

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes
June 28, 2023 – 6:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

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

OTHER ATTENDEES

Shelley Krause	
Ray Riehle	Citrus Heights Water District
Kyler Rayden	Citrus Heights Water District Legal Counsel
Mike McRae	Fair Oaks Water District
Tom Gray	Fair Oaks Water District
Mark Hildebrand	Hildebrand Consulting
Craig Locke	Sacramento Suburban Water District

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. Adjourn

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

I. ROLL CALL

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

II. PUBLIC FORUM

Mr. Ray Riehle, Citrus Heights Water District Director, addressed the Board and thanked them for the letter and mentioned that a letter was sent accepting the District's offer to join the 2x2 discussions, which they plan to participate in. In response to Director Costa's question, Mr. Riehle stated that since the District is meeting with FOWD already that they would prefer to join those discussions.

Mr. Michael McRae, Fair Oaks Water District Director, addressed the Board and requested to make a comment on agenda item V-1.

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.

1. Minutes of the Board of Directors Special Meeting, May 24, 2023 (W & R)

Recommendation: Approve draft minutes

2. Minutes of the Board of Directors Meeting, May 24, 2023 (W & R)

Recommendation: Approve draft minutes

3. Minutes of the Board of Directors Special Meeting, May 31, 2023 (W & R)

Recommendation: Approve draft minutes

4. Annual Paving Services Contract (R)

Recommendation: Authorization and approval to award the Annual Paving Services agreement for FY 2023/2024 to Sierra National Asphalt

5. Annual Installation Services Contract Change Order (1-yr extension for Flowline) (R)

Recommendation: Authorization and approval of Amendment #5 to the Annual Installation Services agreement with Flowline Contractors Inc. for FY 2023/2024

6. Termination of Agreements with the City of Roseville (City) for payment to San Juan Water District for 4,000 AF of San Juan's Placer County Water Agency (PCWA) Entitlement (W)

Recommendation: Authorize General Manager to sign and send to City a letter agreeing to the termination of the subject agreements, including the amendments thereto, related to the City's purchase of 4,000 AF/yr of San Juan's PCWA entitlement

7. Federal Advocacy Contract and MOA Amendments (W & R)

Recommendation: (1) Authorize the General Manager to sign proposed Amendment No. 7 to the District's General Services Agreement (Agreement) with The Ferguson Group (TFG) effective July 1, 2023
(2) Authorize the General Manager to sign the proposed 6th Amendment to the MOA with the City of Folsom (City) whereby the City will reimburse the District for the City's share of the costs of the proposed amended Agreement, effective July 1, 2023
(3) Authorize the General Manager to sign the proposed 2nd Amendment to the MOA with Carmichael Water District (CWD) whereby CWD will reimburse the District for CWD's share of the costs of the proposed amended Agreement, effective July 1, 2023

Director Zamorano moved to approve the Consent Calendar. Director Costa seconded the motion and it carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Absent: None

President Rich informed the Board that he would like to move agenda item VI-1 prior to the Public Hearing since the staff person needs to leave shortly. The meeting minutes will remain in the original order.

IV. PUBLIC HEARING

1. FY 2023-24 Wholesale and Retail Budget (W & R)

President Rich opened the Public Hearing at 6:08 p.m.

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

Ms. Silva provided a recap of the budget process, indicating that the assumptions that were discussed at the April Board meeting were used to develop the draft FY 2023-24 Wholesale and Retail budget, which was reviewed in detail at the May Board meeting.

Ms. Silva informed the Board that there were a few changes to the budget since the last Board meeting. She reviewed the changes to the Retail Operations, which are detailed in her written staff report that will be attached to the meeting minutes. She informed the Board that these changes resulted in the Retail Operating Fund's transfer to Retail Capital to be decreased from \$2,599,400 to \$2,427,000.

Ms. Silva informed the Board that she received a request to provide information on the Board member travel and training budget. She reviewed the information for the

FY 2023-24 budget and explained that all the Board members have the same budget of \$3,940, except for Director Tobin whose budget is \$7,580, and there is a placeholder of \$5,000 for one Board member to attend the Cap-to-Cap event. In response to President Rich's question about Director Tobin's cost being covered by ACWA, GM Helliker explained that her term as ACWA President ends in December 2023; therefore, the District will have to cover the 2024 expenses.

Director Tobin explained that the commitment for her running as an ACWA officer was for six years with the understanding that for the first four years ACWA would cover the expenses and then for the last two years as Immediate Past President, the District would cover the expenses. GM Helliker explained that the budget reflects what the typical past expenses were that Director Tobin incurred prior to becoming an ACWA officer. The Board discussed the commitment to cover the expenses. Director Tobin stated that she verified that ACWA will cover conference registration fees. In response to President Rich's request, Director Tobin will check and see what the District's obligations are through her term as Immediate Past President. GM Helliker stated that there is a \$2,000 National Water Resources Association fee that the District will incur.

The Board discussed updating the Board policy to require Board members to seek approval from the Board for out of state conferences. The Board directed the topic to be placed on the July Board agenda.

President Rich closed the Public Hearing at 6:38 p.m.

Director Zamorano moved to adopt Resolution No. 23-08 adopting the FY 2023-2024 Budget. Director Costa seconded the motion and it carried with the following roll call vote:

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

V. OLD BUSINESS

1. Wholesale Financial Plan and Rate Study (W)

Ms. Silva reviewed the written staff report which will be attached to the meeting minutes. She introduced Mark Hildebrand of Hildebrand Consulting who was retained to update the Wholesale Financial Plan (Plan) and develop recommendations for wholesale water rates. She explained that no action is being requested at this time and informed the Board that the Wholesale Customer Agencies (WCAs) have been provided the draft Plan. In addition, she informed the Board that the 150-day notice to the WCAs informing them of the intent to change rates will be sent out after the meeting, and she will be setting up meetings with the WCAs to discuss the Plan. At the December Board meeting, staff will share the WCA comments and will make a recommendation for Board approval of the rate schedule.

