorporated in the District's Financial Plan. The annual water rate revenue requirement with this rate adjustment is \$14,497,900.

#### 3.3.2 Cost-of-Service Analysis

Once the annual water rate revenue requirement was determined using the financial planning model, the next step in the rate-setting process was to allocate costs to be recovered through the various rate elements. Water rate calculations contained herein are intended to generate water rate revenue equal to the revenue requirement

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<sup>6</sup> The proposed rate increases will occur on January 1, which is the mid-point of the fiscal year.

from the District's water service customers. The manner in which each customer is responsible for the water utility's costs is the determining factor in the cost-of-service analysis.

The cost allocation approach presented by this Study is consistent with the methodology that was used in the 2017 rate study. Used herein the methodology is commensurate with the available data and the requirement to fairly and reasonably reflect the cost difference to provide services to different types of customers.

The cost allocation methodology begins by assigning all costs to one of three revenue recovery categories. The cost allocation process is performed with data available in the District's detailed budget and other documents. The three categories include:

- The Account Charge recovers customer costs such as meter reading and billing that are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- The Meter Charge recovers capacity costs that are also fixed costs; however, these tend to vary in relation to the capacity of the water system and the ability to serve the demands of active customers. Customers that place greater or lesser burdens on the capacity of the water system should bear greater or lesser shares of these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers based on the hydraulic capacity of the water meter. The hydraulic capacity reflects the potential demand that a customer could place on the water system at any given time and is a general indicator of each customer's capacity requirement. A customer with a large meter size will be assigned a large share of fixed capacity-related costs than one with a smaller meter. Capacity costs include costs associated with the water system's capacity including contributions to the capital program, debt service, maintenance, and certain fixed operating costs.
- The Usage Charge recovers commodity costs that include costs that vary entirely or substantially in response to the amount of actual water use or are reasonably

allocated on the basis of water use. Water purchase costs and energy costs are two typical examples. Even though some commodity costs are fixed, rather than variable, it is reasonable to recover a portion of fixed costs from customers through usage rates.

**Table 6** summarizes how the FY 2021/22 revenue requirement is comprised of various functional categories of operating and maintenance costs, debt service obligations, and capital spending with offsetting revenues and the application of available reserves. It also illustrates how these functional cost categories are each assigned to one or more of the three revenue recovery components, previously described.

The costs within each of the functional categories were derived from the line-item detailed actuals for FY 2019/20, which were then forecasted into a FY 2021/22 budget. In reviewing Table 6, we see that half of Customer Service Costs are recovered through the account charge. All source of supply costs and 10 percent of field services (which is the estimated portion of variable costs such as electricity) are recovered through the usage charge. The Use of Reserves (bottom row) is allocated based on the indirect method (based on the weighted average allocation of all previous costs).

The final allocations result in 6.1 percent of costs are recovered through the account charge, 65.2 percent are recovered through the meter charge, and 28.7 percent through usage charge. These percentages are similar but not identical to those developed in the 2017 water rate study. Changes to these allocation percentages is a natural by-product of shifts in the District's cost profile (such as the increase in capital spending).

Once functional cost categories are allocated to the components, the total for each component is divided by the number of units to arrive at a total unit costs for each component. The units of demand include the number of customer accounts (service connections), number of 1" equivalent meters, and annual water sales for the customer, capacity, and commodity components, respectively.

**Table 6: FY 2021/22 Units Cost of Service**

		Revenue Recovery		
	Account Charge	Meter Charge	Usage Charge	
<b>Administration</b>	\$231,200		\$231,200	
	<i>Allocation:</i>		100%	
<b>Board of Directors</b>	\$32,000		\$32,000	
	<i>Allocation:</i>		100%	
<b>Water Efficiency</b>	\$472,000		\$472,000	
	<i>Allocation:</i>		100%	
<b>Customer Service</b>	\$873,400	\$873,400		
	<i>Allocation:</i>	100%		
<b>Engineering</b>	\$462,600		\$462,600	
	<i>Allocation:</i>		100%	
<b>Executive</b>	\$133,500		\$133,500	
	<i>Allocation:</i>		100%	
<b>Field Services</b>	\$4,748,300		\$4,178,504	\$569,796
	<i>Allocation:</i>		88%	12%
<b>Finance</b>	\$440,000		\$440,000	
	<i>Allocation:</i>		100%	
<b>Human Resources</b>	\$754,200		\$754,200	
	<i>Allocation:</i>		100%	
<b>Information Technology</b>	\$307,300		\$307,300	
	<i>Allocation:</i>		100%	
<b>Operations</b>	\$404,700		\$404,700	
	<i>Allocation:</i>		100%	
<b>Public Relations</b>	\$76,600		\$76,600	
	<i>Allocation:</i>		100%	
<b>Source of Supply</b>	\$3,289,100			\$3,289,100
	<i>Allocation:</i>			100%
<b>Capital Spending</b>	\$2,732,000		\$2,732,000	
	<i>Allocation:</i>		100%	
<b>Debt Service</b>	\$596,000		\$596,000	
Total:			<i>Allocation:</i>	100%
<b>Non-Rate Revenue</b>	-\$2,120,000		-\$2,120,000	
Total:			<i>Allocation:</i>	100%
<b>Use of Reserves</b>	\$1,065,000		\$737,780	\$327,220
Total:			<i>Allocation:</i>	69.3% 30.7%
<b>Total Costs</b>	<b>\$14,497,900</b>	<b>\$873,400</b>	<b>\$9,438,384</b>	<b>\$4,186,116</b>
	Units of Service:	10,675 accounts	8,678 Equivalent Meters	4,520,130 HCF
	Unit Rate:	\$0.22 per account	\$2.98 per EM	\$0.93 per HCF

### 3.3.2.1 BASE CHARGES

Base charges are a combination of the account charge and meter charge identified through the cost of service analysis. Base Charges apply to all customer water bills, regardless of the amount of water actually used. Customers that use no water during

a billing period should still be required to pay the Base Charge, as service is immediately available to them. In calculating Base Charges, the account charge is allocated equally to all customers and the meter charge is allocated to customers based on their meter size.

The proposed daily Base Charge in CY 2022 for a 1" meter is \$2.45, as shown in **Table 7**. This value was calculated by adding the daily account charge of \$0.22 plus 75% of \$2.98, which is the daily meter charge per equivalent meter (both at the bottom of **Table 6**).

For larger meters, the meter charge portion of the Base Charge increases in proportion to the meter equivalency, while the account charge remains the same for all meter sizes. The variation of service charges through meter sizes reflects the fact that a small portion of water system costs are directly related to the number of customers served. A majority of fixed costs are allocated on a capacity basis as reflected by the meter size. The changes to the Base Charges across the range of meter sizes more objectively reflect a consistent proportioning of the cost of providing service to customers of varying meter sizes.

**Table 7: Calculation of Proposed Daily Base Charges**

Meter Size	Customer Charge	Hydraulic Capacity Factor	Meter Charge	Daily Base Charge
Up to 1" meter	\$0.22	0.75	\$2.23	\$2.45
1 1/2" meter	\$0.22	2.00	\$5.96	\$6.18
2" meter	\$0.22	3.20	\$9.54	\$9.76
3" meter	\$0.22	6.00	\$17.88	\$18.10
4" meter	\$0.22	10.00	\$29.80	\$30.02
6" meter	\$0.22	20.00	\$59.60	\$59.82
8" meter	\$0.22	32.00	\$95.35	\$95.57

### 3.3.2.2 WATER USAGE RATES

Current water rates include a uniform usage rate for all customer classes of \$0.92 per CCF. Under the proposed water rates for CY 2022, the uniform water rate would remain at \$0.93 per CCF (as calculated at the bottom of **Table 6**).

### 3.3.3 Bill Impacts of Proposed Water Rates

**Table 8** summarizes how the proposed water rates for CY 2022, with the proposed rate structure changes, would affect a sampling of customers. In most cases, water bills will increase by slightly more or less than the average 7% rate revenue increase for Year 1. These variations are a natural occurrence in the first year after a cost of service update.

**Table 8: Bill Impacts for a Sampling of Customers**

	<b>Meter Size</b>	<b>Water Use (CCF)</b>	<b>Current Bill</b>	<b>Proposed Bill <sup>1</sup></b>	<b>Change \$</b>	<b>%</b>
Residential						
Low Use	1"	20	\$152.20	\$165.60	\$13.40	8.8%
Median Use	1"	50	\$179.80	\$193.50	\$13.70	7.6%
Average	1"	69	\$197.28	\$211.17	\$13.89	7.0%
High Use	1"	120	\$244.20	\$258.60	\$14.40	5.9%
Multi-family	1 1/2"	200	\$530.80	\$556.80	\$26.00	4.9%
Multi-family	2"	400	\$920.00	\$957.60	\$37.60	4.1%
Multi-family	3"	800	\$1,763.80	\$1,830.00	\$66.20	3.8%
Retail Business	1"	25	\$156.80	\$170.25	\$13.45	8.6%
Restaurant	2"	400	\$920.00	\$957.60	\$37.60	4.1%
Institution	3"	800	\$1,763.80	\$1,830.00	\$66.20	3.8%
Irrigation	2"	400	\$920.00	\$957.60	\$37.60	4.1%

<sup>1</sup> With Year 1 rate increases

### 3.4 ADOPTION OF PROPOSED RATES

The 3-year schedule of proposed water rates are presented in Schedule 4). All rates are proposed to be effective as of January 1 (halfway through their respective fiscal year).

## Section 4. DROUGHT SURCHARGE

This section presents recommended updates to the District's existing Drought Surcharge, which are to be overlaid on then-current water usage rates during the time that a water shortage is declared by the District. Drought Surcharges would be temporary and affect only the Usage Charge and not the fixed Base Charge.

The Drought Surcharge is a tool the District would use to reduce the (potentially severe) financial impacts associated with reduced water sales and increases in operating costs during a drought event. The multi-pronged approach includes implementing the temporary surcharge, reducing capital spending, and relying (modestly) on reserves to help bridge the financial deficit.

The proposed updates to the District's Drought Surcharges addresses the requirements of (recently passed) Senate Bill (SB) 606, which has directed water utilities to establish water shortage contingency plans (WSCP). The District's current WSCP defines 4 stages of water shortage and how those water shortage stages correspond to the 6-stages of water shortage defined by the State.

**Table 9** presents:

- 1) The water usage reduction goals (by District stage and corresponding State stage)
- 2) The assumed actual water use reduction during each respective stage
- 3) The proposed Drought Surcharge expressed as a percent increase to the Usage Charge
- 4) The changes in revenue for each respective stage
- 5) The changes in expenditures for each respective stage including the proposed reduction in capital spending
- 6) The financial deficit that will occur even with the mitigating measures.

The Drought Surcharges and reduction in capital spending have been calibrated to yield an overall deficit of approximately \$100 thousand to \$200 thousand per year.

This means that the surcharge and the reduction in capital spending will not totally offset the financial impact of the water shortage event. Given the District's reserve policies, this size of a deficit was deemed sustainable for the duration of an extended drought (up to 6 – 8 years).

It should be noted that the capital program will need to be modestly curtailed during the various stages. Based on its recent experience during the historical drought from 2012 to 2016, the District assumes that the cost of its conservation will increase by \$10 thousand per stage.

It should be further noted that the temporary Drought Surcharges would only partially assist in covering the costs of providing water service during shortage conditions. Revenue from the surcharges would help bridge the financial deficit and would not exceed the cost of providing service.

**Table 9: Proposed Water Shortage Surcharges and Capital Spending Reductions**

	<b>Corresponding State Mandated Shortage Levels:</b>	<b>Normal Supply Conditions<sup>1</sup> (normal)</b>	<b>Stage 1 - Alert Stage 1</b>	<b>Stage 2 - Warning Stages 2 &amp; 3</b>	<b>Stage 3 - Crisis Stages 3, 4 &amp; 5</b>	<b>Stage 4 - Emergency Stage 6</b>
1	Overall Use Reduction Goal -->	n/a	0% to 10%	10% to 25%	25% to 50%	Greater than 50%
2	Assumed Water Use Reduction -->	-	5.0%	17.5%	37.5%	50.0%
	<b>Revenues</b>					
3	Base Charge Revenues	\$10,311,784	\$10,311,784	\$10,311,784	\$10,311,784	\$10,311,784
4	Usage Charge Revenue <sup>2</sup>	\$4,203,721	\$3,994,000	\$3,468,000	\$2,627,000	\$2,102,000
5	Drought Surcharge Revenue	<b>Percentage:</b> <b>Revenue:</b>	<b>0%</b> <b>\$0</b>	<b>5%</b> <b>\$173,000</b>	<b>10%</b> <b>\$263,000</b>	<b>20%</b> <b>\$420,000</b>
6	Other Revenue and Transfers In	\$2,120,000	\$2,120,000	\$2,120,000	\$2,120,000	\$2,120,000
8	Use of Reserves <sup>3</sup>	\$1,942,135	\$1,942,135	\$1,942,135	\$1,942,135	\$1,942,135
9	<b>Total Revenue</b>	<b>\$18,577,640</b>	<b>\$18,367,919</b>	<b>\$18,014,919</b>	<b>\$17,263,919</b>	<b>\$16,895,919</b>
10	(% of Normal)		99%	97%	93%	91%
	<b>Expenditures and Transfers</b>					
11	Source of Supply - Fixed <sup>4</sup>	2,237,642	\$2,237,642	\$2,237,642	\$2,237,642	\$2,237,642
12	Source of Supply - Usage	\$1,051,358	\$998,790	\$867,370	\$657,099	\$525,679
13	Operations	\$4,736,000	\$4,736,000	\$4,736,000	\$4,736,000	\$4,736,000
	Other Operations	\$0				
14	Customer Service & Water Efficiency	\$1,345,000	\$1,345,000	\$1,345,000	\$1,345,000	\$1,345,000
	Water Conservation <sup>5</sup>	\$0	\$10,000	\$20,000	\$30,000	\$40,000
	General Administration	\$0	\$0	\$0	\$0	\$0
15	Management & Admin	\$1,975,000	\$1,975,000	\$1,975,000	\$1,975,000	\$1,975,000
16	Engineering	\$463,000	\$463,000	\$463,000	\$463,000	\$463,000
17	Utilities <sup>6</sup>	\$417,000	\$398,235	\$351,323	\$276,263	\$229,350
18	Debt Service	\$910,000	\$910,000	\$910,000	\$910,000	\$910,000
19	Average Cash Capital Spending	\$5,442,640	\$5,442,640	\$5,333,787	\$5,116,082	\$5,007,229
20	Capital Spending Reduction		<b>0%</b> <b>\$0</b>	<b>2%</b> <b>\$0</b>	<b>6%</b> <b>-\$108,853</b>	<b>8%</b> <b>-\$326,558</b>
21						
22	<b>Revenue Requirement</b>	<b>\$18,577,640</b>	<b>\$18,516,307</b>	<b>\$18,130,269</b>	<b>\$17,419,526</b>	<b>\$17,033,489</b>
23	(% of Normal)		100%	98%	94%	92%
24	<b>Surplus/Deficit</b>	<b>\$0</b>	<b>-\$148,388</b>	<b>-\$115,350</b>	<b>-\$155,608</b>	<b>-\$137,570</b>

<sup>1</sup> Analysis based on FY 2021-22 budget and assumed that current usage reflects normal water supply conditions.

<sup>2</sup> Water usage revenue would decline in proportion to water sales.

<sup>3</sup> Represents the calculated change in fund balance during such a test year, which is hypothetical since it uses average capital spending.

<sup>4</sup> Assumes that wholesale water purchases costs are 68% fixed per 2021 wholesale rate study

<sup>5</sup> Estimated water conservation program costs increase by \$10,000 with each shortage stage

<sup>6</sup> Assumes that 90% of the utility bill is proportionately affected by changes in water usage

## Section 5. PRIVATE FIRE LINE RATES

The District assesses a charge for separate private service connections that provide fire suppression capabilities to structures and property (e.g., serving automatic internal sprinkler systems)<sup>7</sup>. In effect, these connections extend the public fire suppression capabilities of the water distribution systems (i.e., provided through public fire hydrants) to private property. Fire flow capacity is built into the water distribution system (in pipelines, distribution storage, and pumping capabilities) as an essential public health and safety benefit to the entire community. The costs of maintaining the fire flow capacity within the general system are inextricably embedded in the costs of maintaining the water system and incorporated in the capacity cost component of water rates generally.

The District provides maintenance and replacement services up to the backflow device for private fire service lines, which is a service that is not provided to other customers. Maintenance primarily requires periodic exercising of valves but may also include visual inspection of the surface ancillaries such as valve boxes and covers, corrosion inspection and vault pumping. Replacement of standby fire services, up to the line of responsibility (typically the backflow device), is done by the District or an on-call contractor.

The proposed monthly Private Fire Line Rate is summarized in Table 10 and are calculated based on the cost of regular maintenance and the cost of replacing the line. Based on District staff estimates the maintenance costs for each service are approximately \$95 every 5 years (therefore \$19.00 per year). The replacement costs depend on the size of the service line as summarized in Table 10. The expected useful life of ductile iron pipe is 100 years, and the average length of the service line was assumed to be 40 linear feet.

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<sup>7</sup> Customers who have private fire service connections also have general water service connections for ongoing water use.

The Private Fire Line Rates are estimated to generate about \$47 thousand per year.

**Table 10: Private Fire Line Rate Calculation and Schedule**

Service Line Size:	4"	6"	8"	10"	12"
Annual Maintenance	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00
Replacement Cost <sup>1</sup>	\$35,800	\$42,000	\$47,100	\$51,300	\$56,600
Annual Replacement <sup>2</sup>	\$358.00	\$420.00	\$471.00	\$513.00	\$566.00
<b>Total Annual Charge</b>	<b>\$377.00</b>	<b>\$439.00</b>	<b>\$490.00</b>	<b>\$532.00</b>	<b>\$585.00</b>
<b>Daily Charge</b>	<b>\$1.03</b>	<b>\$1.20</b>	<b>\$1.34</b>	<b>\$1.46</b>	<b>\$1.60</b>

<sup>1</sup> Assumes 40 linear feet of ductile iron pipe

<sup>2</sup> Assumes 100-year expected useful life

It is recommended that the District increase the above rates by 3% per year, which is equal to forecasted annual cost inflation over the next 2 years. The complete 3-year rate schedule is provided in Schedule 4.

## Section 6. CONCLUSION

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws, including California's Proposition 218. The proposed annual adjustments to the water rates are expected to enable the District to continue to provide reliable service to customers while meeting the state's mandates.

The water rates, including the Drought Surcharges, will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed charges to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates. The District should consult with its legal counsel on the appropriate procedures for those fees.

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model if conditions or plans change sufficiently to warrant an update. Actual future conditions, such as water demand, water sales revenue, operating and maintenance expenses, CIP project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the retail water system may warrant closer review and/or an earlier update. The need for and magnitude of annual retail water rate increases may also be affected by differences between assumed and actual conditions.

## SCHEDULES

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**Schedule 1 –Projected Operating Expenses**

**Schedule 2 - Capital Spending Plan**

**Schedule 3 - Cash Flow Pro Forma (Operating Fund and Capital Fund)**

**Schedule 4 – 3-Year Schedule of Proposed Water Rates**

## Schedule 1 –Projected Operating Expense

	Forecast FY 2021	Forecast FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031	Forecast FY 2032
1 <b>Administration</b>	\$217,100	\$223,600	\$230,300	\$237,200	\$244,300	\$251,600	\$259,100	\$266,900	\$274,900	\$283,100	\$291,600	\$300,300
2 Salaries & Benefits	\$6,100	\$6,300	\$6,600	\$6,900	\$7,200	\$7,500	\$7,800	\$8,100	\$8,400	\$8,700	\$9,000	\$9,400
3 Health	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700	\$1,800	\$1,900	\$2,000	\$2,100	\$2,200	\$2,300
4 <b>Board of Directors</b>	\$7,500	\$7,700	\$7,900	\$8,100	\$8,300	\$8,500	\$8,800	\$9,100	\$9,400	\$9,700	\$10,000	\$10,300
5 Salaries & Benefits	\$23,400	\$24,300	\$25,300	\$26,300	\$27,400	\$28,500	\$29,600	\$30,800	\$32,000	\$33,300	\$34,600	\$36,000
6 <b>Water Efficiency</b>	\$47,200	\$48,600	\$50,100	\$51,600	\$53,100	\$54,700	\$56,300	\$58,000	\$59,700	\$61,500	\$63,300	\$65,200
7 Salaries & Benefits	\$327,700	\$340,800	\$354,400	\$368,600	\$383,300	\$398,600	\$414,500	\$431,100	\$448,300	\$466,200	\$484,800	\$504,200
8 Health	\$78,700	\$82,600	\$86,700	\$91,000	\$95,600	\$100,400	\$105,400	\$110,700	\$116,200	\$122,000	\$128,100	\$134,500
9 <b>Customer Service</b>	\$257,700	\$265,400	\$273,400	\$281,600	\$290,000	\$298,700	\$307,700	\$316,900	\$326,400	\$336,200	\$346,300	\$356,700
10 Salaries & Benefits	\$458,200	\$476,500	\$495,600	\$515,400	\$536,000	\$557,400	\$579,700	\$602,900	\$627,000	\$652,100	\$678,200	\$705,300
11 Health	\$125,200	\$131,500	\$138,100	\$145,000	\$152,300	\$159,900	\$167,900	\$176,300	\$185,100	\$194,400	\$204,100	\$214,300
12 <b>Engineering</b>	\$39,300	\$40,500	\$41,700	\$43,000	\$44,300	\$45,600	\$47,000	\$48,400	\$49,900	\$51,400	\$52,900	\$54,500
13 Salaries & Benefits	\$352,500	\$366,600	\$381,300	\$396,600	\$412,500	\$429,000	\$446,200	\$464,000	\$482,600	\$501,900	\$522,000	\$542,900
14 Health	\$52,900	\$55,500	\$58,300	\$61,200	\$64,300	\$67,500	\$70,900	\$74,400	\$78,100	\$82,000	\$86,100	\$90,400
15 <b>Executive</b>	\$11,700	\$12,100	\$12,500	\$12,900	\$13,300	\$13,700	\$14,100	\$14,500	\$14,900	\$15,300	\$15,800	\$16,300
16 Salaries & Benefits	\$98,300	\$102,200	\$106,300	\$110,600	\$115,000	\$119,600	\$124,400	\$129,400	\$134,600	\$140,000	\$145,600	\$151,400
17 Health	\$18,300	\$19,200	\$20,200	\$21,200	\$22,300	\$23,400	\$24,600	\$25,800	\$27,100	\$28,500	\$29,900	\$31,400
18 <b>Field Services</b>	\$1,375,500	\$1,416,800	\$1,459,300	\$1,503,100	\$1,548,200	\$1,594,600	\$1,642,400	\$1,691,700	\$1,742,500	\$1,794,800	\$1,848,600	\$1,904,100
19 Salaries & Benefits	\$1,793,400	\$1,865,100	\$1,939,700	\$2,017,300	\$2,098,000	\$2,181,900	\$2,269,200	\$2,360,000	\$2,454,400	\$2,552,600	\$2,654,700	\$2,760,900
20 Health	\$418,200	\$439,100	\$461,100	\$484,200	\$508,400	\$533,800	\$560,500	\$588,500	\$617,900	\$648,800	\$681,200	\$715,300
21 <b>Energy Costs</b>	\$405,100	\$417,300	\$429,800	\$442,700	\$456,000	\$469,700	\$483,800	\$498,300	\$513,200	\$528,600	\$544,500	\$560,800
22 <b>Finance</b>	\$44,700	\$46,000	\$47,400	\$48,800	\$50,300	\$51,800	\$53,400	\$55,000	\$56,700	\$58,400	\$60,200	\$62,000
23 Salaries & Benefits	\$315,200	\$327,800	\$340,900	\$354,500	\$368,700	\$383,400	\$398,700	\$414,600	\$431,200	\$448,400	\$466,300	\$485,000
24 Health	\$63,000	\$66,200	\$69,500	\$73,000	\$76,700	\$80,500	\$84,500	\$88,700	\$93,100	\$97,800	\$102,700	\$107,800
25 <b>Human Resources</b>	\$36,900	\$38,000	\$39,100	\$40,300	\$41,500	\$42,700	\$44,000	\$45,300	\$46,700	\$48,100	\$49,500	\$51,000
26 Salaries & Benefits	\$405,600	\$421,800	\$438,700	\$456,200	\$474,400	\$493,400	\$513,100	\$533,600	\$554,900	\$577,100	\$600,200	\$624,200
27 Health	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,200	\$3,400	\$3,600	\$3,800	\$4,000	\$4,200
28 Contribution to PERS Liability	\$244,791	\$291,800	\$319,000	\$340,800	\$366,200	\$374,900	\$25,000	\$25,800	\$26,600	\$27,400	\$28,200	\$29,000
29 <b>Information Technology</b>	\$192,900	\$198,700	\$204,700	\$210,800	\$217,100	\$223,600	\$230,300	\$237,200	\$244,300	\$251,600	\$259,100	\$266,900
30 Salaries & Benefits	\$101,900	\$106,000	\$110,200	\$114,600	\$119,200	\$124,000	\$129,000	\$134,200	\$139,600	\$145,200	\$151,000	\$157,000
31 Health	\$2,500	\$2,600	\$2,700	\$2,800	\$2,900	\$3,000	\$3,200	\$3,400	\$3,600	\$3,800	\$4,000	\$4,200
32 <b>Operations</b>	\$29,500	\$30,400	\$31,300	\$32,200	\$33,200	\$34,200	\$35,200	\$36,300	\$37,400	\$38,500	\$39,700	\$40,900
33 Salaries & Benefits	\$298,800	\$310,800	\$323,200	\$336,100	\$349,500	\$363,500	\$378,000	\$393,100	\$408,800	\$425,200	\$442,200	\$459,900
34 Health	\$60,500	\$63,500	\$66,700	\$70,000	\$73,500	\$77,200	\$81,100	\$85,200	\$89,500	\$94,000	\$98,700	\$103,600
35 <b>Public Relations</b>	\$74,400	\$76,600	\$78,900	\$81,300	\$83,700	\$86,200	\$88,800	\$91,500	\$94,200	\$97,000	\$99,900	\$102,900
36 <b>Purchasing</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 <b>Source of Supply</b>	\$3,193,300	\$3,289,100	\$3,387,800	\$3,489,400	\$3,594,100	\$3,701,900	\$3,813,000	\$3,927,400	\$4,045,200	\$4,166,600	\$4,291,600	\$4,420,300
38 <b>Total</b>	\$11,181,691	\$11,614,900	\$12,042,800	\$12,479,600	\$12,935,300	\$13,389,600	\$13,502,200	\$13,982,400	\$14,480,000	\$14,996,100	\$15,530,800	\$16,085,400

## Capital Spending Plan (1 of 3)

**Schedule 2**

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>1 Vehicles</b>										
2 Executive - Vehicle #32 - Retail Share (2014 Ford Edge)	\$0	\$0	\$0	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0
3 Customer Service - Vehicle #31 (2015 GEM)	\$0	\$0	\$16,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Customer Service - Vehicle #13 (2010 Chev Colorado)	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 Conservation - Vehicle #16 (2010 Chevy Colorado)	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Conservation - Vehicle #34 (2016 Chevy Colorado)	\$0	\$0	\$0	\$0	\$0	\$44,000	\$0	\$0	\$0	\$0
7 Engineering - Vehicle #23 (2008 F-150 SuperCrew; Fut. 4x4)	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Engineering - Vehicle #33 (2016 F-150 SuperCab)	\$0	\$0	\$0	\$0	\$0	\$52,000	\$0	\$0	\$0	\$0
9 Field Ops - Vehicle #6 (2008 F-650 w/ 12' dump bed, diesel)	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Field Ops - Vehicle #12 (2011 F-250 SuperCab)	\$0	\$41,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Field Ops - Vehicle #15 (2010 F-150 SuperCrew)	\$0	\$41,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Field Ops - Vehicle #19 (2012 F-150 SuperCab)	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Field Ops - Vehicle #35 (2017 F-450, used old V9 bed)	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0
14 Field Ops - Vehicle #36 (2017 F-550 w/ Royal Utility Bed)	\$0	\$0	\$0	\$0	\$0	\$0	\$107,000	\$0	\$0	\$0
15 Field Ops - Vehicle #37 (2020 F-250 Crew Cab, 4x4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,000
16 Field Ops - Vehicle #38 (2020 F-150 CrewCab, 4x2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,000
17 Field Ops - Vehicle #39 (2020 F-450, used old V#28 bed)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,000
18 Field Ops - Equip #E09 (2011 Loader - John Deere)	\$0	\$0	\$0	\$0	\$0	\$151,000	\$0	\$0	\$0	\$0
19 Field Ops - Equip #E18 (2007 Forklift)	\$0	\$41,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Field Ops - Equip #E125 (1998 Mud Trailer)	\$7,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Field Ops - Vehicle #E168-15 (2015 Safety Trailer; Night Work; SWPPP)	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0
22 Field Ops - Vehicle #E172-16 (2016 Vermeer)	\$0	\$0	\$0	\$0	\$0	\$108,000	\$0	\$0	\$0	\$0
23 Field Ops - Equip #E178-17 (2017 Compressor) - replaced Veh #E59 in 2017	\$0	\$0	\$0	\$0	\$0	\$0	\$38,000	\$0	\$0	\$0
24 Field Ops - Vehicle #E180-17 (2017 - 270 Mud Trailer) - replaced Veh #E30 in 2017	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0
25 Field Ops - Equip #E187-17 (2017 Mud Trailer) - replaced Veh #E70 in 2017	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0
<b>Distribution Mainline Replacements</b>										
26 Cavitt Stallman (Oak Pine to Sierra Ponds, 2,000 LF of 12")	\$0	\$1,545,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 Cavitt Stallman (Sierra Ponds to Blue Oak Ln, 4,300 LF of 12")	\$0	\$0	\$0	\$0	\$0	\$394,000	\$3,654,000	\$4,182,000	\$0	\$0
28 Lakeland Dr from Douglas to East Granite (650-LF of 12-in)	\$0	\$0	\$0	\$0	\$619,000	\$0	\$0	\$0	\$0	\$0
29 Hidden Lakes 12-in Main (950-LF, 15 Serv, 7960 W Hidden Lakes to Haley)	\$0	\$0	\$0	\$0	\$844,000	\$0	\$0	\$0	\$0	\$0
30 Fuller Drive Pipeline Extension	\$0	\$70,000	\$406,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31 Bacon - ARC-N Intertie at Bacon PS	\$0	\$37,000	\$214,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32 Future Main Replacements (TBD based on condition and high No. of breaks)	\$0	\$300,000	\$312,500	\$337,500	\$362,500	\$1,025,000	\$1,087,500	\$1,162,500	\$1,237,500	\$1,325,000

## Capital Spending Plan (2 of 3)

**Schedule 2**

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Distribution Appurtenances</b>										
33 Service Line Replacements (65 Planned Replacements/Yr)	\$0	\$1,420,000	\$1,490,000	\$1,560,000	\$2,070,000	\$1,600,000	\$1,720,000	\$1,780,000	\$1,850,000	\$1,930,000
34 Air Release Valve Replacements (20yrs @ 45 ARV Replacements/Yr, 878 Total)	\$0	\$840,000	\$891,000	\$918,000	\$945,000	\$974,000	\$1,003,000	\$1,033,000	\$1,064,000	\$1,096,000
35 Hydrant Replacements (5 Yrs @ 10 Replacements/Yr)	\$115,000	\$118,000	\$122,000	\$126,000	\$0	\$0	\$0	\$0	\$0	\$0
36 Wharf Hydrant Replacements (Total 109, 10-Yr Replacement)	\$218,000	\$225,000	\$231,000	\$238,000	\$245,000	\$253,000	\$260,000	\$268,000	\$276,000	\$284,000
<b>Transmission Pipelines</b>										
37 Eureka Rd. 18" T-main (3925-LF, Barton to Aub-Fols; Steel)	\$2,938,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Storage Tanks</b>										
38 4.0 MG Kokila Reservoir (Replace Hypalon w/ Concrete Tank)	\$800,000	\$8,765,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 Mooney Ridge Hydro-Tank Recoating (Inside & Outside)	\$0	\$0	\$212,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Mooney Tank Building New Roof	\$0	\$0	\$0	\$175,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>Pressure Reducing Stations</b>										
41 Canyon Falls Village PRS Replacement	\$56,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Pump Station Improvements</b>										
42 Douglas Pump Station & P6" to 12" Pipeline Improvements - Across AFR	\$0	\$0	\$0	\$0	\$78,000	\$720,000	\$0	\$0	\$0	\$0
43 Generator Replacements (Bacon)	\$1,159,950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44 Generator Replacement (UGB)	\$390,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45 Douglas BPS Electrical Improvements (PG&E service panel)	\$54,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46 Douglas BPS Pump Station Improvements	\$0	\$0	\$0	\$50,000	\$350,000	\$0	\$0	\$0	\$0	\$0
47 Bacon PS - new roof	\$0	\$0	\$106,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Bacon Manifold Piping Modifications (Conn. Surge Valves to Suction)	\$0	\$21,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49 Bacon Pump Station Security Improvements	\$0	\$31,000	\$127,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50 Sierra Pump Station - VFD #1 and #4 Relocation and new controls/components	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51 ARC-N MCC Replacement/Control Enclosures (MCC next to ARC-N Main Breaker)	\$0	\$0	\$58,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52 ARC-N #1 and #2 - Relocation into new MCC	\$0	\$0	\$0	\$33,000	\$0	\$0	\$0	\$0	\$0	\$0
53 ARC-N# 3 - New VFD & Controls/Components	\$0	\$0	\$48,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54 ARC-N #4 and #5 Relocation to Pit Room and new VFD/components	\$0	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$0
55 Bacon BPS #3 - New VFD/components into new Section w/ Bacon Generator	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0
56 Bacon BPS #4 - New VFD/components into new Section w/ Bacon Generator	\$0	\$0	\$0	\$0	\$62,000	\$0	\$0	\$0	\$0	\$0
57 Bacon BPS #5 - New VFD/components into new Section w/ Bacon Generator	\$0	\$57,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58 Bacon BPS #3 and #4 - New 200HP inverter rated motor	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59 Pump Station Pressure Transmitters (E&H Pressure Transmitters)	\$0	\$36,000	\$37,000	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0

## Capital Spending Plan (3 of 3)

## Schedule 2

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Condition Assessment Projects</b>										
60 Bacon 33" and Sierra 30" (Access Manways, for Condition Assessments)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
61 Bacon Pump Station Manifold Evaluation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62 Condition Assessments (from Rtl MP)	\$0	\$0	\$1,230,000	\$156,000	\$0	\$1,040,000	\$1,720,000	\$930,000	\$190,000	\$290,000
<b>SJWD Site Building Improvements</b>										
63 Corp. Site Paving Improvements (RSA Share)	\$0	\$155,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64 Containment Area for Vactor Residuals & Materials	\$0	\$0	\$0	\$269,000	\$0	\$0	\$0	\$0	\$0	\$0
65 Field Services 3-Sided Parts Shelter (40x120)	\$480,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
66 Field Services 3-Sided Loose Materials and Equipment Shelter (30'x226')	\$0	\$0	\$0	\$74,000	\$689,000	\$0	\$0	\$0	\$0	\$0
67 Corp. Site Sewer Evaluation and Improvements	\$25,000	\$26,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68 Field Services Sewer Lift Station Improvements (Primex Programming)	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69 New Administration/Field Services Building	\$0	\$0	\$0	\$0	\$3,355,400	\$0	\$0	\$0	\$0	\$0
<b>Large Non-Capital Projects</b>										
70 Residential Meter & Endpoint Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71 CARB Compliance Study (Zero Emission Vehicles)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72 Conservation Water Loss Component Analysis	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Miscellaneous CIP Items</b>										
73 Leak Detection Equipment	\$0	\$21,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
74 Replace Engineering Survey Equipment	\$0	\$0	\$17,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>75 Total Capital Water Projects</b> (value accounts for inflation)	<b>\$6,470,300</b>	<b>\$13,860,000</b>	<b>\$5,607,500</b>	<b>\$4,048,500</b>	<b>\$9,729,900</b>	<b>\$6,361,000</b>	<b>\$9,699,500</b>	<b>\$9,355,500</b>	<b>\$4,617,500</b>	<b>\$5,140,000</b>

## Schedule 3 (1 of 2) - Cash Flow Pro Forma for Retail Operating Fund

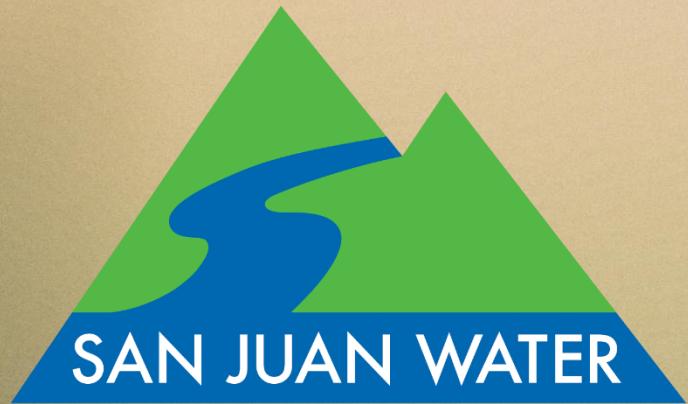
	Actual FY 2019	Actual FY 2020	Forecast FY 2021	Forecast FY2022	Forecast FY2023	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	
1															
			Proposed Rate Revenue Increase:	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.00%	3.00%	3.00%	3.00%	
2	<b>Rate Revenue</b>	\$11,496,278	\$12,826,221	\$13,757,800	\$13,757,800	\$14,497,000	\$15,769,000	\$16,885,000	\$18,080,000	\$19,360,000	\$20,731,000	\$22,199,000	\$23,548,000	\$24,273,000	\$25,020,000
3	Change due to growth & water use				(\$224,000)	\$258,000	\$12,000	\$13,000	\$14,000	\$15,000	\$16,000	\$17,000	\$19,000	\$19,000	\$20,000
4	Increase due to rate adjustments				\$482,000	\$507,000	\$552,000	\$591,000	\$633,000	\$678,000	\$726,000	\$666,000	\$353,000	\$364,000	\$375,000
	<b>Non-Rate Revenues</b>														
5	COP Payments	\$85,552	\$85,676	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$0
6	Interest Earnings	\$54,489	\$69,588	\$41,000	\$64,000	\$37,000	\$38,000	\$39,000	\$41,000	\$42,000	\$41,000	\$43,000	\$44,000	\$46,000	\$47,000
7	Operating Revenue	\$290,450	\$370,791	\$355,000	\$348,000	\$358,000	\$369,000	\$380,000	\$391,000	\$403,000	\$415,000	\$427,000	\$440,000	\$453,000	\$467,000
8	Grants	\$0	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	<b>Total Revenue</b>	<b>\$11,926,768</b>	<b>\$13,352,276</b>	<b>\$14,239,800</b>	<b>\$14,813,800</b>	<b>\$15,743,000</b>	<b>\$16,826,000</b>	<b>\$17,994,000</b>	<b>\$19,245,000</b>	<b>\$20,584,000</b>	<b>\$22,015,000</b>	<b>\$23,438,000</b>	<b>\$24,490,000</b>	<b>\$25,241,000</b>	<b>\$25,929,000</b>
	<b>O&amp;M Costs</b>														
10	Source of Supply	\$3,027,505	\$3,100,315	\$3,193,000	\$3,289,000	\$3,388,000	\$3,489,000	\$3,594,000	\$3,702,000	\$3,813,000	\$3,927,000	\$4,045,000	\$4,167,000	\$4,292,000	\$4,420,000
11	Operations	\$3,354,353	\$3,345,935	\$3,976,000	\$4,736,000	\$4,909,000	\$5,090,000	\$5,278,000	\$5,472,000	\$5,185,000	\$5,380,000	\$5,583,000	\$5,793,000	\$6,011,000	\$6,231,000
12	Customer Service & Water Efficiency	\$1,117,637	\$1,209,479	\$1,295,000	\$1,345,000	\$1,398,000	\$1,453,000	\$1,510,000	\$1,570,000	\$1,632,000	\$1,696,000	\$1,763,000	\$1,832,000	\$1,905,000	\$1,980,000
14	Management & Admin	\$1,583,536	\$1,638,974	\$1,868,000	\$1,975,000	\$2,064,000	\$2,151,000	\$2,243,000	\$2,321,000	\$2,043,000	\$2,119,000	\$2,198,000	\$2,279,000	\$2,364,000	\$2,452,000
15	Engineering	\$463,594	\$411,372	\$445,000	\$463,000	\$481,000	\$501,000	\$521,000	\$542,000	\$564,000	\$587,000	\$611,000	\$635,000	\$661,000	\$688,000
16	Utilities	\$297,407	\$325,335	\$405,000	\$417,000	\$430,000	\$443,000	\$456,000	\$470,000	\$484,000	\$498,000	\$513,000	\$529,000	\$545,000	\$561,000
17	<b>Total Operating Expenses</b>	<b>\$9,844,033</b>	<b>\$10,031,410</b>	<b>\$11,182,000</b>	<b>\$12,225,000</b>	<b>\$12,670,000</b>	<b>\$13,127,000</b>	<b>\$13,602,000</b>	<b>\$14,077,000</b>	<b>\$13,721,000</b>	<b>\$14,207,000</b>	<b>\$14,713,000</b>	<b>\$15,235,000</b>	<b>\$15,778,000</b>	<b>\$16,332,000</b>
	<b>Other Costs</b>														
18	Existing Debt Service	\$910,662	\$909,884	\$910,000	\$596,000	\$864,000	\$864,000	\$863,000	\$863,000	\$864,000	\$864,000	\$864,000	\$864,000	\$864,000	\$865,000
19	New Debt Service	\$0	\$0	\$0	\$0	\$138,000	\$589,000	\$589,000	\$589,000	\$589,000	\$589,000	\$589,000	\$589,000	\$589,000	\$589,000
20	Transfer Out to Capital Fund	\$825,277	\$2,282,468	\$592,400	\$3,840,642	\$1,982,000	\$2,155,000	\$2,845,000	\$3,621,000	\$5,481,000	\$6,258,000	\$7,170,000	\$7,696,000	\$7,901,000	\$8,033,000
21	<b>Total Revenue Requirement</b>	<b>\$11,579,972</b>	<b>\$13,223,762</b>	<b>\$12,684,400</b>	<b>\$16,661,642</b>	<b>\$15,654,000</b>	<b>\$16,735,000</b>	<b>\$17,899,000</b>	<b>\$19,150,000</b>	<b>\$20,655,000</b>	<b>\$21,918,000</b>	<b>\$23,336,000</b>	<b>\$24,386,000</b>	<b>\$25,132,000</b>	<b>\$25,819,000</b>
22	<b>Beginning Year Balance</b>	<b>\$2,011,884</b>	<b>\$2,358,680</b>	<b>\$2,737,442</b>	<b>\$4,292,842</b>	<b>\$2,445,000</b>	<b>\$2,534,000</b>	<b>\$2,625,000</b>	<b>\$2,720,000</b>	<b>\$2,815,000</b>	<b>\$2,744,000</b>	<b>\$2,841,000</b>	<b>\$2,943,000</b>	<b>\$3,047,000</b>	<b>\$3,156,000</b>
23	<b>Surplus/(Shortfall)</b>	<b>\$346,796</b>	<b>\$128,514</b>	<b>\$1,555,400</b>	<b>(\$1,847,842)</b>	<b>\$89,000</b>	<b>\$91,000</b>	<b>\$95,000</b>	<b>\$95,000</b>	<b>(\$71,000)</b>	<b>\$97,000</b>	<b>\$102,000</b>	<b>\$104,000</b>	<b>\$109,000</b>	<b>\$110,000</b>
24	<b>End of Year Balance</b>	<b>\$2,358,680</b>	<b>\$2,737,442</b>	<b>\$4,292,842</b>	<b>\$2,445,000</b>	<b>\$2,534,000</b>	<b>\$2,625,000</b>	<b>\$2,720,000</b>	<b>\$2,815,000</b>	<b>\$2,744,000</b>	<b>\$2,841,000</b>	<b>\$2,943,000</b>	<b>\$3,047,000</b>	<b>\$3,156,000</b>	<b>\$3,266,000</b>
25	<b>Operating Reserve Target</b>	<b>\$2,236,000</b>	<b>\$2,236,000</b>	<b>\$2,236,000</b>	<b>\$2,445,000</b>	<b>\$2,534,000</b>	<b>\$2,625,000</b>	<b>\$2,720,000</b>	<b>\$2,815,000</b>	<b>\$2,744,000</b>	<b>\$2,841,000</b>	<b>\$2,943,000</b>	<b>\$3,047,000</b>	<b>\$3,156,000</b>	<b>\$3,266,000</b>
26	<b>Available Cash</b>	<b>\$122,680</b>	<b>\$501,442</b>	<b>\$2,056,842</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
27	<b>Debt Coverage Ratio</b>	<b>3.78</b>	<b>5.47</b>	<b>5.92</b>	<b>6.06</b>	<b>4.45</b>	<b>3.50</b>	<b>3.97</b>	<b>4.53</b>	<b>5.66</b>	<b>6.33</b>	<b>6.96</b>	<b>7.33</b>	<b>7.55</b>	<b>7.70</b>