Mr. Hildebrand informed the Board that he conferred with Bob Reed, the District's last consultant on the Plan, and he agreed with Mr. Hildebrand's approach and

analysis. Mr. Hildebrand conducted a presentation which will be attached to the meeting minutes.

Mr. Hildebrand reviewed the District's starting wholesale reserve balances, as well as the revenue and operating expenses from the FY 2022-23 budget. He explained that the average capital spending was \$3.1 million per year and will be increasing to \$3.9 million over the next ten years. He reviewed the reserve policy, the Plan assumptions, and the 10-year financial forecast.

Mr. Hildebrand reviewed the cost of service for fixed and variable costs. He explained that the District's fixed costs amount to 88% of total operating expenses, and currently the fixed rate structure recovers only 72% of total revenues through the fixed charges, with the remaining 28% covered by the variable rate revenue. He explained that the proposed Plan is structured so that the District recovers all of its fixed costs through its fixed revenue. In response to Director Zamorano's comment, Ms. Silva agreed that recovering 88% of the fixed costs through the fixed revenues will make it less important to sell the water; however, it keeps the District solvent during mandated conservation requirements. GM Helliker explained the fixed costs and the impact to the District by having fixed costs covered in the variable rate. In addition, GM Helliker suggested that he meet with Director Zamorano at a different time to discuss the fixed costs and the Plan since at this time no action is being requested of the Board.

Ms. Silva commented that staff will revisit the inflation assumption that was used in the Plan, since the initial inflation information may have changed since that time. Mr. Hildebrand commented that increasing rates at the level of inflation shows that the District has caught up with the costs and is only increasing rates in order to keep up with inflation. President Rich asked that the WCAs be asked what they are assuming inflation to be for the upcoming years for their financial plans. In response to Director Zamorano's question, GM Helliker responded that the details for what falls under fixed costs will be provided to Director Zamorano when they meet.

Mr. Hildebrand reviewed the Comparison of Costs and Using Peak Water Usage to Allocate Fixed Costs. He explained that the District's current practice is to allocate fixed costs based on the most recent five-year average of annual water usage which creates financial uncertainty for all agencies. He informed the Board that the proposed Plan recommends allocating fixed costs based on relative yearly peak water deliveries over the past 10 years. He explained that no matter how much WCA demands change because of increased groundwater well production, the decision was made to size the infrastructure based on WCA demands at that time and their projected demands. Therefore, the allocation of fixed costs is recommended to be based on the 10-year peak water deliveries. In addition, he explained the "zero sum game" which means when one member agency pays less, then the others must pay more in order to cover all of the fixed costs.

Mr. Hildebrand reviewed the Proposed Rate Schedule, a Comparison of Total Estimated Costs by Agency, and the Allocation Methodology Comparison. In response to President Rich's question regarding the actual rate increases over the past few years, Ms. Silva explained that the rate increases were less than what was

approved since the District never assessed the Hinkle Debt Charge and the District lowered the 2009 COP debt charge due to the refunding at a lower interest cost; however, to get the actual amounts, she would have to recalculate the information to obtain the actual percentage increase. Mr. Hildebrand shared a table showing the comparison between a 10-Year Peak Method and a 10-year Average Method. He explained that the District is required to meet the water demands of the WCAs and it would be difficult to make capital planning decisions based on short-term changes in water use behavior.

Mr. Hildebrand reviewed the Capital Facility Charges, Sacramento Suburban Water District's Treat and Wheel Rates, and the Hinkle Pumping Surcharge. He informed the Board that the pumping surcharge is decreasing by 22.5%.

Mr. Mike McRae, Fair Oaks Water District Board President, addressed the Board and stated that a letter was submitted by FOWD and CHWD regarding this topic. He voiced concern regarding the rate structure change and the potential rate increase to his water rates and his pocketbook. In addition, he stated that there is a conflict of interest for the SJWD Board members who live in the retail service area, to serve both the wholesale and retail customers. He requested that the Board keep the rate structure the same and be as ethical as the Board possibly could be. Director Miller replied that he takes Mr. McRae's comments personally as he serves the District at-large and not specifically the retail service area.

Mr. Ray Riehle, Citrus Heights Water District Director, addressed the Board and appreciates the robust discussion that the Board has had on this topic. He provided a flyer that was handed out to the Board and that will be attached to the meeting minutes. He voiced concern using 2013 as a peak year since the state regulations have changed dramatically since that time and usage over the last five years, or even since 2014, is more reflective of what CHWD usage will be moving forward. In addition, he stated that he was unaware of the per connection charge and feels that it's probably irrelevant if the water delivered to CHWD is distributed to 20,000 or 21,000 meters.

Mr. Hildebrand commented that the District did not know in advance about the decisions the WCAs made over the last 4-5 years regarding groundwater wells. The District's long-term planning and spending on infrastructure did not have the benefit of knowing that more wells were being constructed and less capacity would be needed at the Water Treatment Plant. However, that does not change the fact that the District built a system to serve the demands based on historical water use and based on contractual obligations with the WCAs. Mr. Riehle commented that CHWD installed wells to back up all of the WCAs in the event of a serious drought or emergency not for primary use of their customers. Mr. Riehle suggested that the District smooth the curve by distributing the rate structure change over the course of several years.