## Schedule 3 (2 of 2) - Cash Flow Pro Forma for Retail Capital Fund

	Actual 2019	Actual 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031	Forecast 2032
<b>1 Capital Fund Beginning Balance</b>	\$6,921,927	\$5,419,940	8,039,000	\$7,653,400	\$10,084,042	\$8,353,042	\$6,281,042	\$6,452,042	\$1,747,042	\$2,226,042	\$177,042	(\$618,958)	\$3,865,042	\$8,127,042
<b>Revenues</b>														
2 Property Tax Revenue	\$1,118,187	1,164,350	\$1,188,000	\$1,207,000	\$1,231,000	\$1,256,000	\$1,281,000	\$1,307,000	\$1,333,000	\$1,360,000	\$1,387,000	\$1,415,000	\$1,443,000	\$1,472,000
3 Tapping & Connection Fees	\$82,549	319,577	\$1,020,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Investment/Interest Income	\$154,779	169,056	\$121,000	\$115,000	\$151,000	\$125,000	\$94,000	\$97,000	\$26,000	\$33,000	\$3,000	(\$9,000)	\$58,000	\$122,000
5 Transfer In from Operations Fund	\$825,277	\$2,282,468	\$592,400	\$3,840,642	\$1,982,000	\$2,155,000	\$2,845,000	\$3,621,000	\$5,481,000	\$6,258,000	\$7,170,000	\$7,696,000	\$7,901,000	\$8,033,000
<b>6 Total Revenues</b>	<b>\$2,180,792</b>	<b>\$3,935,452</b>	<b>\$2,921,400</b>	<b>\$5,162,642</b>	<b>\$3,364,000</b>	<b>\$3,536,000</b>	<b>\$4,220,000</b>	<b>\$5,025,000</b>	<b>\$6,840,000</b>	<b>\$7,651,000</b>	<b>\$8,560,000</b>	<b>\$9,102,000</b>	<b>\$9,402,000</b>	<b>\$9,627,000</b>
<b>Expenditures</b>														
<b>7 Total Capital Spending</b>	<b>\$3,689,996</b>	<b>1,315,967</b>	<b>\$3,307,000</b>	<b>\$6,470,000</b>	<b>\$13,860,000</b>	<b>\$5,608,000</b>	<b>\$4,049,000</b>	<b>\$9,730,000</b>	<b>\$6,361,000</b>	<b>\$9,700,000</b>	<b>\$9,356,000</b>	<b>\$4,618,000</b>	<b>\$5,140,000</b>	<b>\$7,035,000</b>
8 Bond Proceeds	\$0	\$0	\$0	\$2,938,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 SRF Proceeds	\$0	\$0	\$0	\$800,000	\$8,765,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Cash Funded Capital Projects	\$3,689,996	\$1,315,967	\$3,307,000	\$2,732,000	\$5,095,000	\$5,608,000	\$4,049,000	\$9,730,000	\$6,361,000	\$9,700,000	\$9,356,000	\$4,618,000	\$5,140,000	\$7,035,000
<b>Surplus/(Shortfall)</b>	<b>(\$1,509,204)</b>	<b>\$2,619,484</b>	<b>(\$385,600)</b>	<b>\$2,430,642</b>	<b>(\$1,731,000)</b>	<b>(\$2,072,000)</b>	<b>\$171,000</b>	<b>(\$4,705,000)</b>	<b>\$479,000</b>	<b>(\$2,049,000)</b>	<b>(\$796,000)</b>	<b>\$4,484,000</b>	<b>\$4,262,000</b>	<b>\$2,592,000</b>
<b>11 Capital Fund Ending Balance</b>	<b>\$5,419,940</b>	<b>\$8,039,425</b>	<b>7,653,400</b>	<b>\$10,084,042</b>	<b>\$8,353,042</b>	<b>\$6,281,042</b>	<b>\$6,452,042</b>	<b>\$1,747,042</b>	<b>\$2,226,042</b>	<b>\$177,042</b>	<b>(\$618,958)</b>	<b>\$3,865,042</b>	<b>\$8,127,042</b>	<b>\$10,719,042</b>
<b>12 Emergency Reserve Target</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>
<b>13 Available Cash</b>	<b>(\$2,070,060)</b>	<b>\$549,425</b>	<b>\$163,400</b>	<b>\$2,594,042</b>	<b>\$863,042</b>	<b>(\$1,208,958)</b>	<b>(\$1,037,958)</b>	<b>(\$5,742,958)</b>	<b>(\$5,263,958)</b>	<b>(\$7,312,958)</b>	<b>(\$8,108,958)</b>	<b>(\$3,624,958)</b>	<b>\$637,042</b>	<b>\$3,229,042</b>

## Schedule 4 – 3-Year Schedule of Proposed Water Rates

Current	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
Overall Rate Revenue Increase -->	7%	7%	7%
<b>Daily Base Charges</b>			
Up to 1" meter	\$2.23	\$2.45	\$2.62
1 1/2" meter	\$5.78	\$6.18	\$6.61
2" meter	\$9.20	\$9.76	\$10.44
3" meter	\$17.13	\$18.10	\$19.37
4" meter	\$28.48	\$30.02	\$32.12
6" meter	\$56.88	\$59.82	\$64.01
8" meter	\$90.94	\$95.57	\$102.26
<b>Water Usage Charge (\$/CCF)</b>			
All water usage	\$0.92	\$0.93	\$1.00
<b>Daily Private Fire Line Rates</b>			
4" line	\$0.78	\$1.03	\$1.06
6" line	\$1.16	\$1.20	\$1.24
8" line	\$1.56	\$1.34	\$1.38
10" line	\$1.86	\$1.46	\$1.50
12" line	(na)	\$1.60	\$1.65



# 2021 Retail Water Rate Study

September 22, 2021

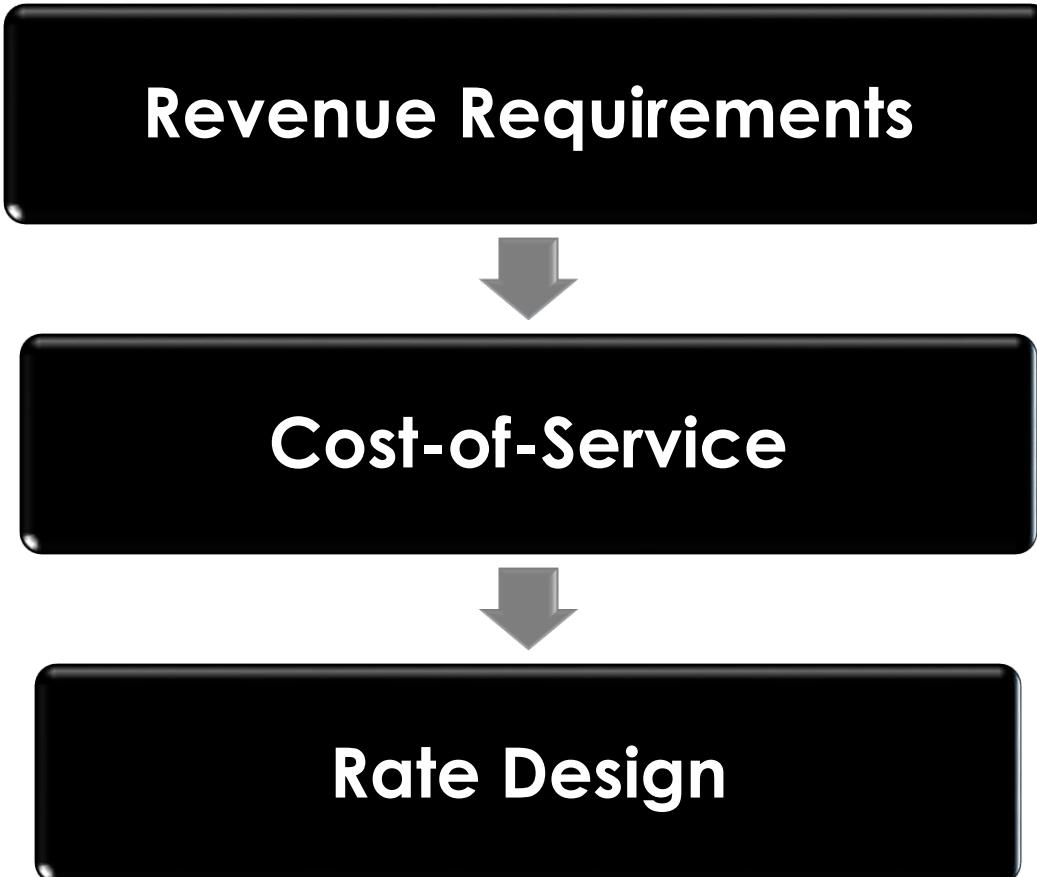


**HILDEBRAND**  
CONSULTING

# Agenda

1. Retail Enterprise Financial Plan
2. Cost of Service / Rate Design
3. Survey
4. Drought Surcharge Policy
5. Project Schedule

# The Rate Setting Process

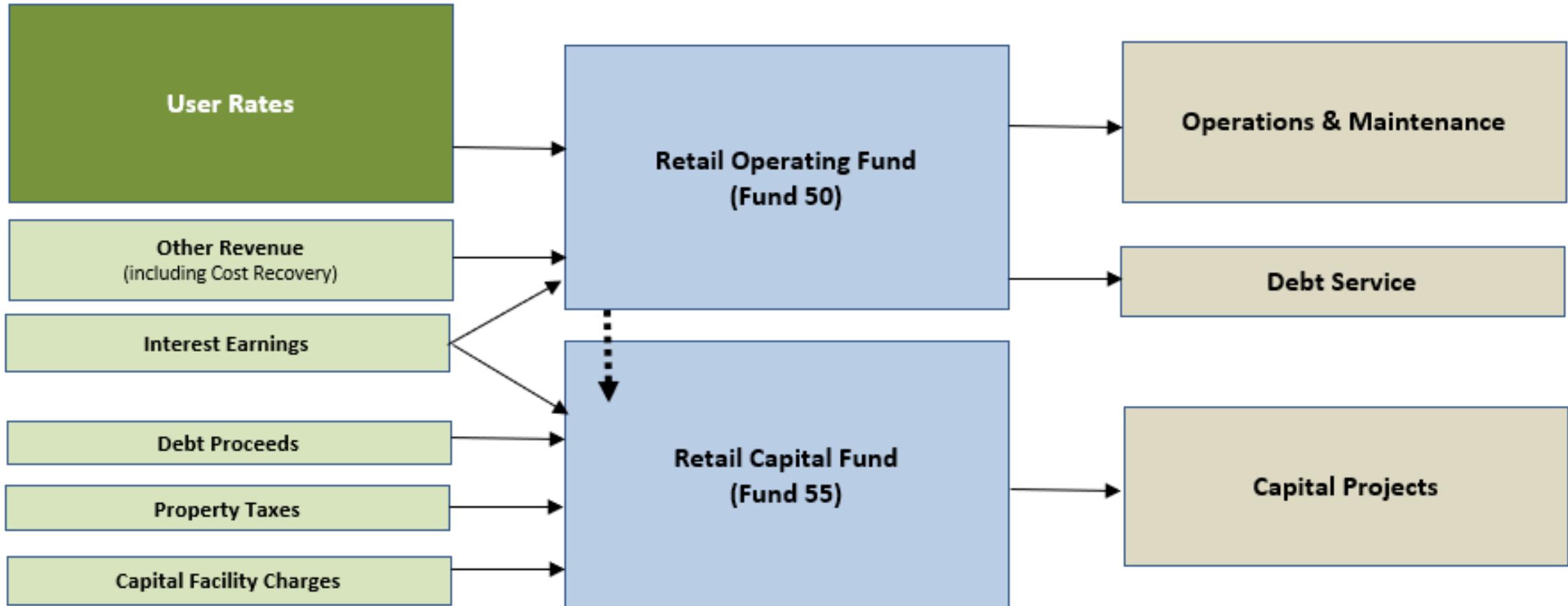


Compares the revenues of the utility to its expenses to determine the overall level of rate adjustment

Equitably allocates the revenue requirements between the various customer classes of service

Design rates for each class of service to meet the revenue needs of the utility, along with any other rate design goals and objectives

# Schematic of Retail Utility Funds/Reserve Structure



# **Cash Balances**

Fiscal Year beginning July 1, 2020

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Operating Fund                    \$2,737,000

Capital Fund                    \$8,039,000

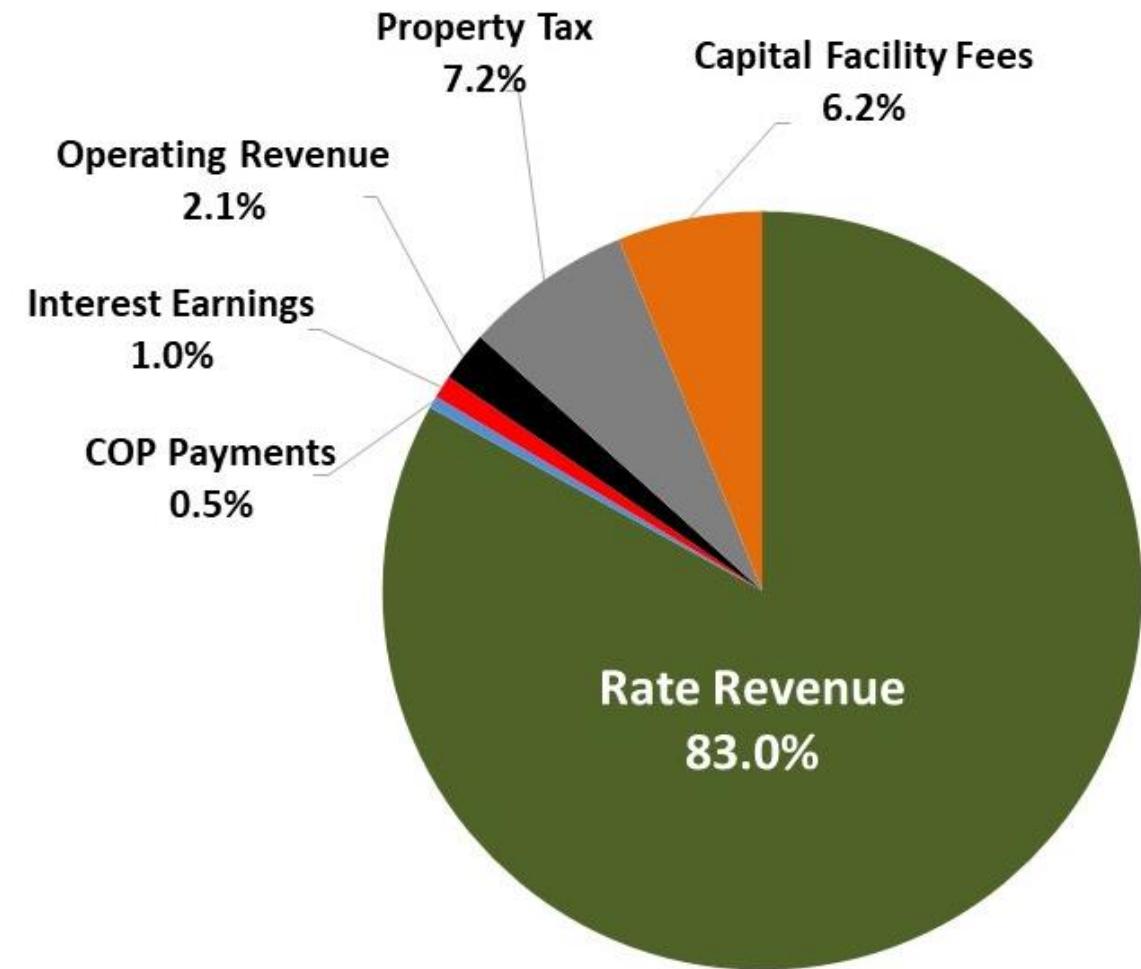
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**Combined Total:**                    **\$10,776,000**

# Revenue

FY2020/21 Forecast (based on FY2019/20 actuals)

Rate Revenue	\$13,757,800
<b>Non-Rate Revenue</b>	
COP Payments	\$86,000
Interest Earnings	\$162,000
Operating Revenue	\$355,000
Property Tax	\$1,188,000
Capital Facility Fees	\$1,020,000*
<b>Total:</b> \$16,568,800	



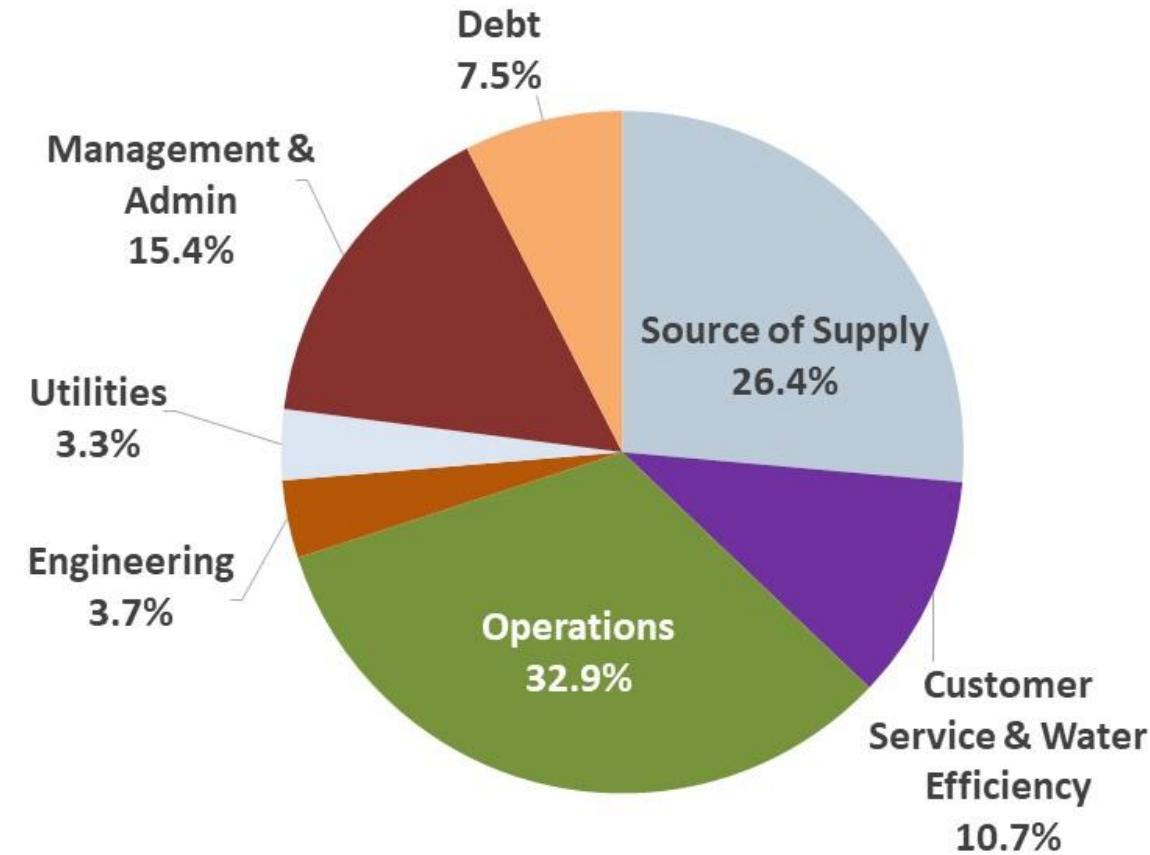
\* Anomalous year, normal revenue is around \$200 thousand

# Operating Expenses

FY2020/21 Forecast (informed by FY2019/20 actuals and FY 2020/21 estimates)

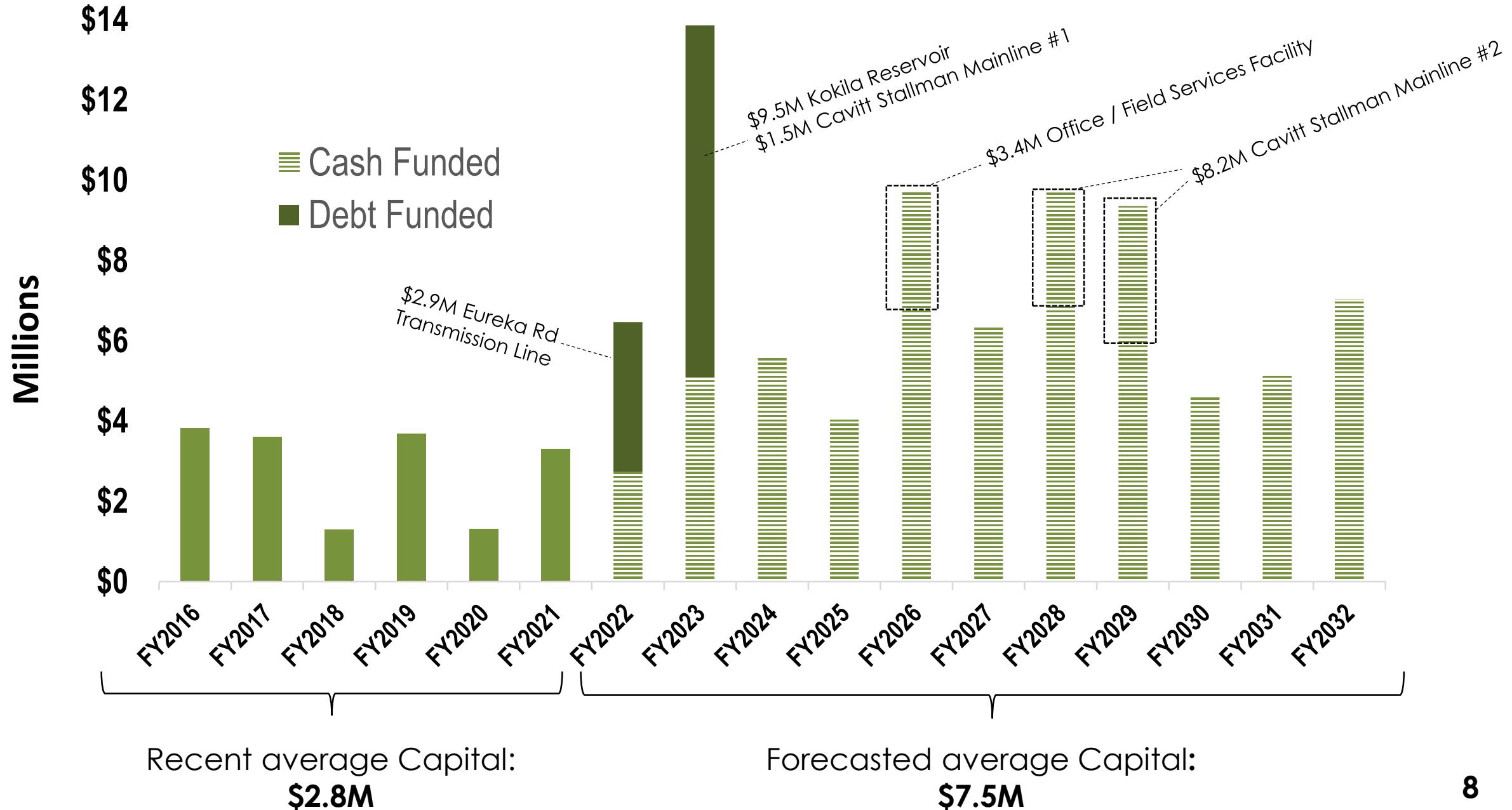
Source of Supply	\$3,193,000
Customer Service & Water Efficiency	\$1,295,000
Operations	\$3,976,000
Engineering	\$445,000
Utilities	\$405,000
Management & Admin	\$1,868,000
Debt	\$910,000

**Total Budget: \$12,092,000**



# Projected Capital Spending

based on Master Plan



# Large Capital Projects (over \$500K)

Project	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31
Cavitt Stallman 12" Line Oak Pine to Sierra Ponds	\$1.5M								
65 - 85 Service Line Replacements	\$1.4M	\$1.5M	\$1.6M	\$2.1M	\$1.6M	\$1.7M	\$1.8M	\$1.9M	\$1.9M
45 ARV Replacements	\$840K	\$900K	\$900K	\$900K	\$1.0M	\$1.0M	\$1.0M	\$1.1M	\$1.1M
Kokila Reservoir	\$800K	\$8.8M							
Condition Assessments	\$90K	\$1.2M	\$90K	\$100K	\$1.0M	\$1.7M	\$930K	\$190K	\$290K
New Field Services/Admin Building				\$3.4M					
Hidden Lakes 12" Main Replacement				\$850K					
Lakeland Dr. from Douglas to East Granite 12" Main Replacement				\$620K					
Other Mainline Replacements					\$1.0M	\$1.1M	\$1.2M	\$1.2M	\$1.3M
Douglas Pump Station Pipeline Improvements					\$720K				
Cavitt Stallman – Sierra Ponds to Vogel Valley 18" Main Replacement					\$400K	\$3.7M	\$4.2M		

# Rate Increase Drivers

- 260% increase in capital spending (from \$2.8M per year to \$7.5M)
- Continue to transition to Pay-Go

# Cost Control Measures

Action	Impact
Paid off Unfunded Pension Liability	Savings of \$11.2 million through FY 2038-39
Debt Refinance	Savings of \$8.8 million through FY 2036-37
Renegotiated Contract with PCWA	Savings of \$275,000 per year
Renegotiated Contracts with City of Roseville	Annual revenues of approximately \$90,000
Completion of the First Groundwater Substitution Transfer	Water sales to generate additional revenues
Water Transfers	Water sales to generate additional revenues
Salary Schedule Reduction	Salary freeze until District reaches market median

# Reserve Policies

The following are established District reserve policies. In addition to protecting the District against unforeseen circumstances, these policies also contribute towards the District's credit rating.

"Minimum Reserve"

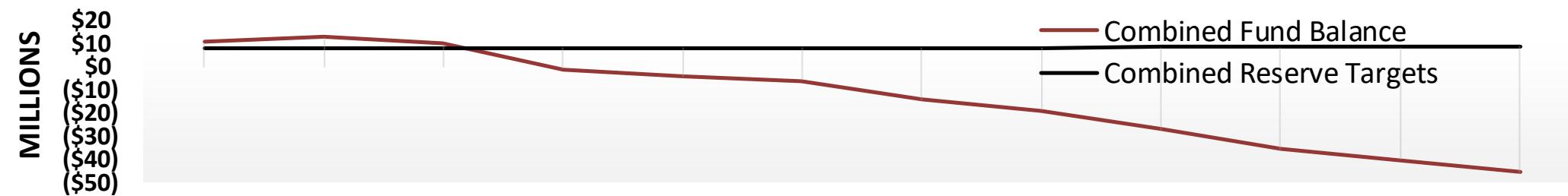
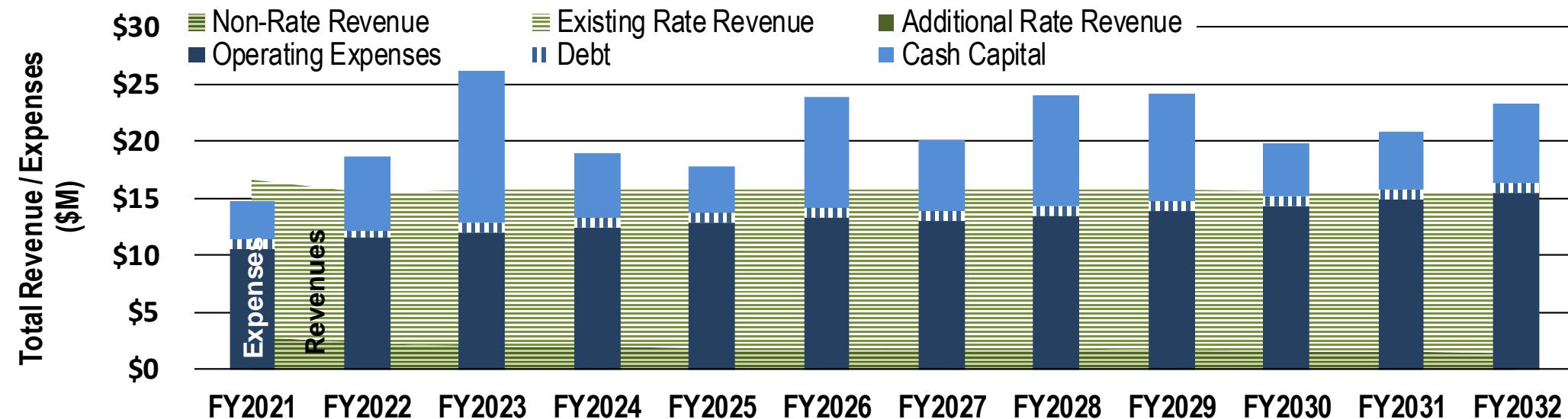
**Operating Reserve:** 20% of O&M budget (\$2.2 million)

## Capital Reserve:

"Target Reserve"

- Existing policy requires total revenue in the Capital Fund (including transfers in) to be at least the Retail Enterprise's depreciation expense (\$1.5 million)
- Recommendation: Consider targeting a reserve level to be equal to 100% of average annual capital spending in order to support PayGo capital funding (\$7.5M)

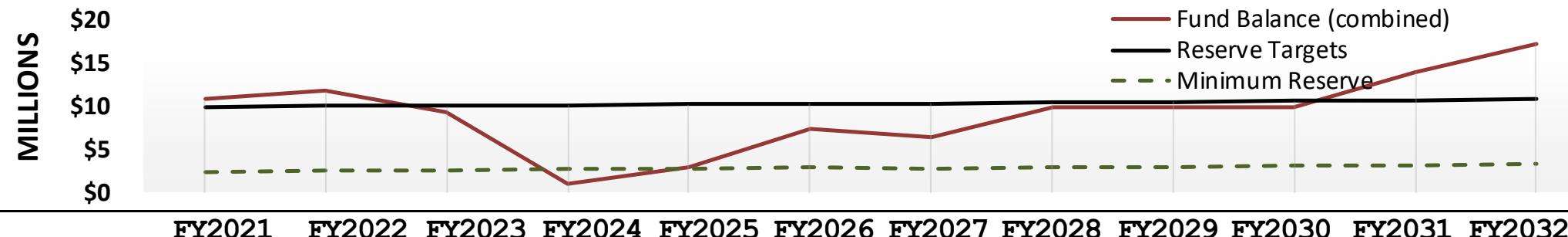
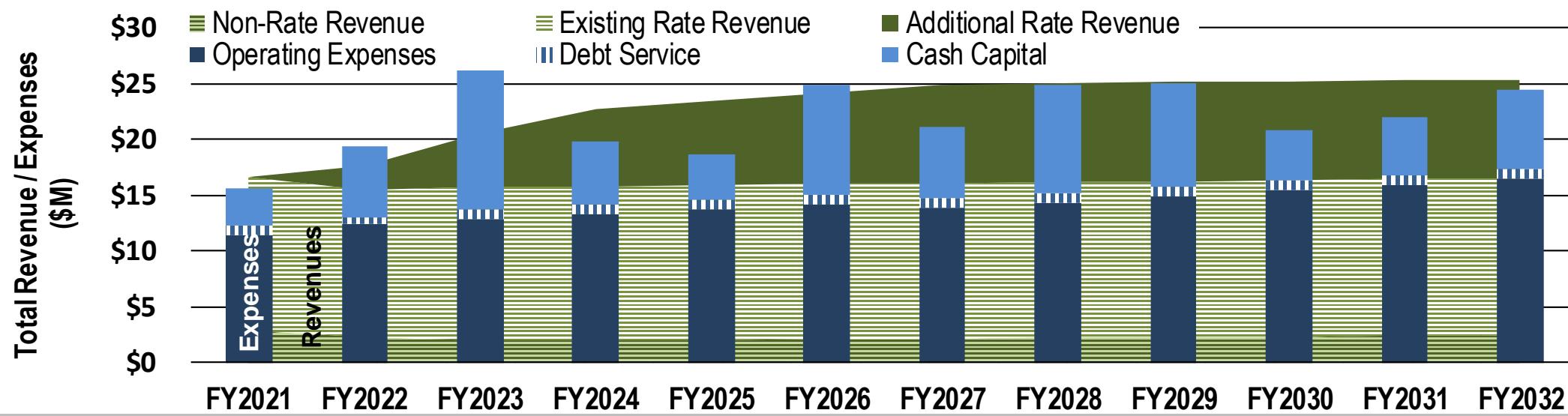
# Financial Forecast – No Rate Increase & No New Debt



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
	Proposed				Estimates							
Proposed Rate Revenue Increase:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt Coverage Ratio*	6.65	6.75	4.43	3.80	3.28	2.78	3.13	2.58	1.93	1.27	0.66	-0.08
Net Debt Proceeds	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

\* For Retail Enterprise only

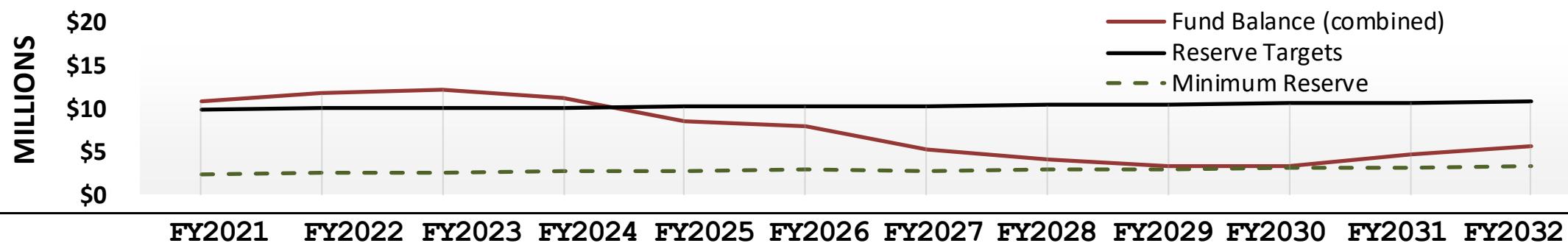
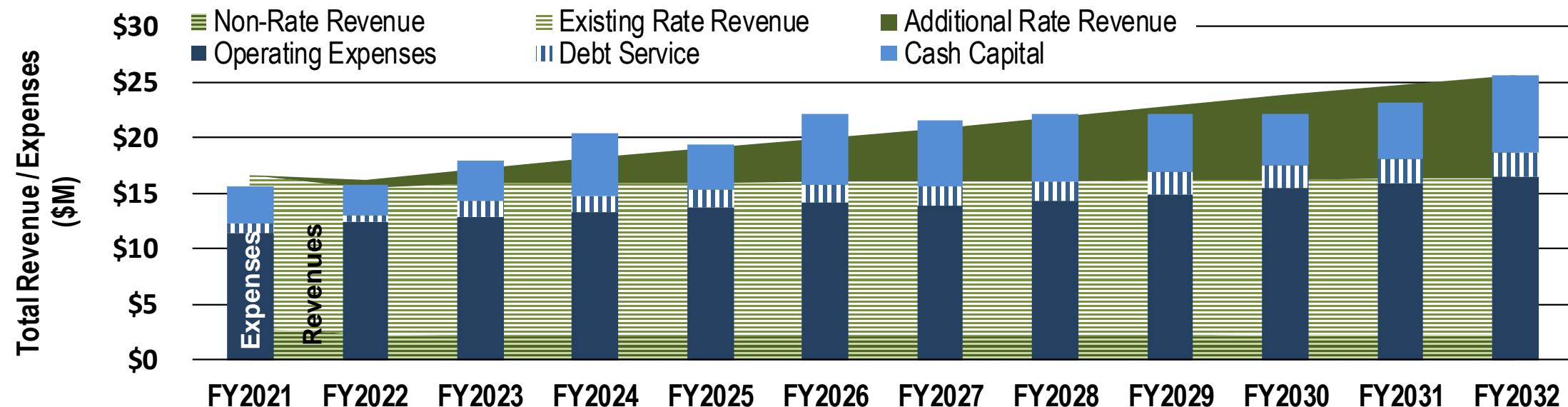
# Financial Forecast – PayGo Only



	Proposed						Estimates					
	16.0%	16.0%	12.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Rate Revenue Increase:	16.0%	16.0%	12.0%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt Coverage Ratio*	5.65	7.22	7.51	9.64	10.84	11.15	12.35	12.29	11.77	11.20	10.73	10.10
Net Debt Proceeds	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

\* For Retail Enterprise only

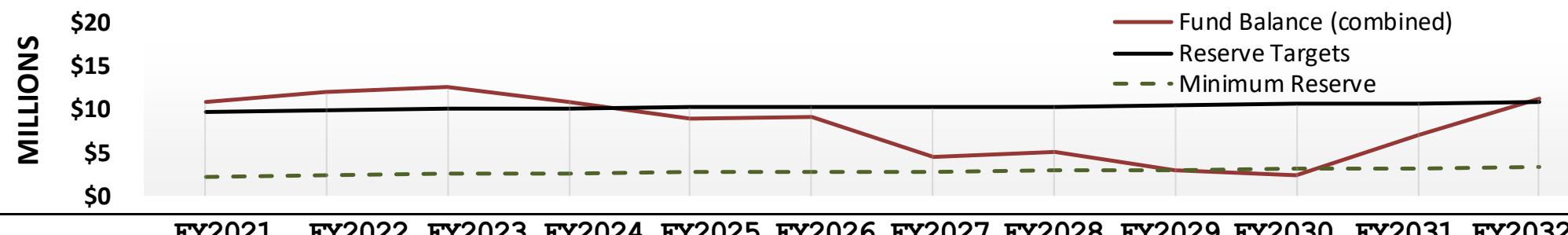
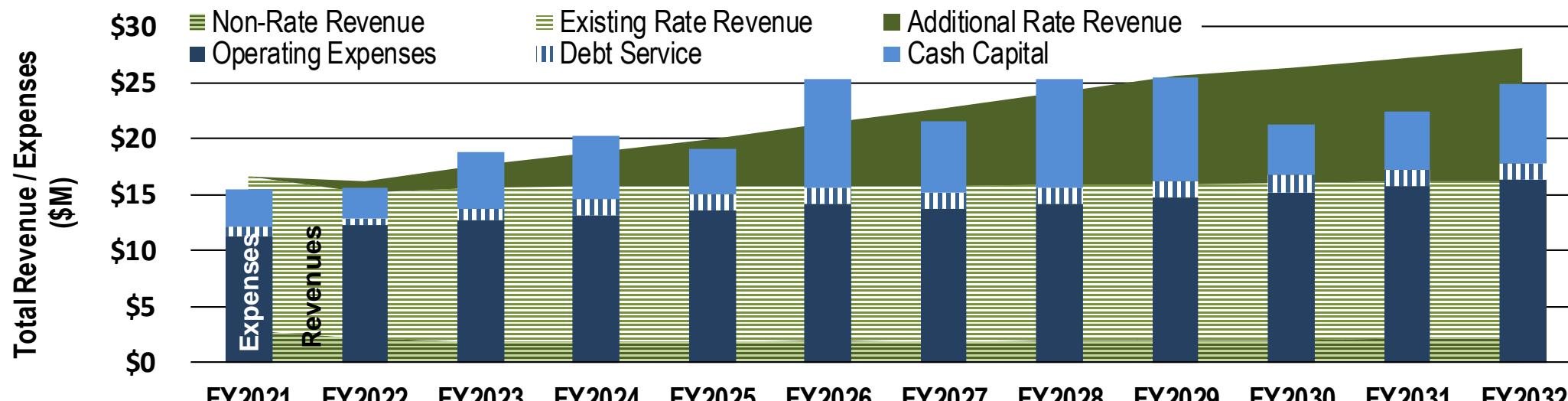
# Financial Forecast – Debt Strategy



	Proposed			Estimates								
Proposed Rate Revenue Increase:	5.0%	5.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%
Debt Coverage Ratio*	5.65	5.95	2.68	2.93	3.19	3.44	3.81	4.08	3.59	3.79	3.97	4.12
Net Debt Proceeds	\$0.0M	\$3.7M	\$10.3M	\$0.0M	\$0.0M	\$3.4M	\$0.4M	\$3.7M	\$4.2M	\$0.0M	\$0.0M	\$0.0M

\* For Retail Enterprise only

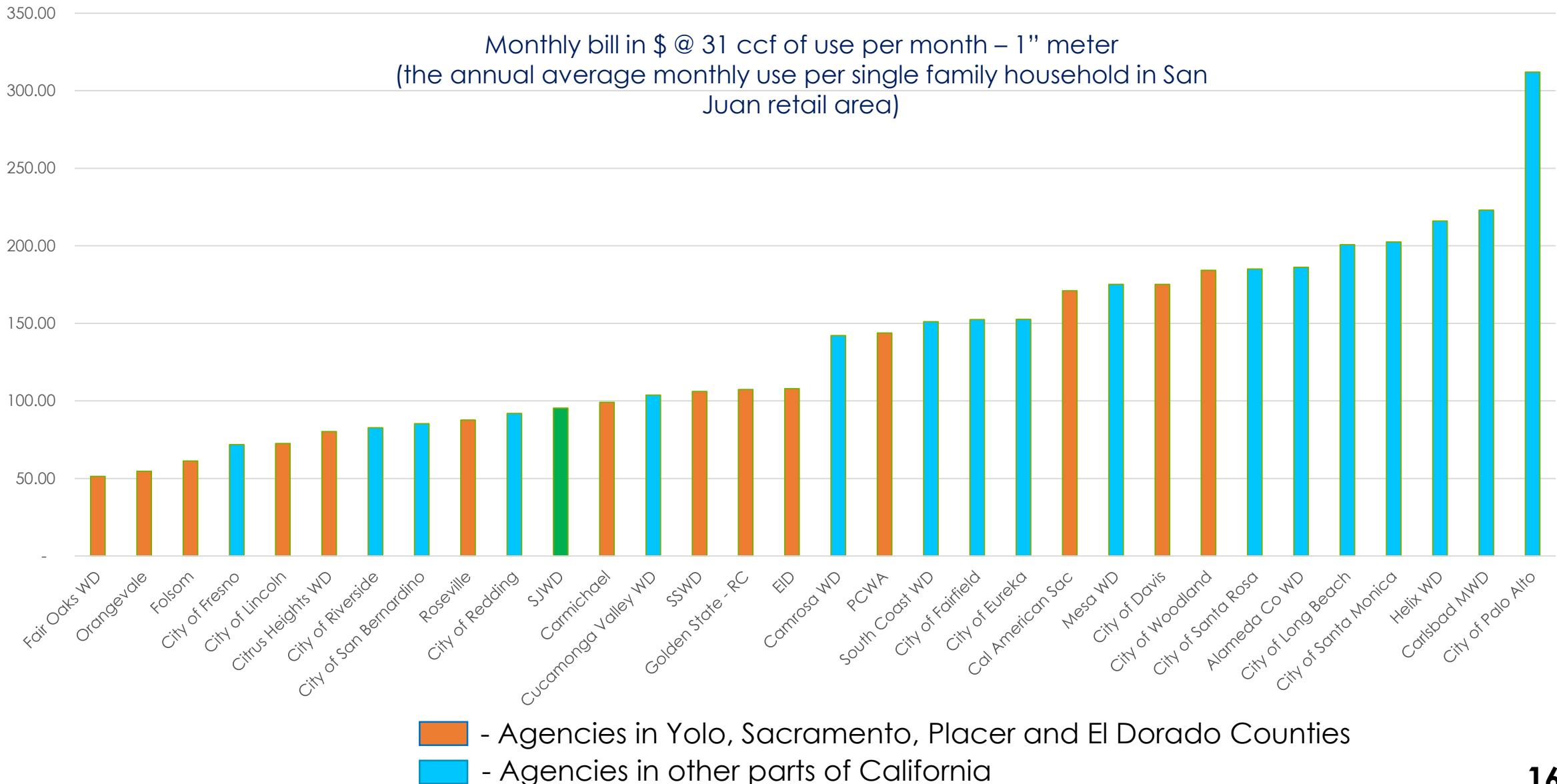
# Financial Forecast – Hybrid (near-term debt only)