Tom Gray, Fair Oaks Water District General Manager, addressed the Board and stated that the way the structure is set up the incentive is to be 100% surface water. He commented that raising the fixed portion to 88% is akin to a take or pay structure, that was discussed years ago, so maybe that should be looked at again. He stated

that raising the fixed portion will result in the people who use the most water paying less per unit than those using less water. In response to Mr. Gray's question, Ms. Silva responded that the Plan is based on the Wholesale Master Plan which is substantially complete. Mr. Gray suggested that the Wholesale Master Plan be completed, with the comments being addressed, before the Plan is completed. GM Helliker explained that the Capital Improvement Plan that is embedded in the Wholesale Financial Plan is for the first 10 years and the questions and comments from the WCAs are not related to the first 10 years' worth of Capital projects; however, the Master Plan is expected to be completed in August and staff would be happy to go over the projects with the WCAs.

GM Helliker informed the Board that the next step will be to review the inflation rates and adjust the plan accordingly, provide more information regarding the 88% fixed costs, provide a 150-day formal notice for the comment period to begin, then in December the Board will review and make a decision on the proposed rates. In the meantime, further conversations will occur between the District and the WCAs, and the Board. President Rich requested that the July Board agenda include this topic in order to talk through the items that GM Helliker mentioned. Ms. Silva explained that the 150-day notice of intent will be issued showing the maximum rate increase; however, there is still opportunity to adjust the inflation rate assumptions and discuss different methodologies.

Director Costa left the meeting at 7:46 pm.

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

GM Helliker reported that the 2x2 Ad Hoc Committee with Fair Oaks Water District has been meeting on a monthly basis and the discussion is starting on site specific and project specific activities.

GM Helliker reported that he will be putting together an Operational Scenario to share with Sacramento Suburban Water District. In addition, he will be responding to the letter received from Citrus Heights Water District.

3. 2023 Hydrology and Operations Update (W & R)

GM Helliker reviewed data on Folsom Reservoir, which included the current storage level at 122% of historical average, data on releases, temperature and precipitation outlooks, storage levels and projections, and current reservoir conditions across the state.

GM Helliker reported that the snow pack levels are 324% of average for the state. In addition, he reviewed the projected run-off as compared to the amount of remaining storage available in various reservoirs. He also reviewed information on the jet stream which showed a low pressure system that is keeping temperatures lower in this region, however, that is changing and temperatures should start rising.

VI. NEW BUSINESS

1. Public Outreach Contract (W & R)

Mr. Barrett provided a staff report which will be attached to the meeting minutes. He provided the last three years of budget and actual expenditures at the request of Director Tobin. Director Tobin stated that the information that Mr. Barrett provided was in order. In response to Director Costa, Mr. Barrett stated that he was confident in the ability of the firm to provide the support needed for various items such as press releases. In response to Mr. Tom Gray's question, President Rich stated that the current firm is being replaced and GM Helliker stated that they did not provide a proposal to the RFP.

Director Zamorano moved to approve entering into a Professional Services Agreement with Prosio Communications for Communications and Marketing Support and Graphic Design Services for FY 2023/2024. Director Costa seconded the motion and it carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Absent: None

Director Tobin left the meeting at 8:14 pm.

2. Water Forum Agreement (W)

GM Helliker informed the Board that in the past the amount for the agreement fell within the general manager's purchasing authority; however, this year the amount is higher due to the cost of the Water Forum update not being paid out of the Water Forum reserves. Therefore, the amount for the District to contribute is \$71,743. The staff report will be attached to the meeting minutes.

In response to President Rich's question about Fair Oaks Water District's contribution, GM Helliker explained that the San Juan Water District Consortium, which includes the wholesale customer agencies, agreed to pay their allocation. Therefore, if FOWD decides to pay their share independently, the District will reduce its payment by that amount.

Director Miller moved to authorize the General Manager to sign an Interagency Cost-Sharing Agreement for Water Forum FY 23-24 Expenses for Update of the Water Forum Agreement. Director Zamorano seconded the motion and it carried with 3 Aye votes (Directors Costa and Tobin absent).

3. Interactions with ACWA and San Juan Representation (W & R)

President Rich tabled the topic until the July Board meeting in order to have discussion with the full Board.

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 May which will be attached to the meeting minutes.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that SB 366 passed the Senate unanimously and is now in the Assembly, and will be heard in committee in mid-July. In addition, he reported that the author of AB 460 removed the bill from the committee agenda since it was anticipated that there would not be enough support votes to move the bill out of committee.

GM Helliker reported that the agreement between DWR and RWA needs to be signed this week regarding the Voluntary Agreement. The next step will be to work out the agreements with the agencies that receive funding, of which San Juan is not one. He explained that separate agreements between San Juan and other agencies will be executed as well.

2. DIRECTOR OF FINANCE'S REPORT

2.1 Miscellaneous District Issues and Correspondence

No report.

3. DIRECTOR OF OPERATIONS' REPORT

3.1 Miscellaneous District Issues and Correspondence

No report.

4. DIRECTOR OF ENGINEERING SERVICES' REPORT

4.1 Miscellaneous District Issues and Correspondence

No report.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

No report.

VIII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

No report.

2. REGIONAL WATER AUTHORITY (RWA)

GM Helliker reported that the next RWA Board meeting is in September.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

A written report was included in the Board packet.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

A written report was included in the Board packet.

3.3 Energy Committee - Ted Costa

No report.

4. CVP WATER USERS ASSOCIATION

No report.

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

There were no other matters discussed.

IX. COMMITTEE MEETINGS

1. Public Information – June 19, 2023

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

2. Engineering Committee – June 19, 2023

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

3. Finance Committee – June 20, 2023

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

X. ADJOURN

The meeting was adjourned at 8:24 p.m.

DAN RICH, President
Board of Directors
San Juan Water District

ATTEST: _____
TERI GRANT, Board Secretary

AGENDA ITEM III-4

STAFF REPORT

To: Board of Directors
From: Adam Larsen, Field Services Manager
Date: June 28, 2023
Subject: Authorization and approval of the Annual Paving Services contract
FY 2023/24

RECOMMENDED ACTION

Authorization and approval to award the Annual Paving Services Contract for FY 2023/24 to Sierra National Asphalt (SNA) in the amount of \$269,250 plus a 10% contingency for a total authorized budget of \$296,175. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

On May 22, 2023, the District distributed an invitation to bid for Annual Paving Services work for FY 2023/24. The District received one responsive bid and Sierra National Asphalt was the lowest bidder.

Bidder Name	Cost per SQFT	Total SQFT 15,000	%
Sierra National Asphalt Inc.	\$17.95	\$269,250	-

The initial contract duration is for FY 2023/24, with three optional one-year renewals. Sierra National Asphalt's contract performance and work will be evaluated for renewal, each year, any increases proposed will be reviewed for SNA's quality of work and PPI-Index table PCU3241103241109 (Asphalt).

SNA's contract price of \$17.95 / SQFT will remain in place for FY 2023/24.

Staff is requesting Board authorization and approval for an authorized total budget of \$296,175 (includes contingency) for FY 2023/24 requirements starting July 1, 2023. The contract value will be \$296,175 after Board review and approval.

FINANCIAL CONSIDERATIONS

This work is included in the FY 2023/24 retail operations budget and CIP retail budget.

STAFF REPORT

AGENDA ITEM III-5

To: Board of Directors
From: Adam Larsen, Field Services Manager
Date: June 28, 2023
Subject: Authorization and Approval of Amendment #5, 3rd year renewal to the Annual Installation Services Contract for FY 2023/24

RECOMMENDED ACTION

Authorization and approval of Amendment #5, 3rd year renewal to the Annual Installation Services agreement with Flowline Contractors Inc. for FY 2023/24, net increase \$1,185,000 plus a 10% contingency for a total authorized budget of \$1,303,500. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

On June 24, 2020, the Board approved a contract with Flowline Contractors Inc. in the amount \$297,538. On October 28, 2020, the Board approved Amendment #1, for \$277,462. On June 23, 2021, the Board approved Amendment #2 for \$67,021. The District's contract with Flowline included three optional, 1-year extensions/renewals. On July 1, 2021, the Board approved the first one-year renewal (Amendment #3) for \$818,000. On July 1, 2022, the Board approved the second one-year renewal (Amendment #4) for \$935,000. Staff is requesting Board approval for the 3rd one-year renewal in the amount of \$1,185,000 for work starting July 1, 2023. Budgeted work includes installation services that support & supplement field services scheduled replacements; including but not limited to service laterals, hydrant upgrades, spoils removal, and forecasted capital work. The contract period of performance will be extended an additional 365 days.

The following detail summarizes the current agreement and proposed additions:

Contract/Amendment	Date	Total	Duration	Completion Date
Original Contract	7/1/2020	\$297,538	365 Days	6/30/2021
Amendment 1	10/28/2020	\$277,462	0	6/30/2021
Amendment 2	6/23/2021	\$67,021	0	6/30/2021
Amendment 3 (1 st year renewal)	7/1/2021	\$818,000	365 Days	6/30/2022
Amendment 4 (2 nd year renewal)	7/1/2022	\$935,000	365 Days	6/30/2023
Amendment 5 (3rd year renewal)	7/1/2023	\$1,185,000	365 Days	6/30/2024
Proposed Revised Contract		\$3,580,021	1460 Days	6/30/2024

Flowline Construction Inc.'s installation work has been great this past year and supportive of our scheduled requirements.

Staff is requesting Board authorization and approval for an authorized total budget of \$1,303,500 (includes contingency) for FY 2023/24 requirements starting July 1, 2023. The revised contract value will be \$3,580,021 after Board review and approval.

FINANCIAL CONSIDERATIONS

This work is included in the FY 2023/24 retail operations budget and CIP retail budget.

AGENDA ITEM III-6

STAFF REPORT

To: Board of Directors

From: Greg Zlotnick, Water Resources Manager

Date: June 28, 2023

Subject: Termination of Agreements with the City of Roseville (City) for payment to San Juan Water District (San Juan) for 4,000 acre-feet (AF) of San Juan's Placer County Water Agency (PCWA) Entitlement

RECOMMENDED ACTION

Authorize the General Manager to sign and send to City a letter (attached) agreeing to the termination of the subject agreements, including the amendments thereto, related to the City's purchase of 4,000 AF/yr of San Juan's PCWA entitlement.

BACKGROUND

San Juan and City entered into agreements in 2001 and 2004, "For a Supply of Water" and "Transfer of Water" respectively, for the City to purchase a combined up to 4,000 AF/yr. However, the City never requested or received any of those supplies, which were part of Sn Juan's take-or-pay entitlement from PCWA.

In 2017, both agreements were amended such that the City began reimbursing San Juan for the take-or-pay costs incurred for the 4,000 AF/yr of PCWA entitlement water. Since then, as before, the City never requested delivery of any of the 4,000 AF.