	Proposed			Estimates								
Proposed Rate Revenue Increase:	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	6.0%	3.0%	3.0%	3.0%
Debt Coverage Ratio*	5.92	6.06	4.45	3.50	3.97	4.53	5.66	6.33	6.96	7.33	7.55	7.70
Net Debt Proceeds	\$0.0M	\$3.7M	\$8.8M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

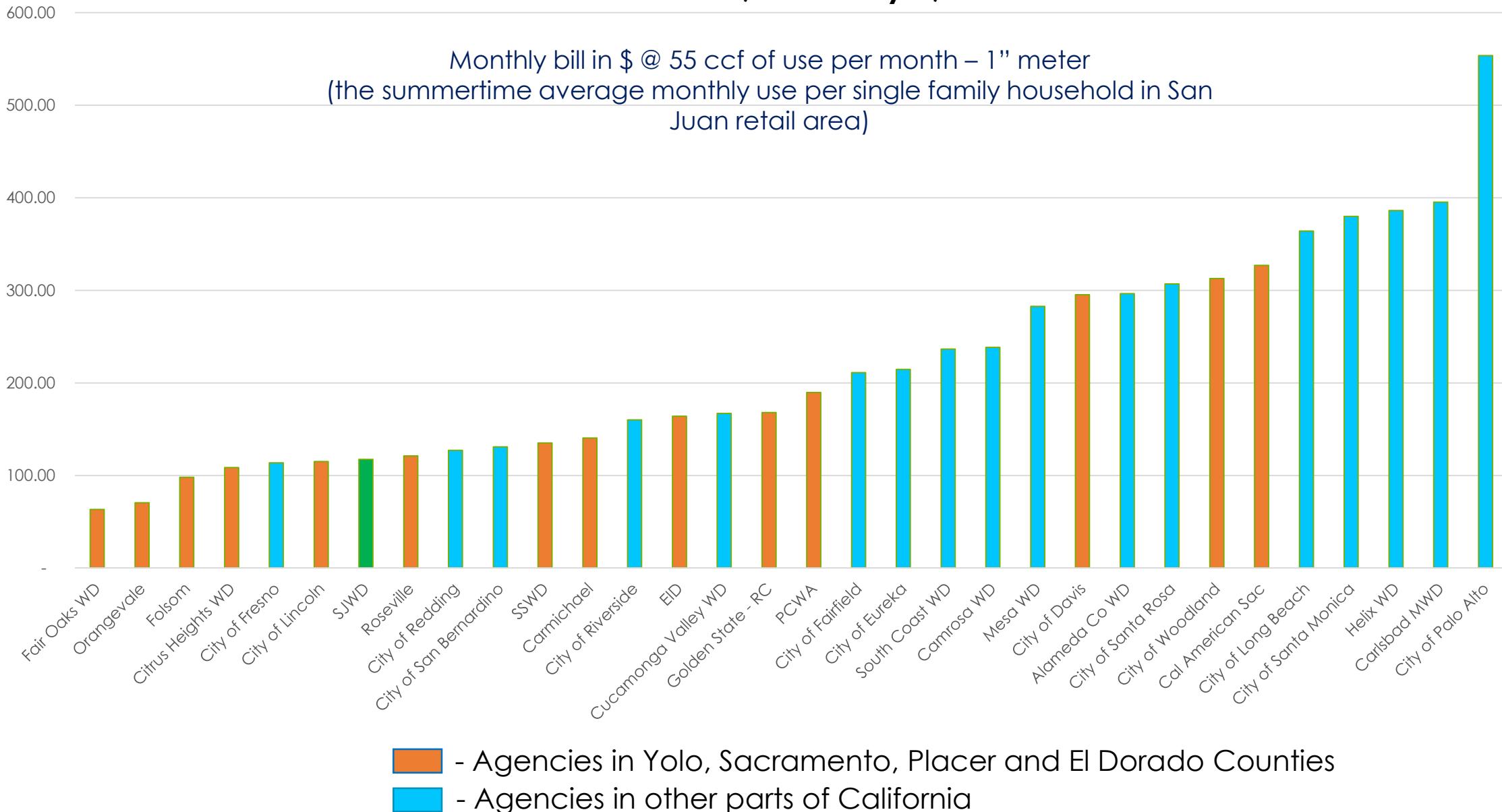
\* For Retail Enterprise only

## Water bill comparisons among selected urban California water agencies Most recent data, as of July 6, 2021



## Existing Rates

### Water bill comparisons among selected urban California water agencies Most recent data, as of July 6, 2021



# Current Water Rates

<b>Meter Size</b>	<b>Daily Base Charges</b>	
Up to 1" meter	\$2.23	
1 1/2" meter	\$5.78	
2" meter	\$9.20	
3" meter	\$17.13	68.2% of revenue
4" meter	\$28.48	
6" meter	\$56.88	
8" meter	\$90.94	
<b>Water Usage Charge (\$/CCF)</b>		
All water usage	\$0.92	31.8% of revenue

# **Cost of Service**

**Usage Charge** – Based on water usage

- All of Source of Supply & some Field Services (10% for utilities)

**Account Charge** – Per account

- Customer Service costs

**Meter Charge** – Based on meter size

- All remaining costs

# Proposed Rate Schedule

Overall Rate Revenue Increase:	7%	7%	7%
	<b>Proposed Implementation Dates</b>		
<b>Current</b>	<b>Jan 1, 2022</b>	<b>Jan 1, 2023</b>	<b>Jan 1, 2024</b>
Overall Rate Revenue Increase -->	7%	7%	7%
<b>Daily Base Charges</b>			
Up to 1" meter	\$2.23	\$2.45	\$2.62
1 1/2" meter	\$5.78	\$6.18	\$6.61
2" meter	\$9.20	\$9.76	\$10.44
3" meter	\$17.13	\$18.10	\$19.37
4" meter	\$28.48	\$30.02	\$32.12
6" meter	\$56.88	\$59.82	\$64.01
8" meter	\$90.94	\$95.57	\$102.26
<b>Water Usage Charge (\$/CCF)</b>			
All water usage	\$0.92	\$0.93	\$1.00
			\$1.07
<b>Daily Private Fire Line Rates</b>			
4" line	\$0.78	\$1.03	\$1.06
6" line	\$1.16	\$1.20	\$1.24
8" line	\$1.56	\$1.34	\$1.38
10" line	\$1.86	\$1.46	\$1.50
12" line	(na)	\$1.60	\$1.65
			\$1.70

71.1% of revenue

28.9% of revenue

## Bimonthly Bill Impacts for a Sampling of Customers

	<b>Meter Size</b>	<b>Water Use (CCF)</b>	<b>Current Bill</b>	<b>Proposed Bill <sup>1</sup></b>	<b>Change</b>	
					\$	%
Residential						
Low Use	1"	20	\$152.20	\$165.60	\$13.40	8.8%
Median Use	1"	50	\$179.80	\$193.50	\$13.70	7.6%
Average	1"	69	\$197.28	\$211.17	\$13.89	7.0%
High Use	1"	120	\$244.20	\$258.60	\$14.40	5.9%
Multi-family	1 1/2"	200	\$530.80	\$556.80	\$26.00	4.9%
Multi-family	2"	400	\$920.00	\$957.60	\$37.60	4.1%
Multi-family	3"	800	\$1,763.80	\$1,830.00	\$66.20	3.8%
Retail Business	1"	25	\$156.80	\$170.25	\$13.45	8.6%
Restaurant	2"	400	\$920.00	\$957.60	\$37.60	4.1%
Institution	3"	800	\$1,763.80	\$1,830.00	\$66.20	3.8%
Irrigation	2"	400	\$920.00	\$957.60	\$37.60	4.1%

<sup>1</sup> With Year 1 rate increases

# Drought Surcharge Policy

SJWD WSCP Stages:	Normal Supply Conditions <sup>1</sup>	Stage 1 - Alert	Stage 2 - Warning	Stage 3 - Crisis	Stage 4 - Emergency
<b>Corresponding State Mandated Shortage Levels:</b>	(normal)	Stage 1	Stages 2 & 3	Stages 3, 4 & 5	Stage 6
Use Reduction Goal -->	n/a	0% to 10%	10% to 25%	25% to 50%	Greater than 50%
Assumed Water Use Reduction -->		5%	17.5%	37.5%	50%
<b>Drought Rate Surcharge <sup>2</sup> --&gt;</b>	<b>n/a</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>20%</b>
<b><i>Est. Financial Impact from Drought Conditions</i></b>					
Reduced Water Sales Revenue		-\$209,721	-\$735,721	-\$1,576,721	-\$2,101,721
Reduced Water Purchase & Production Costs		\$71,333	\$358,518	\$861,555	\$1,148,740
Increased Conservation Costs		-\$10,000	-\$20,000	-\$30,000	-\$40,000
<b>Est. Total Financial Deficit</b>	<b>\$0</b>	<b>-\$148,388</b>	<b>-\$397,203</b>	<b>-\$745,166</b>	<b>-\$992,981</b>
<b><i>Multi-Pronged Corrective Strategy</i></b>					
Reduced Capital Spending		\$0	\$108,853	\$326,558	\$435,411
Increase in Revenue from Surcharge		\$0	\$173,000	\$263,000	\$420,000
<b>Total Corrective Actions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$281,853</b>	<b>\$589,558</b>	<b>\$855,411</b>
<b>Surplus/(Deficit) Due to Drought <sup>3</sup></b>	<b>\$0</b>	<b>-\$148,388</b>	<b>-\$115,350</b>	<b>-\$155,608</b>	<b>-\$137,570</b>

<sup>1</sup> Analysis based on FY 2021-22 budget and assumed that current usage reflects normal water supply conditions.

<sup>2</sup> Drought rate surcharges apply only to water usage charges (not the base charges)

<sup>3</sup> To be absorbed by District reserves

# Next Steps

- Next week - Send 218 Notice (requires 45 day waiting period)
- December 8 - Hold Public Hearing and potentially adopt rates
- January 1 - Implement Rates

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: September 22, 2021  
Subject: RWA Listening Session

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### **RECOMMENDED ACTION**

Information

### **BACKGROUND**

The Chair and Vice-Chair of RWA (Sean Bigley and Dan York) have initiated listening sessions in the fall of 2021 to discuss RWA priorities, to meet with the RWA Executive Director and RWA Board representatives and other member agency representatives. Dan Rich and Greg Zlotnick are San Juan's members on the RWA Board of Directors, and Ted Costa is the alternate.

The following information was provided to RWA last fall, to inform similar discussions, and the topics and observations remain pertinent:

### **Topics that are high priority for RWA/SGA in the next few years (with references to elements in RWA's strategic plan):**

- Completion and implementation of the Groundwater Sustainability Plan, including establishing an effective governance structure for implementation of the plan, both within SGA (including serious assessment and consideration of amending the current JEPA to reflect most effective and efficient SGMA implementation) and within the broader North American subbasin in collaboration with the four (4) other GSAs (Planning goal, Objective A, Subobjective 3; Planning goal, Objective B, Subobjective 4; Advocacy goal, Objective B, Subobjective 2)
- Development and implementation of the regional groundwater bank, including Federal acknowledgment as soon as practicable (Planning goal, Objective A, Subobjectives 1 and 3; Planning goal, Objective B, Subobjective 4; Advocacy goal, Objective B, Subobjective 2)
- Regulation tracking and advocacy – water efficiency standards and targets, water shortage contingency planning, water loss control, CARB fleet requirements (Implementation goal, Objective B, Subobjectives 1 and 3; Advocacy goal, Objective B, Subobjectives 1 and 3)
- Legislation tracking and advocacy, including leveraging the resources of ACWA, CMUA, CSDA and other partners (Advocacy goal, Objective A, Subobjectives 1-5)

- Climate change planning and adaptation strategies (Planning goal, Objective B, Subobjective 1)

**If you could change anything about the RWA/SGA (and you did not need to rely on the votes) what would it be?**

Be transparent and inclusive in its work – RWA and SGA should review and amend its policies to ensure that all agencies interested in particular topics are able to be included in strategy and implementation. State and federal legislative issues are a good example – there is a workgroup for state issues in which anyone can participate, but there is a standing committee for federal issues, which prevents Board members not on the committee from participating. Similarly, the inability of Board members who are not members of the Executive Committee being unable to even provide comment during open session portions of Executive Committee meetings is not good governance practice and needs to be addressed and fixed – including through bylaws changes.

RWA and SGA should also ensure that all common programs and issues are well-coordinated. The development of a water bank is a good example – SGA has developed a water accounting framework that serves as the basis for the bank in SGA, but RWA is working on expanding the bank to include other areas under the purview of other GSAs. This effort needs to be well-coordinated within SGA and RWA.

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: September 22, 2021  
Subject: Designate Representative to Cast District Ballot for ACWA Officers

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### **RECOMMENDED ACTION**

Designate Representative to Cast District Ballot for ACWA Officers.

### **BACKGROUND**

The biennial election for ACWA President and Vice President will occur at the ACWA Fall Conference, scheduled for November 30-December 2, 2021. The deadline to submit nominations for candidates was September 1. ACWA created a nominating committee to interview the candidates and provide the committee's recommended slate to the ACWA Board at its September 24 meeting.

At the March 2021 Board meeting, the San Juan Board of Directors approved resolution 21-02, authorizing Pam Tobin to be a candidate for President of ACWA. At the July Board meeting, the Board approved resolution 21-11, endorsing the candidacy of Cathy Green for Vice President of ACWA.

The slate of candidate for the President and Vice President positions for ACWA for the 2021-23 term is expected to be provided by ACWA in October, and it will be brought to the San Juan Board of Directors at its October Board meeting to determine its vote for each officer position. ACWA will provide a mechanism for a representative of each member agency to cast its ballot for each position, which will accommodate the attendance of that representative (and indeed, all participants) either virtually or in person at the fall conference. This item is to request the Board to designate that voting representative.

# AGENDA ITEM V-2

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Ryan Jones, General Counsel  
Date: September 22, 2021  
Subject: District Covid-19 Plan

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### **RECOMMENDED ACTION**

Presentation and Discussion.

### **BACKGROUND**

At the August 25th, 2021 Board meeting, Paul gave an overview of the District's Covid Plan, which was first adopted on March 19, 2020, and has been revised multiple times during the intervening months. Since that Board meeting, it has been revised again to clarify the types of tests that could be used by employees to determine whether or not they have Covid.

At that same Board meeting, there was discussion amongst the Board about vaccination requirements being implemented by California state agencies and other organizations, and whether or not the District should consider a similar program. The Board requested that we survey other water districts and local governments in the Sacramento area, to determine what vaccination policies, if any, they may be implementing. The Board also requested information from the General Counsel about the District's authority to require its employees to be vaccinated against Covid and the potential legal issues associated with such a requirement.

This information will be presented to the Board at the September 22<sup>nd</sup> meeting, and will afford the Board an opportunity to discuss it further. Please note this is a dynamic and constantly evolving issue which staff will continue to monitor and provide updates to the Board.

# AGENDA ITEM V-2

## MEMORANDUM

**To:** San Juan Water District Board of Directors

**From:** Ryan Jones, General Counsel  
By: Chelsea Avent, Deputy General Counsel

**Date:** September 17, 2021

**Subject:** Legal Analysis of Employer COVID-19 Vaccine/Testing Programs

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### I. Summary

At the Board meeting on August 25, 2021, the Directors engaged in an initial discussion about vaccination requirements being implemented by California state agencies and other organizations, and whether or not the District should consider a similar program. The Board requested that staff survey other water districts and local governments in the Sacramento area, to determine what vaccination requirements, if any, they may be implementing. The Board also requested information from the General Counsel about the District's authority to require its employees to be vaccinated against COVID and the potential legal issues associated with such a requirement. This memorandum will discuss the District's options related to vaccine/testing program.

This is a dynamic topic, including new guidance which came out as recently as last week. On September 9, 2021, President Biden announced the forthcoming requirement that all employers with more than 100 employees and federal workers will be required to have their staff be vaccinated or be tested for COVID-19 weekly. This order was similar to Governor Newsom's July 26, 2021 order that all state workers and healthcare workers either show proof of the COVID-19 vaccine or submit to weekly testing. Since then, many other public and private employers have implemented similar vaccine or testing programs. Although not legally required to do so, the San Juan Water District Board of Directors can follow the State's model and implement a similar program requiring its employees to show proof of the COVID-19 vaccine or submit to weekly testing, provided other legal requirements are met.

### II. DISCUSSION

It is well-settled law that state and local governments—and by extension government employers—can mandate that citizens be vaccinated. Historically, courts have concluded the need for public safety outweighs individuals' rights to privacy or bodily autonomy when it comes to mandatory vaccinations.<sup>1</sup>

Until recently, the legal analysis into whether an employer can require employers show proof of the COVID-19 vaccination or obtain weekly testing has been focused on its approval under the emergency use authorization. On August 23, 2021, the Food and Drug Administration

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<sup>1</sup> See *Brown v. Smith* (2018) 24 Cal.App.5th 1135 and *Love v. State Dept. of Education* (2018) 29 Cal.App.5th 980.

approved the Pfizer COVID-19 vaccine for the prevention of COVID-19 in individuals 16 years and older.<sup>2</sup> The recent FDA approval of the Pfizer COVID-19 vaccine has likely removed any uncertainty as to the legality of mandating employees receive the COVID-19 vaccine. A summary of the current legal framework for requiring COVID-19 vaccines follows.

*i. Federal Law and Guidance*

Many federal agencies, including the Centers for Disease Control (“CDC”) and Prevention and the Equal Employment Opportunity Commission (“EEOC”), acknowledge that federal law does not prevent employers from imposing vaccine mandates. As previously mentioned, President Biden has ordered that many employers require that their employees be vaccinated.

*DOJ Opinion*

On July 26, 2021, the Department of Justice (“DOJ) issued guidance regarding the ability of employers to require COVID-19 vaccines even though the three vaccines were issued under the emergency use authorizations and not full approval under the FDA. The DOJ concluded that “federal law does not prohibit public or private entities from imposing vaccination requirements for vaccines that are subject to emergency use authorizations from the U.S. Food and Drug Administration.” In other words, even under the emergency use authorization, employers may lawfully require employees be vaccinated as a condition of employment.

*EEOC Guidance*

The federal EEO laws do not prevent an employer from requiring all employees physically entering the workplace to be vaccinated for COVID-19, subject to reasonable accommodation exemptions. An employer must still be aware of various anti-discrimination laws that will provide employees exemptions from complying with vaccine requirements, such as the Americans with Disabilities Act and Title VII of the Civil Rights Act of 1964. Under the ADA, an employer must engage in an interactive process with employees who claim that a disability prevents them from receiving the vaccine, to explore accommodation alternatives to being vaccinated. Likewise, under Title VII, an employer may have to accommodate an employee’s sincerely held religious belief, practice, or observance and provide a reasonable accommodation due to religious objections.

The EEOC recognizes that “[s]ocial, political, or economic philosophies, as well as mere personal preferences, are not ‘religious’ beliefs protected by Title VII.” EEOC Guidance states the “definition of religion is broad and protects beliefs, practices, and observances with which the employer may be unfamiliar.” Therefore, an employer should assume that an employee’s request for religious accommodation is sincere. However, if an employer is aware of facts that provide an objective basis for questioning either the religious nature or the sincerity, the employer would be justified in requesting additional supporting information.<sup>3</sup>

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<sup>2</sup> The Pfizer vaccine is still available for individuals 12 through 15 years of age under the emergency use authorization from the FDA.

<sup>3</sup> California regulations require that “the belief, observance, or practice occupy a place in the employee's life of importance parallel to that of traditionally recognized religions” in order to be a religious belief under the Fair Employment and Housing Act.

Employees who refuse the vaccine based on personal preferences or other reasons unrelated to a medical condition or religious belief will likely be unsuccessful.

#### *OSHA Guidance*

The Occupational Safety and Health Administration (OSHA") has not advised whether employers can or should mandate the COVID-19 vaccine. On September 9, 2021, President Biden ordered OSHA to prepare and implement guidelines for mandating vaccination for employers with 100 or more employees and federal agencies. Prior to the President's directive, OSHA has stated that it "strongly encourages" employers to grant paid time off for their employees to get vaccinated.

#### *ii. State Law and Guidance*

Prior to the President's recent order regarding mandatory vaccinations, the policies associated with COVID-19 vaccines had largely been left to the state and local governments to decide. The CDC website states: "whether a state, local government, or employer, for example, may require or mandate COVID-19 vaccination is a matter of state or other applicable law."<sup>4</sup> In fact, nine states have enacted prohibitions on vaccine mandates for employees.<sup>5</sup> While it remains to be seen with the OSHA guidelines, it is anticipated that these anti-vaccine mandate will be preempted by federal law.