On May 31, 2023, San Juan received a 30-day notice letter (also attached) from the City seeking termination of the subject agreements as of June 30, 2023, in accordance with their termination procedures. Those procedures require mutual written concurrence, unless there has been a breach, which has not occurred in this instance.

While the City's letter references only the 2004 Agreement, which secured an obligation for San Juan to provide up to 3,200 AF/yr, that was a subsequent companion to a prior 2001 Agreement that had obligated San Juan to provide up to 800 AF/yr. Per prior conversations between San Juan and City staff, as referenced in the City's letter, it was understood that the City is seeking termination of both agreements pertaining to the total 4,000 AF/yr.

Although City could have sought termination a little earlier, San Juan staff appreciate the City's willingness to wait to trigger the 30-day consultation period so the termination would coincide with the end of our fiscal year, making accounting easier for all.

June 29, 2023

Mr. Richard D. Plecker, Director
Environmental Utilities Water Division
City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

Directors
Edward J. "Ted" Costa
Kenneth H. Miller
Dan Rich
Pamela Tobin
Manuel Zamorano
General Manager
Paul Helliker

Re: Termination of 2001 AGREEMENT FOR A SUPPLY OF WATER and 2004 AGREEMENT FOR TRANSFER OF WATER between the San Juan Water District and the City of Roseville

Dear Mr. Plecker:

I am in receipt of your letter dated May 31, 2023, providing 30 days' notice of your desire to terminate the subject agreements, and the amendments thereto our agencies approved in 2017.

By this letter, San Juan Water District provides its concurrence with your request, and the agreements will be considered terminated as of June 30, 2023.

In the interest of comprehensiveness and completeness, we ask that you sign and return a copy of this letter for our records since your letter only referenced the 2004 Agreement.

We also appreciate the opportunity to have worked with the City over the last 19 years in relation to these agreements.

Thank you.

Paul Helliker
General Manager

Concur –

Date: _____

Richard Plecker
Environmental Utilities Water Division
City of Roseville



**Environmental Utilities
Water Division
2005 Hilltop Circle
Roseville, California 95747**

May 31, 2023

Mr. Paul Helliker
General Manager
San Juan Water District
9935 Auburn Folsom Rd.
Granite Bay, CA 95746

Sent via e-mail

Re: Termination of AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND SAN JUAN WATER DISTRICT FOR TRANSFER OF WATER dated February 25, 2004

Dear Mr. Helliker,

On May 18, 2023, the Placer County Water Agency (PCWA) Board of Directors approved a set of 14 amendments to Roseville's Middle Fork Project (MFP) Water Supply Contract. This action by PCWA followed an action to approve the 14 amendments by the Roseville City Council on May 17, 2023.

One of the 14 amendments included adding 4,000 acre-feet of additional MFP water to Roseville's allocation schedule. With this action taken, this letter serves as 30 days' notice of termination of our February 25, 2004 AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND SAN JUAN WATER DISTRICT FOR TRANSFER OF WATER pursuant to Article 13 of the contract. This formal termination letter follows two verbal conversations with SJWD senior staff regarding Roseville's intent which occurred earlier in 2023.

The City of Roseville appreciates that opportunity to have worked with San Juan Water District over the past 19 years in this regard.

Sincerely,

A handwritten signature in blue ink that reads "Richard D. Plecker, P.E."

Richard D. Plecker, P.E.
Environmental Utilities Department

Cc: Andy Fecko, General Manager, PCWA
Sean Bigley, Assistant Environmental Utilities Director

AGENDA ITEM III-7

STAFF REPORT

To: Board of Directors
From: Greg Zlotnick, Water Resources Manager
Date: June 28, 2023
Subject: Extension of Federal Lobbying Services with The Ferguson Group and conforming Amendments to MOAs for Reimbursement with the City of Folsom (City) and the Carmichael Water District (CWD)

RECOMMENDED ACTIONS

- (1) Authorize the General Manager to sign the proposed Amendment No. 7 to the District's General Services Agreement (Agreement) with The Ferguson Group (TFG) effective July 1, 2023 (attached).
- (2) Authorize the General Manager to sign the proposed 6th Amendment to the MOA with the City whereby the City will reimburse the District for the City's share of the costs of the proposed amended Agreement, effective July 1, 2023 (attached).
- (3) Authorize the General Manager to sign the proposed 2nd Amendment to the MOA with CWD whereby CWD will reimburse the District for CWD's share of the costs of the proposed amended Agreement, effective July 1, 2023 (attached).

BACKGROUND

By this proposed Amendment No. 7 to the District's General Services Agreement with The Ferguson Group (TFG), the District will continue its relationship with TFG for Federal advocacy at the same retainer as last year of \$6,000/month (inclusive of expenses).

Approval of the 6th Amendment to the MOA with the City will result in reimbursement by the City to the District of 50% of that retainer, i.e. \$3,000/month, after its expected reciprocal approval at an upcoming City Council meeting.

Approval of the 2nd Amendment to the MOA with the CWD will result in the reimbursement by CWD to the District of its TFG retainer fee that was previously incorporated into the District's agreement with TFG when the CWD provides its expected reciprocal approval.

**AMENDMENT NO. 7 TO THE
SAN JUAN WATER DISTRICT GENERAL SERVICES
AGREEMENT WITH THE FERGUSON GROUP**

This Amendment No. 7 to that certain Agreement, effective as of September 1, 2018, between San Juan Water District ("District") and The Ferguson Group ("Vendor") concerning the performance of services for federal advocacy and associated activities is made effective as of July 1, 2023.