On March 4, 2021, the California Department of Fair Employment and Housing ("DFEH") provided an update to its COVID-related guidance regarding whether an employer can require its employees to be vaccinated against COVID-19. The DFEH determined that "Yes. Under FEHA, an employer may require employees to receive an FDA-approved vaccination against COVID-19 infection so long as the employer" complies with the Fair Employment and Housing Act. This requires an employer to *"not discriminate against or harass employees or job applicants on the basis of a protected characteristic, provides reasonable accommodations related to disability or sincerely-held religious beliefs or practices, and does not retaliate against anyone for engaging in protected activity (such as requesting a reasonable accommodation)."*

The DFEH guidance goes on further to state that an employer may also require its employees or applicants to submit proof of receiving the COVID-19 vaccination. Since the documentation could include disability-related information, an employer should instruct employees or applicants to omit any medical information from the documentation. Any employee records of proof of vaccination status must be maintained as a confidential medical record.

On July 26, 2021, Governor Newsom announced a statewide requirement for all state workers and workers in healthcare and high-risk congregate settings to show either proof of

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<sup>4</sup> [https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/essentialworker/workplace-vaccination-program.html#anchor\\_1615585395585](https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/essentialworker/workplace-vaccination-program.html#anchor_1615585395585)

<sup>5</sup> These states include Arizona, Arkansas, Georgia, Indiana, Montana, New Hampshire, North Dakota, Tennessee, and Utah. The scopes of the prohibitions vary from only applying to state entities or applying to all entities except healthcare.

vaccine or submit to weekly testing. The Governor also encouraged all local governments and employers to implement similar requirements.

*iii. Litigation*

The Supreme Court first held more than 100 years ago that the government can require individuals submit to a vaccine amid the smallpox public health crisis in *Jacobson v. Massachusetts* (1905) 197 U.S. 11. More recently, there have been several cases filed regarding employer-based COVID-19 vaccine mandates arguing that employers cannot mandate COVID-19 vaccine mandates because the COVID-19 vaccines have only received Emergency Use Authorizations from the FDA. So far, legal challenges have been unsuccessful.

Most notably, the Supreme Court recently declined to hear a case by students at Indiana University requesting to enjoin the school from enforcing a COVID-19 vaccine mandate. The Seventh Circuit noted: “Vaccination is ... a condition of attending Indiana University. People who do not want to be vaccinated may go elsewhere.” Although the decision deals directly with an educational institution, the case reasoning aligns with the DOJ’s analysis in its recent guidance.

It is also important to note that PERB has concluded that while the decision to require employees get a vaccine is not a mandatory subject of bargaining, employers must complete impact bargaining on subjects like the disciplinary consequences of failure to comply before imposing such policies. For reference, attached as Exhibit A is a copy of the August 5, 2021 re: PERB Decision - Duty to Meet and Confer Regarding Mandatory Vaccinations.)

**III. ALTERNATIVES TO A VACCINE POLICY**

If the San Juan Water District does not wish to implement a mandatory COVID-19 vaccine program, there are other options for the District to consider. Many employers are implementing recommendations that all employees receive the COVID-19 vaccine. Other employers have implemented incentive programs where the employer offers incentives to employees who get the vaccine. The EEOC has advised in its guidance that federal laws do not prevent an employer from offering incentives to employees who receive the COVID-19 vaccine from a third-party.

Whether a public agency can legally provide incentives to employees is unclear at this time. Cities in other states have started offering incentives, such as the City of Orlando and the City of Charlotte.

**IV. CONCLUSION**

Numerous governmental entities, including President Biden’s federal mandate, the U.S. Department of Veteran Affairs, California, New York, and the cities of Los Angeles and New York have announced vaccination requirements for certain portions of their staff or a requirement that individuals take weekly COVID-19 tests in lieu of getting vaccinated. In addition, many government officials, public health agencies, and employer industry groups have encouraged or recommended that private employers mandate vaccination for their workers. As such, the San Juan Water District could implement a program requiring its employees to show proof of the

COVID-19 vaccine or submit to weekly testing, provided other legal requirements are met. The District should be aware and mindful of any potential discrimination exemptions.

# STAFF REPORT

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To: Board of Directors  
 From: Paul Helliker, General Manager  
 Date: September 22, 2021  
 Subject: General Manager's Monthly Report (August)

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## RECOMMENDED ACTION

For information only, no action requested.

## TREATMENT PLANT OPERATIONS

### *Water Production*

Item	2021	2020	Difference
Monthly Production AF	4,379.67	6,319.36	-30.7%
Daily Average MG	46.04	66.42	-30.7%
Annual Production AF	26,551.15	28,168.58	-5.7%

### *Water Turbidity*

Item	August 2021	July 2021	Difference
Raw Water Turbidity NTU	3.78	3.16	20%
Treated Water Turbidity NTU	0.024	0.022	9%
Monthly Turbidity Percentage Reduction	99.37%	99.31%	

### *Folsom Lake Reservoir Storage Level AF\**

Item	2021	2020	Difference
Lake Volume AF	233,525	475,565	-51%

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

\* Total Reservoir Capacity: 977,000 AF

### *Other Items of Interest:*

- Perform annual after hours chlorine response drills
- Completed south filter rehab, testing and start up. South filter now at full capacity.
- Perform annual influent meter validations
- Perform annual lab particle counter calibration
- Install energy efficient LED lighting in Solids Handling Building

## SYSTEM OPERATIONS

### Distribution Operations:

Item	August 2021	July 2021	Difference
Leaks and Repairs	13	11	+2
Mains Flushed	0	9	-9
Valves Exercised	0	0	0
Hydrants Maintenance	0	0	0
Back Flows Tested	106	45	+57
Customer Service Calls	34	53	-19

### Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
50 Lab	0	
16 In-House	0	

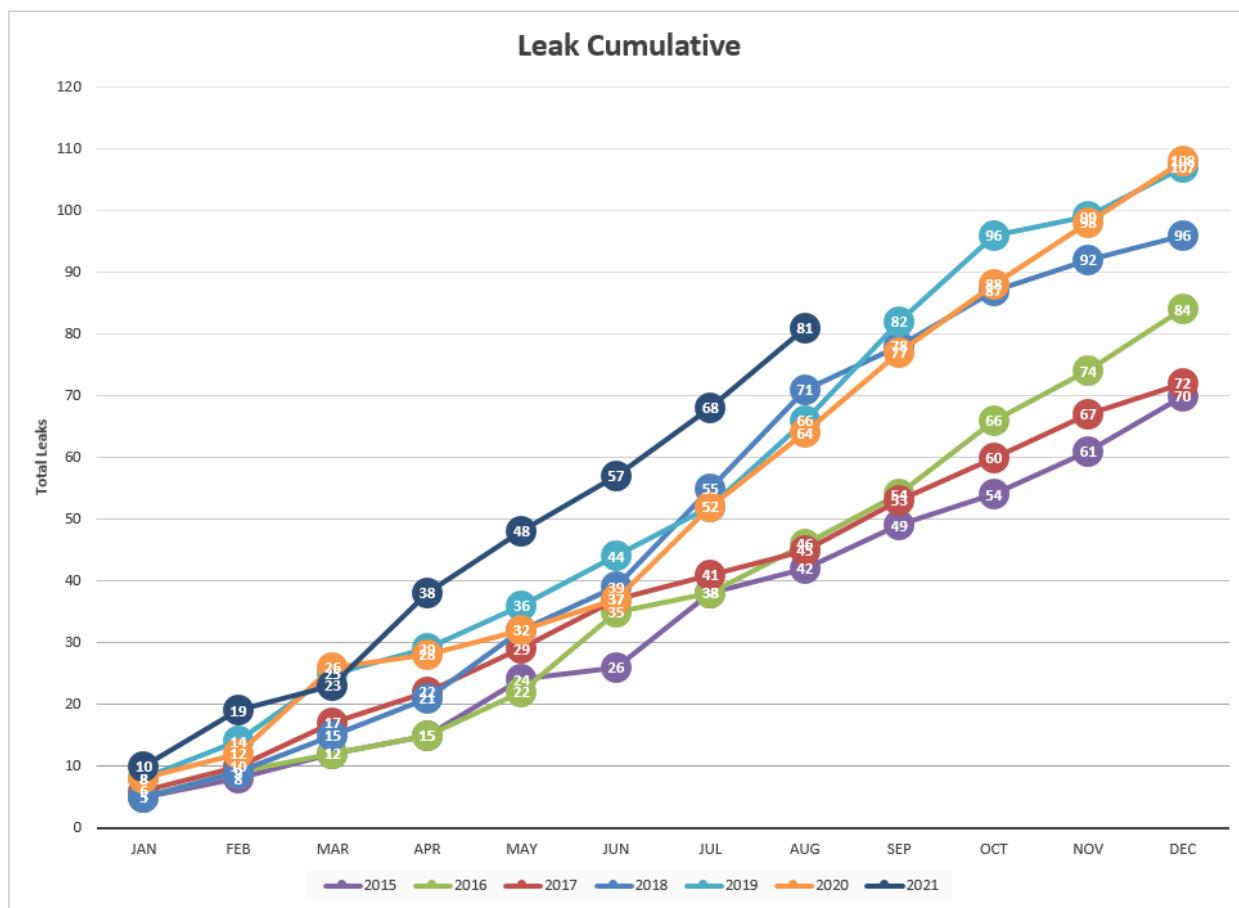


Figure 1: Annual Distribution System Leaks

### Other Items of Interest:

- None

**STAFF REPORT***General Manager's Monthly Report**Paul Helliker***CUSTOMER SERVICE ACTIVITIES***Billing Information for Month of August*

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
5028	580	0	0

*Water Efficiency Activities*

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
40	198	4	109

*Other Activities*

- None

**STAFF REPORT***General Manager's Monthly Report**Paul Helliker***ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)**

Project Title	Description	Status	Issues / Notes
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	In Construction	Water main installed. Construction in process.
GB Memory Care	Commercial Business (6400 Douglas Blvd)	In Design Review	Planning to begin construction in 2021.
Eureka Grove (former Greyhawk III Proj.)	44 high-density & 28 SFR lots (NE Cor. Eureka & SCB)	In Construction	Construction started October 2020.
Premier Soleil (formerly Granite Bay Townhomes)	52-Lot Subdivision (Douglas, east of Auburn Folsom)	In Construction	Construction started October 2020.
Greenside Parcel Split (5640 Macargo)	Minor parcel split of 2.0-Ac parcel into 3 lots	Approved for Construction	Design approved.
Placer County Retirement Residence (3905 Old Auburn)	Commercial Business (145-Unit Multi-story Assisted Living Facility; 3865 Old Auburn Rd)	Approved for Construction	Planning to begin construction in 2021.
Pond View	Commercial Business (5620 5630 5640 Douglas Blvd)	Approved for Construction	Planning to begin construction in 2021
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	Approved for Construction	Mass grading done. Re-start in 2021.
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	
Ventura of GB	33-Lot High Density Subdivision (6832 Eureka Rd)	In Construction	Initially will only have one source of supply connection, planning for a future 2 <sup>nd</sup> connection.
Wellquest Senior Living (prior Ovation)	Commercial Business (114-Unit 2-story Assisted Living Facility; 9747 Sierra College Blvd.)	In Construction	Construction nearing completion, finish in 2021.
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	In Design Review	Design submitted, under review now
Rancho Del Oro Estates	89-Lot Subdivision (Olive Ranch Rd, east of Cavitt Stallman)	Approved for Construction	Construction started June 2020.
Canyon Terrace Apartments	Apartment Complex (7 new buildings; 1600 Canyon Terrace Lane)	In Design Review	Design submitted, under review now

**ENGINEERING - CAPITAL PROJECTS***Status Update for Current Retail Projects*

<b>Project Title</b>	<b>Description</b>	<b>Status</b>	<b>Issues / Notes</b>
Eureka Rd Transmission Main Replacement	Replace approximately 3,925 LF of aged steel transmission pipeline.	In Design	Construction in FY 21/22
SCADA Radio Replacements – North Phase	Replace outdated 900 MHz radios with 173 MHz equipment	Under Construction	Radio router issues have now been resolved
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design	Construction in FY 22/23
Cavitt Stallman 12" (Mystery Cr to Oak Pines)	Install new pipeline on Cavitt Stallman between Mystery Creek Ln and Oak Pines Ln.	In Construction	Construction in FY 21/22
Woodminister Circle & Margo Drive Services Replacements	Replace 26 aged residential services and 2 commercial services	In Construction	Construction in FY 21/22
Kokila (SJWD/PCWA) 12-Inch Intertie Pipeline	Interconnection with PCWA	In Construction	Partial funding with RWA grant. Construction in FY 21/22
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank.	In Design	Applying for SRF funding. Construction in FY 22/23
Canyon Falls Village PRS Replacement	Rehabilitation of an existing Pressure Reducing Station (PRV) located near the intersection of Canyon Falls Drive and Santa Juanita Ave.	East PRS is now completed, doing design for West PRS	Construction in FY 22/23
UGB & LGB Low Flow Pumps and LGB/CP MOV	Installation of two new low flow pumps, one each at the Lower and Upper Granite Bay pump stations	In Construction	Installation and commission in FY 20/21
Upper Granite Bay Pump Station Generator Replacement	Replacing generator at Upper Granite Bay Pump Station	In Construction	Construction in FY 21/22
Bacon Pump Station Generator Replacement	Replacing generators at Bacon Pump Station	In Design	Construction in FY 22/23

**STAFF REPORT**  
*General Manager's Monthly Report*  
*Paul Helliker*

**Status Update for Current Wholesale Projects**

<b>Project Title</b>	<b>Description</b>	<b>Status (% Complete)</b>	<b>Issues/ Notes</b>
WTP Filters Improvements	R&R Filter Materials, nozzles, and resurface spalled filter floor and wall areas	In Construction	North Basin completion in FY 19/20 with South Basin in FY 20/21
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner.	Project postponed	Applying for SRF funding. Project postponed due to drought.
Temporary Storage Tanks	Installation of two temporary ±1.0-MG finished water storage tanks to operate when Hinkle Reservoir is out of service	In Construction	Construction complete. In project close-out.
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Design	
WTP On-Site Residuals Management Improvement Project	Management of the WTP residuals disposal area and improvements needed to meet regulatory requirements.	In Construction	Project complete.
Baldwin Chnl Lining and Solar Field Culvert Replacement Project	Lining the Baldwin Ditch on the main campus to minimize costs for maintenance within the ditch and the replacement of the Solar Field Culvert to provide emergency discharge capacity to Baldwin Reservoir	Design and Environmental Underway	

**SAFETY & REGULATORY TRAINING – August 2021**

<b>Training Course</b>	<b>Staff</b>
Revised COVID-19 Prevention Plan	All Staff
Wildfire Smoke Safety	Operations Staff
Job Hazard Analysis /SOP Process Review	Operations Staff

**FINANCE/BUDGET**

*See attached*



San Juan Water District, CA

# Wholesale Operating Income Statement

## Group Summary

For Fiscal: 2021-2022 Period Ending: 08/31/2021

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 010 - WHOLESALE</b>					
<b>Revenue</b>					
41000 - Water Sales	10,043,600.00	9,802,000.00	0.00	1,761,523.50	8,040,476.50
43000 - Rebate	1,500.00	1,500.00	0.00	0.00	1,500.00
45000 - Other Operating Revenue	29,800.00	29,800.00	1.19	2.38	29,797.62
49000 - Other Non-Operating Revenue	109,800.00	109,800.00	0.00	0.00	109,800.00
Revenue Total:	<b>10,184,700.00</b>	<b>9,943,100.00</b>	<b>1.19</b>	<b>1,761,525.88</b>	<b>8,181,574.12</b>
<b>Expense</b>					
51000 - Salaries and Benefits	4,184,300.00	4,184,300.00	269,048.02	573,821.51	3,610,478.49
52000 - Debt Service Expense	756,800.00	756,800.00	0.00	73,096.81	683,703.19
53000 - Source of Supply	912,700.00	912,700.00	9,598.64	73,075.79	839,624.21
54000 - Professional Services	609,400.00	609,400.00	8,500.80	16,765.20	592,634.80
55000 - Maintenance	555,400.00	555,400.00	33,484.04	63,594.85	491,805.15
56000 - Utilities	179,700.00	179,700.00	2,540.75	4,686.14	175,013.86
57000 - Materials and Supplies	616,600.00	616,600.00	37,297.68	104,826.91	511,773.09
58000 - Public Outreach	52,400.00	52,400.00	0.00	0.00	52,400.00
59000 - Other Operating Expenses	478,900.00	478,900.00	4,200.57	156,548.17	322,351.83
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	0.00	1,500.00
69900 - Transfers Out	968,000.00	726,400.00	0.00	0.00	726,400.00
Expense Total:	<b>9,315,700.00</b>	<b>9,074,100.00</b>	<b>364,670.50</b>	<b>1,066,415.38</b>	<b>8,007,684.62</b>
<b>Fund: 010 - WHOLESALE Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>869,000.00</b>	<b>869,000.00</b>	<b>-364,669.31</b>	<b>695,110.50</b>	<b>173,889.50</b>

**Wholesale Operating Income Statement**

For Fiscal: 2021-2022 Period Ending: 08/31/2021

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	869,000.00	869,000.00	-364,669.31	695,110.50	173,889.50
<b>Total Surplus (Deficit):</b>	<b>869,000.00</b>	<b>869,000.00</b>	<b>-364,669.31</b>	<b>695,110.50</b>	



San Juan Water District, CA

# Wholesale Capital Income Statement

## Group Summary

For Fiscal: 2021-2022 Period Ending: 08/31/2021

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 011 - Wholesale Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	1,248,000.00	1,248,000.00	0.00	0.00	1,248,000.00
44000 - Connection Fees	75,000.00	75,000.00	6,165.00	51,786.00	23,214.00
49000 - Other Non-Operating Revenue	150,000.00	150,000.00	0.00	0.00	150,000.00
49990 - Transfer In	968,000.00	968,000.00	0.00	0.00	968,000.00
Revenue Total:	<b>2,441,000.00</b>	<b>2,441,000.00</b>	<b>6,165.00</b>	<b>51,786.00</b>	<b>2,389,214.00</b>
<b>Expense</b>					
55000 - Maintenance	343,200.00	343,200.00	0.00	3,410.00	339,790.00
61000 - Capital Outlay	1,546,800.00	1,546,800.00	6,074.37	50,536.34	1,496,263.66
Expense Total:	<b>1,890,000.00</b>	<b>1,890,000.00</b>	<b>6,074.37</b>	<b>53,946.34</b>	<b>1,836,053.66</b>
<b>Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>551,000.00</b>	<b>551,000.00</b>	<b>90.63</b>	<b>-2,160.34</b>	<b>553,160.34</b>

**Wholesale Capital Income Statement**

For Fiscal: 2021-2022 Period Ending: 08/31/2021

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outlay	551,000.00	551,000.00	90.63	-2,160.34	553,160.34
<b>Total Surplus (Deficit):</b>	<b>551,000.00</b>	<b>551,000.00</b>	<b>90.63</b>	<b>-2,160.34</b>	



San Juan Water District, CA

# Retail Operating Income Statement

## Group Summary

For Fiscal: 2021-2022 Period Ending: 08/31/2021

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 050 - RETAIL</b>					
<b>Revenue</b>					
41000 - Water Sales	13,816,000.00	13,816,000.00	266,607.35	277,397.91	13,538,602.09
45000 - Other Operating Revenue	466,500.00	466,500.00	2,370.33	-12,866.35	479,366.35
49000 - Other Non-Operating Revenue	154,200.00	154,200.00	0.00	21,488.00	132,712.00
Revenue Total:	<b>14,436,700.00</b>	<b>14,436,700.00</b>	<b>268,977.68</b>	<b>286,019.56</b>	<b>14,150,680.44</b>
<b>Expense</b>					
41000 - Water Sales	0.00	0.00	0.00	0.03	-0.03
51000 - Salaries and Benefits	5,406,500.00	5,406,500.00	369,753.37	785,700.72	4,620,799.28
52000 - Debt Service Expense	480,300.00	480,300.00	0.00	40,672.90	439,627.10
53000 - Source of Supply	3,314,300.00	3,314,300.00	0.00	566,188.84	2,748,111.16
54000 - Professional Services	1,499,800.00	1,499,800.00	36,320.47	104,344.32	1,395,455.68
55000 - Maintenance	349,300.00	349,300.00	19,737.25	32,474.74	316,825.26
56000 - Utilities	416,100.00	416,100.00	3,842.67	36,816.08	379,283.92
57000 - Materials and Supplies	782,900.00	782,900.00	48,208.47	83,747.71	699,152.29
58000 - Public Outreach	113,000.00	113,000.00	5,625.85	5,625.85	107,374.15
59000 - Other Operating Expenses	669,700.00	669,700.00	29,042.83	106,842.84	562,857.16
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	0.00	1,500.00
69900 - Transfers Out	757,200.00	757,200.00	0.00	0.00	757,200.00
Expense Total:	<b>13,790,600.00</b>	<b>13,790,600.00</b>	<b>512,530.91</b>	<b>1,762,414.03</b>	<b>12,028,185.97</b>
Fund: 050 - RETAIL Surplus (Deficit):	<b>646,100.00</b>	<b>646,100.00</b>	<b>-243,553.23</b>	<b>-1,476,394.47</b>	<b>2,122,494.47</b>
Total Surplus (Deficit):	<b>646,100.00</b>	<b>646,100.00</b>	<b>-243,553.23</b>	<b>-1,476,394.47</b>	

**Retail Operating Income Statement**

For Fiscal: 2021-2022 Period Ending: 08/31/2021

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	646,100.00	646,100.00	-243,553.23	-1,476,394.47	2,122,494.47
<b>Total Surplus (Deficit):</b>	<b>646,100.00</b>	<b>646,100.00</b>	<b>-243,553.23</b>	<b>-1,476,394.47</b>	



San Juan Water District, CA

# Retail Capital Income Statement

## Group Summary

For Fiscal: 2021-2022 Period Ending: 08/31/2021

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 055 - Retail Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	1,248,000.00	1,248,000.00	0.00	0.00	1,248,000.00
44000 - Connection Fees	50,000.00	50,000.00	0.00	15,726.00	34,274.00
49000 - Other Non-Operating Revenue	83,200.00	83,200.00	0.00	0.00	83,200.00
49990 - Transfer In	757,200.00	757,200.00	0.00	0.00	757,200.00
Revenue Total:	<b>2,138,400.00</b>	<b>2,138,400.00</b>	<b>0.00</b>	<b>15,726.00</b>	<b>2,122,674.00</b>
<b>Expense</b>					
54000 - Professional Services	210,000.00	210,000.00	0.00	0.00	210,000.00
61000 - Capital Outlay	8,374,300.00	8,374,300.00	18,885.85	101,708.24	8,272,591.76
Expense Total:	<b>8,584,300.00</b>	<b>8,584,300.00</b>	<b>18,885.85</b>	<b>101,708.24</b>	<b>8,482,591.76</b>
<b>Fund: 055 - Retail Capital Outlay Surplus (Deficit):</b>					
Total Surplus (Deficit):	<b>-6,445,900.00</b>	<b>-6,445,900.00</b>	<b>-18,885.85</b>	<b>-85,982.24</b>	<b>-6,359,917.76</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-6,445,900.00	-6,445,900.00	-18,885.85	-85,982.24	-6,359,917.76
<b>Total Surplus (Deficit):</b>	<b>-6,445,900.00</b>	<b>-6,445,900.00</b>	<b>-18,885.85</b>	<b>-85,982.24</b>	

**Summary****Project Summary**

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
<a href="#">185135</a>	U&L GB Pump Stn Low Flow Pumps wi	0.00	3,000.00	-3,000.00
<a href="#">191255</a>	WTP Filter Basins Rehab Project	0.00	12,673.41	-12,673.41
<a href="#">191280</a>	Hinkle Reservoir Cover	0.00	9,171.25	-9,171.25
<a href="#">195225</a>	Kokila SJWD/PCWA Intertie	0.00	121.84	-121.84
<a href="#">195265</a>	Douglas Booster Pump Station Electric	0.00	340.22	-340.22
<a href="#">201144</a>	Hinkle Reservoir Temporary Tanks anc	0.00	28,691.68	-28,691.68
<a href="#">215105</a>	Eureka Road 18" T-main Design	0.00	26,822.77	-26,822.77
<a href="#">215114</a>	Bacon Pump Station Generator Repla	0.00	9,927.08	-9,927.08
<a href="#">215117</a>	Upper Granite Bay Pump Station Gene	0.00	412.92	-412.92
<a href="#">225162</a>	Sierra #1 and #4 VFD Replacement	0.00	18,618.78	-18,618.78
Project Totals:		<b>0.00</b>	<b>109,779.95</b>	<b>-109,779.95</b>

**Group Summary**

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	0.00	109,779.95	-109,779.95
Group Totals:	<b>0.00</b>	<b>109,779.95</b>	<b>-109,779.95</b>

**Type Summary**

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	0.00	69,316.51	-69,316.51
Field Services	0.00	18,618.78	-18,618.78
Water Treatment Plant	0.00	21,844.66	-21,844.66
Type Totals:	<b>0.00</b>	<b>109,779.95</b>	<b>-109,779.95</b>

**GL Account Summary**

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-700-61145	Capital Outlay - WTP & Improv...	0.00	40.56	40.56
011-700-61155	Capital Outlay - Reservoirs & I...	0.00	37,862.93	37,862.93
050-300-50010	Salaries and Wages	0.00	81.28	81.28
055-700-61135	Capital Outlay - Pump Stations...	0.00	32,299.00	32,299.00
055-700-61150	Capital Outlay - Mains/Pipeline...	0.00	26,822.77	26,822.77
GL Account Totals:		<b>0.00</b>	<b>109,779.95</b>	<b>109,779.95</b>



San Juan Water District, CA

**Balance Sheet**  
**Account Summary**  
As Of 08/31/2021

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
<b>Asset</b>					
<b>Type: 1000 - Assets</b>					
10010 - Cash and Investments	6,068,747.11	14,091,697.47	3,854,862.97	9,323,181.40	33,338,488.95
10510 - Accounts Receivable	5,989.37	0.01	919,814.97	-0.01	925,804.34
11000 - Inventory	0.00	0.00	153,441.79	0.00	153,441.79
12000 - Prepaid Expense	168,799.06	0.00	38,023.98	0.00	206,823.04
14010 - Deferred Outflows	2,763,407.36	0.00	2,774,087.63	0.00	5,537,494.99
17010 - Capital Assets - Work in Progress	3,980,626.89	0.00	875,230.51	0.00	4,855,857.40
17150 - Capital Assets - Land Non-depreciable	98,212.00	0.00	166,272.00	0.00	264,484.00
17160 - Capital Assets - Improvements Other Than Buildings	824,743.09	0.00	94,608.30	0.00	919,351.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	6,083,048.68	0.00	13,130,226.68
17300 - Capital Assets - Buildings & Improvements	1,279,892.05	0.00	275,982.16	0.00	1,555,874.21
17350 - Capital Assets - Water Treatment Plant & Imp	35,618,552.26	0.00	16,000.00	0.00	35,634,552.26
17400 - Capital Assets - Mains/Pipelines & Improvements	28,209,998.95	0.00	46,000,012.63	0.00	74,210,011.58
17500 - Capital Assets - Reservoirs & Improvements	2,923,447.50	0.00	2,492,421.90	0.00	5,415,869.40
17700 - Capital Assets - Equipment & Furniture	13,691,268.95	0.00	1,118,898.17	0.00	14,810,167.12
17750 - Capital Assets - Vehicles	304,780.00	0.00	548,262.51	0.00	853,042.51
17800 - Capital Assets - Software	445,614.45	0.00	415,403.40	0.00	861,017.85
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-39,469,850.00	0.00	-29,722,911.57	0.00	-69,192,761.57
<b>Total Type 1000 - Assets:</b>		<b>64,627,603.04</b>	<b>14,091,697.48</b>	<b>36,103,460.03</b>	<b>9,323,181.39</b>
<b>Total Asset:</b>		<b>64,627,603.04</b>	<b>14,091,697.48</b>	<b>36,103,460.03</b>	<b>9,323,181.39</b>
<b>Liability</b>					
<b>Type: 1000 - Assets</b>					
10510 - Accounts Receivable	0.00	0.00	104,604.89	0.00	104,604.89
<b>Total Type 1000 - Assets:</b>		<b>0.00</b>	<b>0.00</b>	<b>104,604.89</b>	<b>0.00</b>
<b>Type: 2000 - Liabilities</b>					
20010 - Accounts Payable	117,155.40	21,914.25	85,719.02	83,664.89	308,453.56
20100 - Retentions Payable	0.00	239,640.37	0.00	10,273.17	249,913.54
20150 - Customer Deposits	882.90	0.00	0.00	0.00	882.90
21200 - Salaries & Benefits Payable	36,095.69	0.00	62,871.49	0.00	98,967.18
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	384,418.36	0.00	494,414.58	0.00	878,832.94
21500 - Premium on Issuance of Bonds Series 2017	1,679,588.29	0.00	936,350.59	0.00	2,615,938.88
21600 - OPEB Liability	1,362,313.49	0.00	1,765,048.61	0.00	3,127,362.10

## Balance Sheet

As Of 08/31/2021

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21700 - Pension Liability	1,059,627.55	0.00	1,396,796.86	0.00	2,456,424.41
22010 - Deferred Income	0.00	0.00	256,172.53	0.00	256,172.53
22050 - Deferred Inflows	1,174,187.61	0.00	1,525,245.84	0.00	2,699,433.45
24000 - Current Bonds Payables	762,895.50	0.00	422,104.50	0.00	1,185,000.00
24200 - 2012 Bonds Payable	5,217,205.00	0.00	2,832,795.00	0.00	8,050,000.00
24250 - Bonds Payable 2017 Refunding	14,588,800.00	0.00	8,206,200.00	0.00	22,795,000.00
<b>Total Type 2000 - Liabilities:</b>	<b>26,383,169.80</b>	<b>261,554.62</b>	<b>17,983,719.01</b>	<b>93,938.06</b>	<b>44,722,381.49</b>
<b>Total Liability:</b>	<b>26,383,169.80</b>	<b>261,554.62</b>	<b>18,088,323.90</b>	<b>93,938.06</b>	<b>44,826,986.38</b>
<b>Equity</b>					
<b>Type: 3000 - Equity</b>					
30100 - Investment in Capital Assets	33,720,732.31	0.00	16,166,351.01	0.00	49,887,083.32
30500 - Designated Reserves	3,828,590.43	13,832,303.20	3,325,179.59	9,315,225.57	30,301,298.79
<b>Total Type 3000 - Equity:</b>	<b>37,549,322.74</b>	<b>13,832,303.20</b>	<b>19,491,530.60</b>	<b>9,315,225.57</b>	<b>80,188,382.11</b>
<b>Total Total Beginning Equity:</b>	<b>37,549,322.74</b>	<b>13,832,303.20</b>	<b>19,491,530.60</b>	<b>9,315,225.57</b>	<b>80,188,382.11</b>
Total Revenue	1,761,525.88	51,786.00	286,019.56	15,726.00	2,115,057.44
Total Expense	1,066,415.38	53,946.34	1,762,414.03	101,708.24	2,984,483.99
<b>Revenues Over/Under Expenses</b>	<b>695,110.50</b>	<b>-2,160.34</b>	<b>-1,476,394.47</b>	<b>-85,982.24</b>	<b>-869,426.55</b>
<b>Total Equity and Current Surplus (Deficit):</b>	<b>38,244,433.24</b>	<b>13,830,142.86</b>	<b>18,015,136.13</b>	<b>9,229,243.33</b>	<b>79,318,955.56</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b>64,627,603.04</b>	<b>14,091,697.48</b>	<b>36,103,460.03</b>	<b>9,323,181.39</b>	<b>124,145,941.94</b>



San Juan Water District, CA

## Check Report

By Vendor Name

Date Range: 08/01/2021 - 08/31/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	Bank Code: APBNK-APBNK					
	**Void**	08/09/2021	Regular	0.00	0.00	57072
	**Void**	08/09/2021	Regular	0.00	0.00	57073
	**Void**	08/09/2021	Regular	0.00	0.00	57074
	**Void**	08/09/2021	Regular	0.00	0.00	57075
	**Void**	08/17/2021	Regular	0.00	0.00	57084
	**Void**	08/24/2021	Regular	0.00	0.00	57106
	**Void**	08/02/2021	EFT	0.00	0.00	407491
01041	Afman, Todd R	08/09/2021	Regular	0.00	225.23	57053
01041	Afman, Todd R	08/30/2021	Regular	0.00	1,512.71	57117
03681	Allied Electronics Inc.	08/09/2021	EFT	0.00	6,891.87	407508
03681	Allied Electronics Inc.	08/24/2021	EFT	0.00	148.00	407523
03406	Alpha Analytical Laboratories Inc.	08/02/2021	Regular	0.00	553.00	57036
03406	Alpha Analytical Laboratories Inc.	08/09/2021	Regular	0.00	1,063.00	57054
03406	Alpha Analytical Laboratories Inc.	08/17/2021	Regular	0.00	734.00	57079
03406	Alpha Analytical Laboratories Inc.	08/24/2021	Regular	0.00	613.00	57094
03406	Alpha Analytical Laboratories Inc.	08/30/2021	Regular	0.00	926.00	57118
01073	Amarjeet Singh Garcha	08/09/2021	Regular	0.00	1,500.00	57055
01039	American Family Life Assurance Company of Colu	08/05/2021	Bank Draft	0.00	542.96	Q3869 08-05-21
01039	American Family Life Assurance Company of Colu	08/05/2021	Bank Draft	0.00	542.96	Q3869 08-05-21
01039	American Family Life Assurance Company of Colu	08/25/2021	Bank Draft	0.00	542.96	Q3869 08-25-21
01039	American Family Life Assurance Company of Colu	08/25/2021	Bank Draft	0.00	542.96	Q3869 08-25-21
01026	American River Ace Hardware, Inc.	08/30/2021	Regular	0.00	32.92	57119
01328	Association of California Water Agencies / Joint Pr	08/24/2021	EFT	0.00	7,820.14	407524
01898	Association of California Water Agencies / JPIA	08/02/2021	EFT	0.00	31,189.61	407490
01138	AT&T Mobility II LLC	08/02/2021	Regular	0.00	126.48	57037
01138	AT&T Mobility II LLC	08/30/2021	Regular	0.00	63.24	57120
03739	Azteca Systems Holdings, LLC	08/17/2021	EFT	0.00	15,000.00	407515
01165	Backflow Technologies	08/09/2021	Regular	0.00	6,779.03	57056
01166	Badger Daylighting Corp	08/02/2021	Regular	0.00	2,005.58	57038
01182	Bartkiewicz, Kronick & Shanahan	08/24/2021	Regular	0.00	713.75	57095
01232	Brower Mechanical, Inc.	08/02/2021	EFT	0.00	1,015.00	407492
01235	BSK Associates	08/30/2021	EFT	0.00	100.00	407540
01244	Burkett's Office Supplies Inc.	08/17/2021	EFT	0.00	482.63	407516
03562	California Secretary of State	08/24/2021	Regular	0.00	40.00	57096
03080	California State Disbursement Unit	08/06/2021	Bank Draft	0.00	1,862.82	PAY000000000003
03080	California State Disbursement Unit	08/20/2021	Bank Draft	0.00	1,862.82	PAY000000000003
03078	CalPERS Health	08/05/2021	Bank Draft	0.00	43,927.01	1001905091
03078	CalPERS Health	08/05/2021	Bank Draft	0.00	49,543.44	1001905091
03078	CalPERS Health	08/05/2021	Bank Draft	0.00	49,543.44	1001905091
03130	CalPERS Retirement	08/06/2021	Bank Draft	0.00	37,652.93	1001915438
03130	CalPERS Retirement	08/13/2021	Bank Draft	0.00	675.79	1001920937
03130	CalPERS Retirement	08/13/2021	Bank Draft	0.00	43.10	1001920937
03130	CalPERS Retirement	08/20/2021	Bank Draft	0.00	37,615.23	1001925598
03130	CalPERS Retirement	08/24/2021	Bank Draft	0.00	1,050.00	1001927400
01310	Capital Rubber Co., Ltd	08/02/2021	Regular	0.00	665.55	57039
03226	Capitol Sand and Gravel Co.	08/24/2021	Regular	0.00	2,392.19	57097
01330	CDW Government LLC	08/02/2021	EFT	0.00	77.23	407493
01330	CDW Government LLC	08/24/2021	EFT	0.00	1,034.73	407525
03221	Chemtrade Chemicals Corporation	08/02/2021	EFT	0.00	11,462.33	407494
03221	Chemtrade Chemicals Corporation	08/09/2021	EFT	0.00	5,683.74	407509
03221	Chemtrade Chemicals Corporation	08/24/2021	EFT	0.00	5,724.05	407526
01366	Citistreet/CalPERS 457	08/06/2021	Bank Draft	0.00	5,061.48	1001915441
01366	Citistreet/CalPERS 457	08/13/2021	Bank Draft	0.00	25.34	1001920940
01366	Citistreet/CalPERS 457	08/20/2021	Bank Draft	0.00	5,072.95	1001925601

## Check Report

Date Range: 08/01/2021 - 08/31/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01368	Citrus Heights Water District	08/24/2021	Regular	0.00	3,325.00	57098
01372	City of Folsom	08/17/2021	Regular	0.00	32.95	57080
01375	City of Sacramento	08/02/2021	Regular	0.00	3,441.00	57040
01378	Clark Pest Control of Stockton	08/09/2021	Regular	0.00	153.00	57057
02613	Clark, Tom	08/24/2021	Regular	0.00	167.53	57099
02214	County of Placer Engineering & Surveying	08/02/2021	Regular	0.00	73.69	57041
01423	County of Sacramento	08/02/2021	Regular	0.00	110.00	57042
01423	County of Sacramento	08/30/2021	Regular	0.00	210.00	57121
01521	DataProse, LLC	08/17/2021	EFT	0.00	3,503.38	407517
01494	Dewey Services Inc.	08/17/2021	Regular	0.00	110.00	57081
01503	Division 5-15, A California Corporation	08/24/2021	EFT	0.00	50,397.50	407527
03163	Economic Development Department	08/16/2021	Bank Draft	0.00	52.32	0-546-700-704
03163	Economic Development Department	08/16/2021	Bank Draft	0.00	18.16	0-546-700-704
03163	Economic Development Department	08/16/2021	Bank Draft	0.00	309.82	0-546-700-704
03163	Economic Development Department	08/23/2021	Bank Draft	0.00	9,055.03	0-731-471-264
03163	Economic Development Department	08/06/2021	Bank Draft	0.00	9,027.18	1-431-735-712
03740	E-Hazard Management LLC	08/02/2021	EFT	0.00	43,348.46	407495
03749	Eide Bailly LLP	08/02/2021	EFT	0.00	840.00	407496
01554	Electrical Equipment Co	08/24/2021	Regular	0.00	1,387.44	57100
01554	Electrical Equipment Co	08/30/2021	Regular	0.00	753.24	57122
01611	Ferguson Enterprises, Inc	08/30/2021	EFT	0.00	1,146.56	407541
03702	Flowline Contractors, Inc.	08/17/2021	EFT	0.00	21,548.00	407518
01650	Furniture at Work, Inc.	08/09/2021	Regular	0.00	4,101.48	57058
03091	Granite Bay Ace Hardware	08/02/2021	Regular	0.00	32.78	57043
03091	Granite Bay Ace Hardware	08/09/2021	Regular	0.00	216.00	57059
03091	Granite Bay Ace Hardware	08/24/2021	Regular	0.00	140.78	57101
03091	Granite Bay Ace Hardware	08/30/2021	Regular	0.00	83.88	57123
02567	Grant, Teri	08/24/2021	Regular	0.00	47.04	57102
01706	Graymont Western US Inc.	08/02/2021	EFT	0.00	6,926.52	407497
01706	Graymont Western US Inc.	08/17/2021	EFT	0.00	6,843.26	407519
01721	Hach Company	08/24/2021	EFT	0.00	2,134.08	407528
01733	Harris Industrial Gases	08/02/2021	Regular	0.00	106.12	57044
03235	HD Supply Construction Supply LTD	08/24/2021	Regular	0.00	539.95	57103
01748	Herc Rentals Inc.	08/30/2021	EFT	0.00	4,463.21	407542
01763	Holt of California	08/30/2021	Regular	0.00	1,525.02	57124
01416	ICONIX Waterworks (US) Inc.	08/24/2021	EFT	0.00	11,859.59	407529
03164	Internal Revenue Service	08/06/2021	Bank Draft	0.00	52,377.51	2701618942181
03164	Internal Revenue Service	08/06/2021	Bank Draft	0.00	109.44	2701618942181
03164	Internal Revenue Service	08/13/2021	Bank Draft	0.00	1,176.00	2701625752043
03164	Internal Revenue Service	08/13/2021	Bank Draft	0.00	211.74	2701625752043
03164	Internal Revenue Service	08/13/2021	Bank Draft	0.00	72.11	2701625752043
03164	Internal Revenue Service	08/20/2021	Bank Draft	0.00	51,784.98	2701632805531
01917	Kennedy/Jenks Consultants, Inc.	08/30/2021	EFT	0.00	12,304.41	407543
01935	Konecranes, Inc	08/09/2021	EFT	0.00	1,950.00	407510
03816	Land IQ LLC	08/09/2021	EFT	0.00	16,540.00	407511
03628	Lees Automotive Repair Inc.	08/02/2021	EFT	0.00	87.87	407498
03628	Lees Automotive Repair Inc.	08/24/2021	EFT	0.00	691.81	407530
03628	Lees Automotive Repair Inc.	08/30/2021	EFT	0.00	1,152.50	407544
01959	Les Schwab Tire Centers of California Inc	08/09/2021	Regular	0.00	1,324.30	57060
03754	Liebert Cassidy Whitmore	08/24/2021	Regular	0.00	116.00	57104
03755	Local Government Commission	08/24/2021	EFT	0.00	750.00	407531
02024	MCI WORLDCOM	08/30/2021	Regular	0.00	56.55	57125
02027	Mcmaster-Carr Supply Company	08/02/2021	EFT	0.00	141.46	407499
02027	Mcmaster-Carr Supply Company	08/17/2021	EFT	0.00	153.32	407520
02027	Mcmaster-Carr Supply Company	08/24/2021	EFT	0.00	545.51	407532
02027	Mcmaster-Carr Supply Company	08/30/2021	EFT	0.00	227.99	407545
02069	Motion Industries	08/30/2021	EFT	0.00	29.73	407546
02649	MUFG Union Bank, N.A.	08/02/2021	Regular	0.00	3,000.00	57045
02463	New AnswerNet Inc.	08/09/2021	EFT	0.00	260.00	407512
03826	Nocentini, Brett D	08/30/2021	Regular	0.00	99.00	57126
02129	Occu-Med Ltd.	08/02/2021	Regular	0.00	332.20	57046