RECITALS:

- A. Effective September 1, 2018, District and Vendor entered into an agreement for federal advocacy services and associated activities in a San Juan Water District General Services Agreement and an included "Scope of Work and Business Services ("Agreement" - attached);
- B. District desires to extend the services provided by Vendor to the District and its partners City of Folsom and Carmichael Water District with total not to exceed retainer fees provided through June 30, 2024 of \$81,000.00, at \$6,750.00 per month;
- C. Vendor is willing to perform the services; and
- D. The parties desire to amend the Agreement on the terms and conditions set forth below.

AGREEMENT:

1. **Description of Extended Work.**

The work undertaken will be performed in accordance with the attached original Agreement and its included "Scope of Work and Business Services".

2. **Compensation.**

The total not to exceed amount of compensation pursuant to the Agreement for services through June 2024 shall not exceed \$81,000.00. All fees are inclusive of all expenses, including travel, telephone, and regular business costs, accrued by the Vendor during the period of the extension.

3. **Term of Agreement.**

This Amendment shall be considered effective as of July 1, 2023. The Agreement, together with this Amendment No. 7, shall expire on June 30, 2024, unless extended by further co-signed written amendment or terminated earlier pursuant to Section 3(b) of the Agreement. It is the intent of the District and Vendor that the Agreement continue in force and effect beyond the

expiration date above even if an extension has not yet been formalized by that date and no notice of desire to terminate has been given and received by the parties.

4. **Effect on Agreement.**

Except as specifically provided herein, the Agreement and its included “Scope of Work and Business Services”, and each of their terms and conditions, shall remain in full force and effect, are incorporated herein by this reference, and apply to the work described in Section 1 hereof.

SAN JUAN WATER DISTRICT

By: _____

Paul Helliker
General Manager

Date: _____

THE FERGUSON GROUP, LLC

By: _____

W. Roger Gwinn
Chief Executive Officer

Date: _____

**AMENDMENT No. 6 TO THE MEMORANDUM OF AGREEMENT
REGARDING SHARING OF COSTS FOR LEGISLATIVE ADVOCACY SERVICES
BETWEEN THE SAN JUAN WATER DISTRICT AND THE CITY OF FOLSOM**

This is the sixth Amendment to the Memorandum of Agreement Regarding Sharing of Costs for Legislative Advocacy Services (“MOA”) that is made between the San Juan Water District (“District”) and the City of Folsom (“Party”) as of July 1, 2023. The District and the City of Folsom are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Parties entered into the MOA dated September 1, 2018, for the cost sharing of federal legislative advocacy services, by The Ferguson Group.

WHEREAS, this amendment will extend the amended MOA to and through June 30, 2024, at the not to exceed expenditure of \$72,000 (inclusive of regular business expenses).

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. Section 3 of the MOA is amended to read that it “shall remain in full force and effect through June 30, 2024,” instead of June 30, 2019, while retaining all other language in the Section.
2. The previously amended Section 4 of the MOA is amended again, retaining all language except the following, to read:
 4. Ceiling Price: In no event shall the total cost of lobbying and support services procured pursuant to this MOA over the fiscal year beginning July 1, 2023 and ending June 30, 2024, exceed seventy-two thousand dollars to be paid by the Parties....”
3. All other terms and conditions in the MOA shall remain in full force and effect to the extent they are not in conflict with this Amendment.
4. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

IN WITNESS WHEREOF, the Parties execute this Amendment, effective as of July 1, 2023.

SAN JUAN WATER DISTRICT
A Community Services District

BY: _____
Paul Helliker, General Manager

CITY OF FOLSOM
a Municipal Corporation

BY: _____
Elaine Andersen, City Manager

Funding Available:

BY: _____
Stacey Tamagni, Finance Director

ORIGINAL APPROVED AS TO CONTENT:

BY: _____
Marcus Yasutake, Environmental &
Water Resources Director

ORIGINAL APPROVED AS TO FORM:

BY: _____
Steven Wang, City Attorney

ATTEST:

BY: _____
Christa Freemantle, City Clerk

**AMENDMENT No. 2 TO THE MEMORANDUM OF AGREEMENT
FOR REIMBURSEMENT OF PAYMENTS FOR
FEDERAL LEGISLATIVE ADVOCACY SERVICES
BETWEEN SAN JUAN WATER DISTRICT AND CARMICHAEL WATER DISTRICT**

This is the second Amendment to the Memorandum of Agreement for Reimbursement of Payments for Federal Legislative Advocacy Services (“MOA”) that was made between the San Juan Water District (“District”) and the Carmichael Water District (“CWD”) as of September 1, 2021. The District and the CWD are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Parties entered into the MOA dated September 1, 2021, for the cost sharing of federal legislative advocacy services, by The Ferguson Group.

WHEREAS, this amendment will extend the amended MOA to and through June 30, 2024, at the not to exceed expenditure of \$9,000 (inclusive of regular business expenses), at \$750 per month.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. Section 3 of the MOA is amended to read that it “shall remain in full force and effect through June 30, 2024,” instead of June 30, 2023, while retaining all other language in the Section.
2. All other terms and conditions in the MOA shall remain in full force and effect to the extent they are not in conflict with this Amendment.
3. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

IN WITNESS WHEREOF, the Parties execute this Amendment, effective as of July 1, 2023.

SAN JUAN WATER DISTRICT

By: _____

Paul Helliker
General Manager

Date: _____

CARMICHAEL WATER DISTRICT

By: _____

Cathy Lee
General Manager

Date: _____

AGENDA ITEM IV-1

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Paul Helliker, General Manager
Date: June 28, 2023
Subject: Fiscal Year 2023-2024 Budget Adoption

RECOMMENDED ACTION

Conduct the legally required public hearing for budget adoption then approve Resolution 23-08 adopting the San Juan Water District Budget, Fiscal Year 2023-2024.