## Check Report

Date Range: 08/01/2021 - 08/31/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02131	Office Depot, Inc.	08/02/2021	Regular	0.00	157.23	57047
02131	Office Depot, Inc.	08/09/2021	Regular	0.00	315.51	57061
02131	Office Depot, Inc.	08/17/2021	Regular	0.00	511.83	57082
02131	Office Depot, Inc.	08/30/2021	Regular	0.00	130.07	57127
02150	Pace Supply Corp	08/09/2021	Regular	0.00	18,863.36	57062
02150	Pace Supply Corp	08/24/2021	Regular	0.00	7,455.13	57105
02150	Pace Supply Corp	08/30/2021	Regular	0.00	2,134.06	57128
02158	Pacific Storage Company	08/02/2021	EFT	0.00	57.46	407500
02158	Pacific Storage Company	08/30/2021	EFT	0.00	249.39	407547
03801	PeopleReady, Inc	08/09/2021	Regular	0.00	4,541.25	57063
03801	PeopleReady, Inc	08/30/2021	Regular	0.00	2,800.00	57129
02146	PG&E	08/17/2021	Regular	0.00	4,228.27	57083
03150	Professional Id Cards Inc	08/02/2021	Regular	0.00	12.50	57048
01736	Quadient Leasing USA, Inc. - Lease	08/30/2021	EFT	0.00	462.81	407548
02281	Ray A Morgan Company Inc	08/30/2021	Regular	0.00	339.83	57130
02283	Recology Auburn Placer	08/17/2021	Regular	0.00	714.91	57085
02283	Recology Auburn Placer	08/24/2021	Regular	0.00	1,390.91	57107
02286	Regional Water Authority	08/02/2021	EFT	0.00	66,000.00	407501
02286	Regional Water Authority	08/24/2021	EFT	0.00	5,000.00	407533
02223	Rexel Inc (Platt - Rancho Cordova)	08/09/2021	Regular	0.00	6,873.89	57064
02223	Rexel Inc (Platt - Rancho Cordova)	08/17/2021	Regular	0.00	122.80	57086
02223	Rexel Inc (Platt - Rancho Cordova)	08/24/2021	Regular	0.00	3,389.20	57108
02223	Rexel Inc (Platt - Rancho Cordova)	08/30/2021	Regular	0.00	8,859.34	57131
02293	RFI Enterprises, Inc	08/24/2021	Regular	0.00	1,203.91	57109
02293	RFI Enterprises, Inc	08/30/2021	Regular	0.00	51.34	57132
03782	RGM Kramer Inc	08/30/2021	Regular	0.00	1,785.00	57133
02298	Richardson & Company, LLP	08/30/2021	Regular	0.00	6,220.00	57134
02302	Riebes Auto Parts, LLC	08/09/2021	Regular	0.00	193.39	57065
03670	River City Painting, Inc.	08/09/2021	Regular	0.00	9,942.00	57066
02328	Rocklin Windustrial Co	08/17/2021	Regular	0.00	629.44	57087
02328	Rocklin Windustrial Co	08/24/2021	Regular	0.00	2,926.54	57110
02348	Ryan Process, Inc	08/24/2021	EFT	0.00	1,026.38	407534
03385	S J Electro Systems Inc	08/09/2021	EFT	0.00	2,035.20	407513
03385	S J Electro Systems Inc	08/24/2021	EFT	0.00	4,741.60	407535
02376	Sacramento Ground Water Authority	08/02/2021	EFT	0.00	12,196.00	407502
02357	Sacramento Municipal Utility District (SMUD)	08/24/2021	Regular	0.00	28,758.96	57111
02395	SAFETY KLEEN SYSTEMS INC.	08/24/2021	Regular	0.00	1,099.94	57112
02459	Sierra Safety Company	08/02/2021	Regular	0.00	656.69	57049
03822	SIJ Holdings LLC	08/02/2021	EFT	0.00	2,920.62	407503
02048	Spencer, Michael	08/02/2021	Regular	0.00	217.49	57050
03783	Stratus Building Solutions of Northern California, I	08/17/2021	EFT	0.00	1,550.00	407521
03783	Stratus Building Solutions of Northern California, I	08/24/2021	EFT	0.00	1,550.00	407536
01641	Sun Life Assurance Company of Canada	08/01/2021	Bank Draft	0.00	10,417.62	595228
01411	SureWest Telephone	08/09/2021	Regular	0.00	3,522.25	57067
02544	Syblon Reid	08/24/2021	Regular	0.00	2,329.13	57113
02572	Thatcher Company of California, Inc.	08/02/2021	EFT	0.00	15,540.00	407504
02572	Thatcher Company of California, Inc.	08/24/2021	EFT	0.00	4,770.00	407537
02580	The Eidam Corporation	08/02/2021	Regular	0.00	512.50	57051
02580	The Eidam Corporation	08/30/2021	Regular	0.00	5,625.85	57135
02581	The Ferguson Group, LLC	08/17/2021	EFT	0.00	12,000.00	407522
02162	Tobin, Pamela	08/24/2021	EFT	0.00	41.18	407538
02622	Total Compensation Systems, Inc.	08/09/2021	Regular	0.00	1,710.00	57068
03729	Tree Pro Tree Services, Inc.	08/09/2021	Regular	0.00	12,750.00	57069
03644	Tully & Young, Inc.	08/09/2021	Regular	0.00	18,012.50	57070
02643	Underground Service Alert of Northern California	08/02/2021	EFT	0.00	4,301.60	407505
02643	Underground Service Alert of Northern California	08/30/2021	EFT	0.00	1,883.47	407549
02651	United Parcel Service Inc	08/17/2021	Regular	0.00	211.90	57088
02651	United Parcel Service Inc	08/30/2021	Regular	0.00	59.68	57136
02667	US Bank Corporate Payments Sys (CalCard)	08/09/2021	Regular	0.00	9,981.08	57071
03077	VALIC	08/06/2021	Bank Draft	0.00	4,641.34	194852
03077	VALIC	08/13/2021	Bank Draft	0.00	1.13	195551

## Check Report

Date Range: 08/01/2021 - 08/31/2021

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03077	VALIC	08/20/2021	Bank Draft	0.00	4,641.34	196204
02690	Verizon Wireless	08/24/2021	Regular	0.00	2,127.56	57114
02700	Viking Shred LLC	08/09/2021	Regular	0.00	60.00	57076
03412	Virtual Graffiti, Inc.	08/02/2021	EFT	0.00	10,648.80	407506
01687	W. W. Grainger, Inc.	08/02/2021	Regular	0.00	154.47	57052
01687	W. W. Grainger, Inc.	08/09/2021	Regular	0.00	1,616.57	57077
01687	W. W. Grainger, Inc.	08/17/2021	Regular	0.00	117.44	57089
03387	WageWorks, Inc	08/09/2021	EFT	0.00	268.30	407514
03387	WageWorks, Inc	08/24/2021	EFT	0.00	268.30	407539
01068	Walker, Glenn C.	08/09/2021	Regular	0.00	1,299.76	57078
01068	Walker, Glenn C.	08/30/2021	Regular	0.00	1,299.76	57137
01486	WAPA - Department of Energy	08/02/2021	EFT	0.00	2,043.15	407507
01486	WAPA - Department of Energy	08/30/2021	EFT	0.00	2,043.15	407550
02766	Youngdahl Consulting Group, Inc.	08/17/2021	Regular	0.00	5,503.50	57090

## Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	150	91	0.00	224,849.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	6	0.00	0.00
Bank Drafts	32	32	0.00	380,003.91
EFT's	104	61	0.00	426,071.90
	<b>286</b>	<b>190</b>	<b>0.00</b>	<b>1,030,925.18</b>

## All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	150	91	0.00	224,849.37
Manual Checks	0	0	0.00	0.00
Voided Checks	0	6	0.00	0.00
Bank Drafts	32	32	0.00	380,003.91
EFT's	104	61	0.00	426,071.90
	<b>286</b>	<b>190</b>	<b>0.00</b>	<b>1,030,925.18</b>

## Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2021	<b>1,030,925.18</b>



San Juan Water District, CA

# Vendor History Report

## By Vendor Name

Posting Date Range 07/01/2021 - 08/31/2021

Payment Date Range -

Payable Number Item Description	Description Units	Post Date Price	1099 Amount	Payment Number Account Number	Payment Date Account Name	Amount Dist Amount	Shipping	Tax	Discount	Net	Payment
<b>Vendor Set: 01 - Vendor Set 01</b>											
02162 - Tobin, Pamela Exp Reimb 08-2021	Mileage Reimbursement-Lunch Mtng Ryan Jc	7/31/2021	41.18	407538 010-010-52110 050-010-52110	8/24/2021 Training - Meetings, Education & Trai Training - Meetings, Education & Trai	41.18 0.00 20.59 20.59	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	41.18 41.18 41.18 41.18	41.18 41.18 41.18 41.18
				Vendors: (1)	Total 01 - Vendor Set 01:	41.18	0.00	0.00	0.00	41.18	41.18
				Vendors: (1)	Report Total:	41.18	0.00	0.00	0.00	41.18	41.18



Payroll Set: 01-San Juan Water District

<b>Employee Number</b>	<b>Employee Name</b>	<b>Pay Code</b>	<b># of Payments</b>	<b>Units</b>	<b>Pay Amount</b>
<u>0690</u>	Costa, Ted	Reg - Regular Hours	2	17.00	2,125.00
			<b>0690 - Costa Total:</b>	<b>17.00</b>	<b>2,125.00</b>
<u>1028</u>	Hanneman, Martin	Reg - Regular Hours	2	10.00	1,250.00
			<b>1028 - Hanneman Total:</b>	<b>10.00</b>	<b>1,250.00</b>
<u>0670</u>	Miller, Ken	Reg - Regular Hours	2	8.00	1,000.00
			<b>0670 - Miller Total:</b>	<b>8.00</b>	<b>1,000.00</b>
<u>1003</u>	Rich, Daniel	Reg - Regular Hours	2	10.00	1,250.00
			<b>1003 - Rich Total:</b>	<b>10.00</b>	<b>1,250.00</b>
<u>0650</u>	Tobin, Pamela	Reg - Regular Hours	2	20.00	2,500.00
			<b>0650 - Tobin Total:</b>	<b>20.00</b>	<b>2,500.00</b>
			<b>Report Total:</b>	<b>65.00</b>	<b>8,125.00</b>



# Pay Code Report

## Account Summary

7/1/2021 - 8/31/2021

Payroll Set: 01-San Juan Water District

Account	Account Description	Units	Pay Amount
<a href="#"><u>010-010-58110</u></a>	Director - Stipend	32.50	4,062.50
		<b>010 - WHOLESALE Total:</b>	<b>32.50</b> <b>4,062.50</b>
<a href="#"><u>050-010-58110</u></a>	Director - Stipend	32.50	4,062.50
		<b>050 - RETAIL Total:</b>	<b>32.50</b> <b>4,062.50</b>
		<b>Report Total:</b>	<b>65.00</b> <b>8,125.00</b>

**Pay Code Report**

Pay Code Summary

7/1/2021 - 8/31/2021

Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	10	65.00	8,125.00
		Report Total:	<b>65.00</b>	<b>8,125.00</b>

### 2020/21 Actual Deliveries and Revenue - By Wholesale Customer Agency

	July - August 2020							
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	3,242	\$ 604,653	3,702	\$ 641,961	459.79	14.2%	\$ 37,308	6.2%
Citrus Heights Water District	2,756	\$ 548,821	3,115	\$ 577,910	358.50	13.0%	\$ 29,088	5.3%
Fair Oaks Water District	1,866	\$ 383,311	2,448	\$ 430,578	582.54	31.2%	\$ 47,267	12.3%
Orange Vale Water Co.	982	\$ 194,404	1,164	\$ 209,207	182.43	18.6%	\$ 14,803	7.6%
City of Folsom	286	\$ 57,611	339	\$ 61,843	52.15	18.2%	\$ 4,232	7.3%
Granite Bay Golf Course	98	\$ 3,466	180	\$ 6,367	82.06	83.7%	\$ 2,901	83.7%
Sac Suburban Water District	-	\$ -	551	\$ 143,291	550.78		\$ 143,291	
<b>TOTAL</b>	<b>9,230</b>	<b>\$ 1,792,266</b>	<b>11,499</b>	<b>\$ 2,071,155</b>	<b>2,268.25</b>	<b>24.6%</b>	<b>\$ 278,889</b>	<b>15.6%</b>

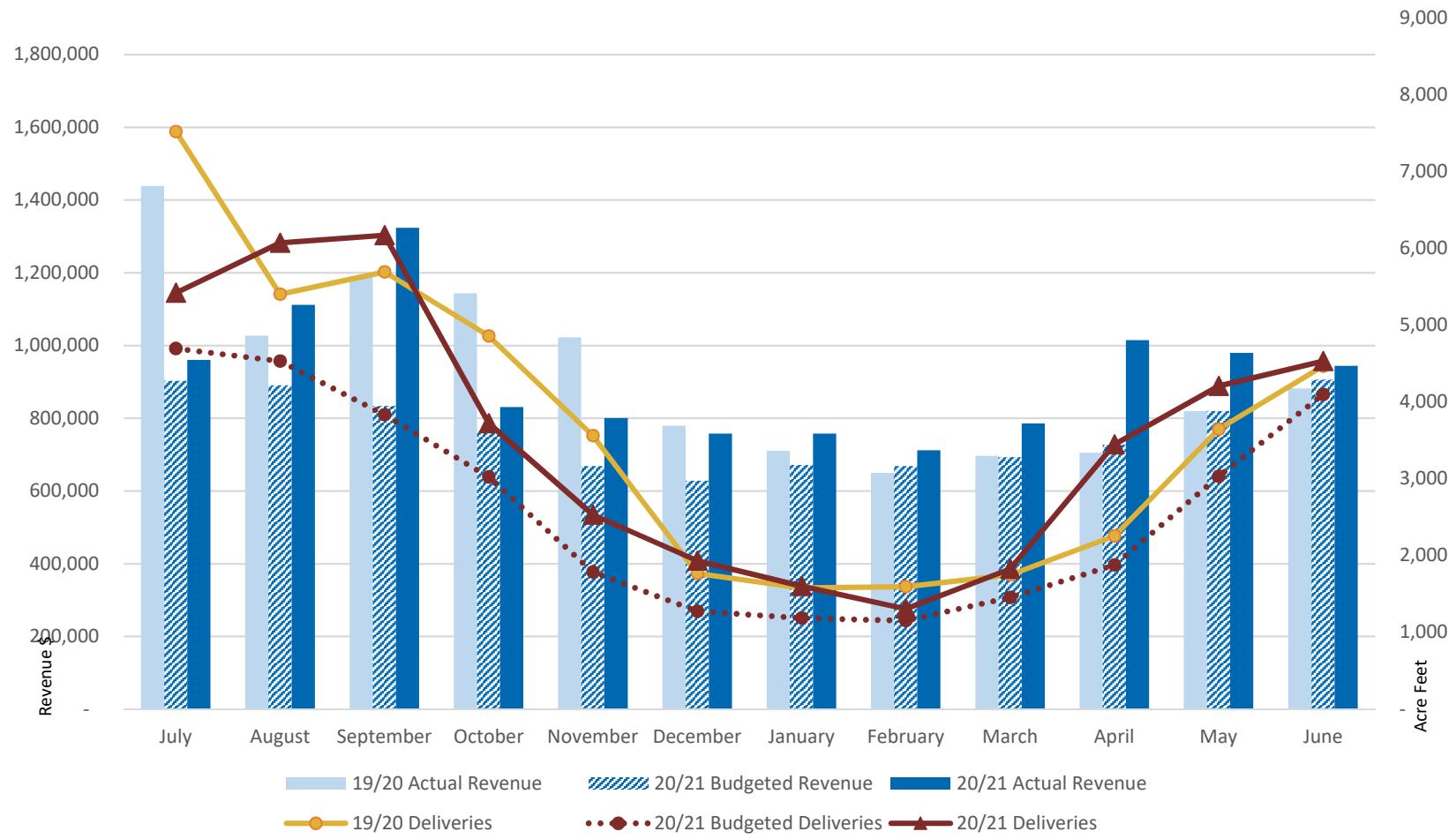
Budgeted Deliveries	9,230.46
Actual Deliveries	<u>11,498.71</u>
Difference	2,268.25
	25%

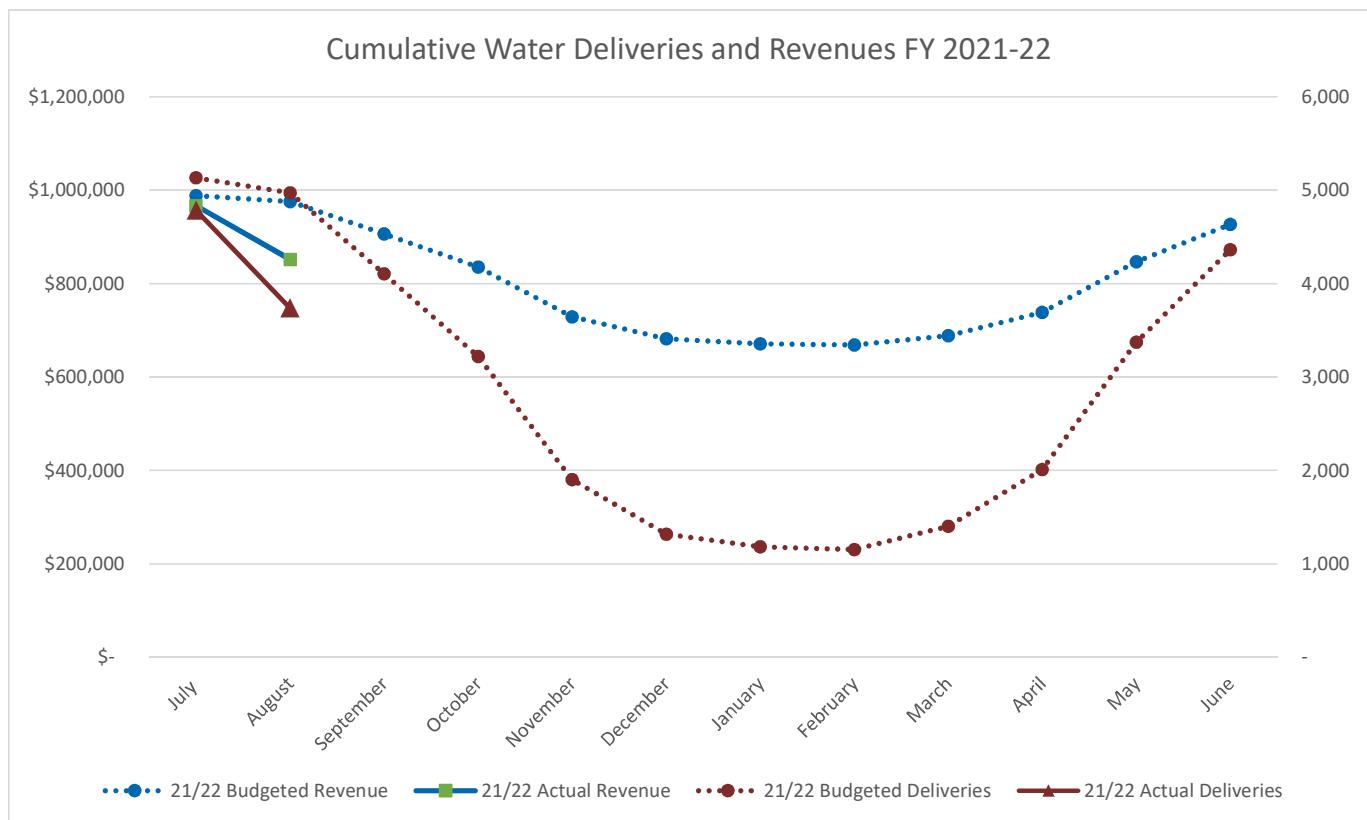
Budgeted Water Sale Revenue	\$ 1,792,266
Actual Water Sale Revenue	\$ 2,071,155
Difference	\$ 278,889
	15.6%

**Conclusion:**

Water sales in the first two months of the fiscal year have been strong, relative to the budget. The budget anticipated a 10% decline in demand due to the COVID-19 pandemic but in fact water deliveries for July and August , excluding SSWD, are higher this year than last, by 368 acre feet. Actual deliveries exceed the budget by 25%, resulting in a 15.6% increase in revenues.

## Comparison of Fiscal Year 2019/2020 Actual to 2020/2021 Projections of Deliveries and Revenue





# AGENDA ITEM VIII-1

## DRAFT

### Engineering Committee Meeting Minutes San Juan Water District September 15, 2021 11:00 a.m.

**Committee Members:** Marty Hanneman, Chair  
Dan Rich, Member

**District Staff:** Paul Helliker, General Manager  
Tony Barela, Operations Manager  
Andrew Pierson, Engineering Services Manager  
Mark Hargrove, Senior Engineer  
Greg Turner, Water Treatment Manager  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** Turbidimeter Replacements Project (W)  
WTP Filter Basins Rehab Project (W)  
Other Engineering Matters  
Public Comment

#### 1. Turbidimeter Replacements Project (W)

Mr. Turner provided the committee with a staff report which will be attached to the meeting minutes. He explained that the turbidimeters were installed in 2005 and need to be replaced and are included in the CIP and budget for this year. In response to Director Hanneman's question, Mr. Turner informed the committee that this is a sole source purchase due to instrument compatibility and he will modify his staff report to the Board of Directors to reflect this. The project cost is \$75,002.42 with a price contingency of \$7,500.24 (10%) for an authorized total budget amount of \$82,502.66.

The Engineering Committee recommends consideration of a motion to award the sole source purchase of 28 water turbidimeters and ancillary materials from Hach Company

#### 2. WTP Filter Basins Rehab Project (W)

Mr. Pierson provided the committee with a staff report which will be attached to the meeting minutes. He explained that, similar to the North Filter Basin, the same unforeseen conditions were encountered which increased the time and cost for the project. In addition, when the contractor was loading the District supplied anthracite material, it was discovered that there was insufficient material onsite. Therefore, the contractor had to purchase, wash, and install additional anthracite material to complete the project, which added to the cost as well. The total increase in cost is \$204,209.59.

The Engineering Committee recommends consideration of a motion to authorize a construction contract amendment with ERS Industrial Services, Inc. for the completion of construction of the WTP Filter Basins Rehab Project

#### 3. Other Engineering Matters

There were no other matters discussed.

#### 4. Public Comment

There were no public comments.

The meeting was adjourned at 11:06 a.m.

DRAFT  
AGENDA ITEM VIII-2

**Finance Committee Special Meeting Minutes**  
**San Juan Water District**  
**September 21, 2021**  
**4:00 p.m.**

**Committee Members:** Ted Costa, Director (Chair)  
Marty Hanneman, Director

**District Staff:** Paul Helliker, General Manager  
Donna Silva, Finance Director  
Teri Grant, Board Secretary/Administrative Assistant

**1. Review General Manager Reimbursements (W & R)**

There was no reimbursement request from the General Manager.

**2. Review Check Register from August 2021 (W & R)**

The committee reviewed the August 2021 check register and found it to be in order.

**3. Review Legal Bills (W & R)**

The committee reviewed the July and August legal bills. Ms. Silva informed the committee that an invoice from Stoel Rives has not been received yet, and GM Helliker commented that they are setting up the invoicing categories and will invoice the District once that is completed.

**4. Other Finance Matters (W & R)**

There were no other items discussed.

**5. Public Comment**

There were no public comments.

The meeting was adjourned at 4:08 p.m.