BACKGROUND

The San Juan Water District prepares and adopts annual budgets for its Wholesale and Retail operations and capital programs. Best practices require budget adoption prior to the start of the fiscal year (July 1st), but the District is required by law to adopt a budget prior to September 1st of each year.

The assumptions used in the budget were discussed by the Board at the April 26, 2023, Board meeting. The draft budget was presented and discussed at the May 24, 2023, Board meeting. Since that time, changes have been made to the proposed budget as follows:

Retail Operations:

- Corrected Field Services Professional Services budget from \$5,400 to \$94,000. An accidental keystroke error was discovered subsequent to budget workshop. Activity within this account includes SCADA maintenance, DOT testing, leak detection, safety inspections, etc. The budgeted amount is slightly lower than the current year estimate.
- Field Services added a request for \$55,000 for a year-long lease of a vacuum trailer for the lead and copper testing program. In accordance with the California Lead and Copper Rule (CA LCR), enforced by the State Water Resources Control Board, the District must develop an inventory of all service line materials connected to the distribution system by October 16, 2024. The inventory must include all service lines connected to the water system's distribution system, regardless of ownership status. The District has hired a temporary employee, and the budget contains funding for one more temporary employee, to conduct these legally required inspections and inventory creation. Staff is encountering difficulties in digging down to the lines and this equipment will both improve safety by reducing the opportunity for injury, and significantly increase the speed with which the work is being done, perhaps so much that the second temp may not be needed.

Net Effect on Transfers:

As a result of the proposed change described above, the Retail Operating Fund's transfer to Retail Capital decreased from \$2,599,400 to \$2,427,000.

The public hearing was duly noticed in the Sacramento Bee and the Proposed Budget has been available for review to the public. The proposed budget document is attached for review.

Attachments:

Exhibit 1 Resolution 23-08 Adopting the Annual Budget for the Fiscal Year 2023-2024

Exhibit 2 San Juan Water District Proposed Budget Fiscal Year 2023-2024

RESOLUTION NO. 23-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2023-2024

WHEREAS, District staff has prepared a budget for the fiscal year 2023-2024 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2023-2024 budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including contributions to reserves sufficient to return them to prudent levels; and

WHEREAS, after conducting a workshop and a public hearing on the proposed budget the Board of Directors has approved the same.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Juan Water District as follows:

1. That certain document referred to as "The San Juan Water District Proposed Budget Fiscal Year 2023-2024," and all schedules, exhibits and policies contained therein, is hereby adopted and the appropriations for the annual budget of the San Juan Water District for the fiscal year beginning on July 1, 2023 and ending on June 30, 2024, are hereby adopted; and
2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and
3. The General Manager is authorized to approve expenditure adjustments within individual accounts and line items so long as the total appropriated is not exceeded.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 28th day of June 2023, by the following vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSENT:	DIRECTORS:

ATTEST

DAN RICH
President, Board of Directors
San Juan Water District

TERI GRANT
Secretary, Board of Directors



PROPOSED BUDGET

FISCAL YEAR 2023 - 24



SAN JUAN WATER
DISTRICT
GRANITE BAY, CALIFORNIA

Cover Photo: Kokila Reservoir

Kokila Reservoir is a 4.56 million gallon Hypalon lined and covered earthen reservoir. The reservoir serves as an operational and emergency storage facility at a high elevation point within the District's Bacon Pressure Zone, approximately 5 miles north of the District's Water Treatment Plant. The cover and liner were installed in 1984 with an estimated life of 25 years. Regular maintenance has extended its life; however, it is now in need of replacement. The Kokila Reservoir Replacement Project will replace the aged reservoir cover and liner with a concrete tank.

GFOA Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**San Juan Water District
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrell

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to San Juan Water District for its annual budget for the fiscal year beginning July 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

This Page Intentionally Left Blank

San Juan Water District

Fiscal Year 2023-24 Budget



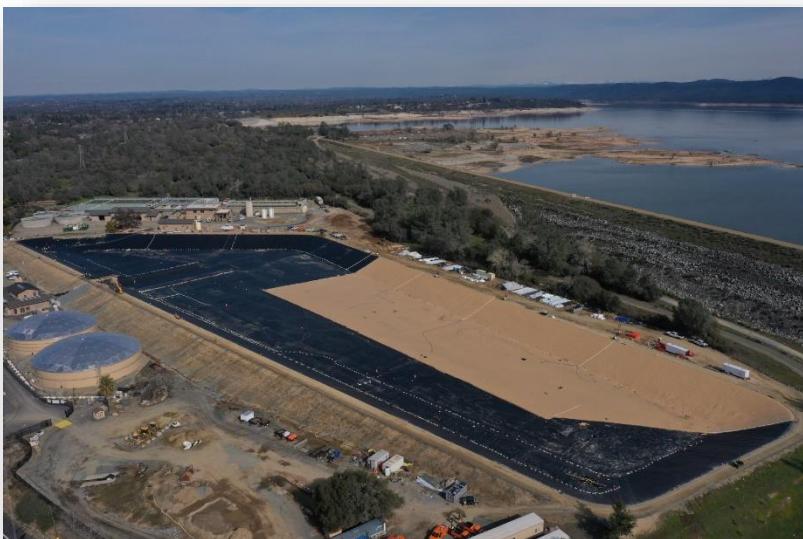
Prepared by the Finance Department under Direction of
the General Manager

Mission Statement:

Ensure the delivery of a reliable water supply of the highest quality at the lowest reasonable price.

Vision Statement:

To be a recognized industry leader in the treatment and distribution of a reliable supply of safe and clean drinking water, while protecting and retaining the District's water rights and supply.



Hinkle Reservoir
February 2023

Hinkle Reservoir
April 2023





San Juan Water District
9935 Auburn Folsom Road
Granite Bay, California 95746
(916) 791-0115
www.sjwd.org

Elected Officials

Dan Rich, President/Director
Manuel Zamorano, Vice-President/Director
Edward J. "Ted" Costa, Director
Kenneth H. Miller, Director
Pamela Tobin, Director

Appointed Officials

Paul Helliker, General Manager

Management Team

Tony Barela, Director of Operations
Andrew Pierson, Director of Engineering Services
Donna Silva, Director of Finance/Treasurer
Devon Barrett, Customer Services Manager
Adam Larsen, Field Services Manager
Greg Turner, Water Treatment Plant Manager
Chris von Collenberg, Information Technology Manager
Greg Zlotnick, Water Resources Manager

San Juan Water District

Fiscal Year 2023-24 Budget

Table of Contents

Letter of Transmittal.....	1
DISTRICT PROFILE	4
By The Numbers – Summary of District Information.....	5
Wholesale Service Area Map	6
Organization Chart by Functional Area.....	7
ABOUT THE DISTRICT.....	8
Budget Purpose, Process and Control	11
Budget Format	13
Financial Policies	14
Reserve Policy	14
Debt Policy	15
Investment Policy	15
Procurement Policy	16
Accounting System and Controls	16
Fund Structure and Descriptions	16
Enterprise Funds:.....	16
Capital Outlay Funds:.....	16
Budget Assumptions	17
Estimated Revenues and Expenditures of Funds – Summary.....	18
MAJOR REVENUES AND EXPENDITURES	20
Water Sales	21
Wholesale Water Deliveries – Acre-Feet.....	22
Retail Water Deliveries (in CCF*)	23
Water Sale Revenues (in millions\$).....	24
Property Tax	26
Proceeds from the Issuance of New Debt	27
Salaries and Benefits	28
Water Supply Costs	30
Capital Spending.....	32
Reserve Summary	33

OPERATING FUNDS.....	38
Administration and General.....	39
Customer Service.....	39
Distribution (Field Services)	39
Engineering Services	39
Water Efficiency	39
Water Treatment.....	39
Prior Year Report Card & Current Year Operations Plan.....	40
Wholesale Operating Fund.....	49
Retail Operating Fund	51
CAPITAL FUNDS	54
Wholesale Capital Outlay Fund	55
Retail Capital Outlay Fund	67
SUPPLEMENTAL INFORMATION.....	78
Transfers In and Transfers Out	80
Debt Service Schedules	81
Labor Allocation	83
Compensation Schedule	85
Board Resolution.....	86
Glossary of Terms.....	87
Acronyms	91

June 28, 2023

Board of Directors
Citizens of the San Juan Water District

Directors
Edward J. "Ted" Costa
Kenneth H. Miller
Dan Rich
Pamela Tobin
Manuel Zamorano
General Manager
Paul Helliker

On behalf of the San Juan Water District and its staff, I am pleased to present the Budget for Fiscal Year 2022-23. The Budget has been developed to be fiscally responsible in support of the District's Mission Statement:

Our mission is to ensure the delivery of a reliable water supply of the highest quality at the lowest reasonable price.

Adoption and implementation of this budget will allow the District to accomplish major priorities in Fiscal Year 2023-24, detailed throughout this document.

The District continues to focus on implementing the Strategic Plan that it adopted in March of 2018. We plan to update this plan during FY 2023-24, to ensure that it continues to be relevant to our operations. The plan can be found at the following link on the District's website:

<https://www.sjwd.org/files/eceb7dd84/Strategic+Plan+Adopted+032818.pdf>

The District's strategic goals are:

- Ensure Water Supply Reliability
- Optimize Operations and Delivery for High Quality and Reliable Water
- Ensure Customer Service through Consistent Access and Timely Responsiveness
- Operate the District Sustainably and in a Financially Sound Manner while Maintaining a Fair Rate Structure
- Provide a Capable High Quality Work Force and Ensure a Safe Work Environment

These strategic goals will guide our actions to respond to the following significant issues and priorities that we will face during fiscal year 2023-24, including, but not limited to the following:

- Development and adoption by the State of a new regulatory structure to implement water efficiency targets, pursuant to SB 606 and AB 1668
- Development of an update to the Water Quality Control Plan for the Sacramento/San Joaquin Delta, and a possible voluntary settlement agreement by the District and neighboring agencies in the American River Basin
- Further deliberations on a Delta Conveyance project
- Implementation of the Groundwater Sustainability Plan and further expansion of the Sacramento regional groundwater bank
- Implementation of the water loss standards for drinking water systems
- Developing and implementing a new five-year wholesale financial plan
- Planning and executing significant infrastructure repair and replacement projects, including planning for the replacement of the cover and liner of Kokila Reservoir
- Successfully achieving distribution system maintenance goals, identifying and prioritizing repairs and replacements, and implementing the top priority projects
- Meeting current and evolving regulatory requirements for water quality, system operations, health and safety, human resources management, etc.

The District works hard to ensure that ratepayer dollars are used in the most cost-effective manner to provide reliable, clean water supplies to its customers. The District continues to implement the retail financial plan it adopted in 2021 and is in the process of completing and implementing a new five-year wholesale financial plan. In preparing this budget, staff have reviewed the projections in the financial plans and have proposed a budget that is consistent with those plans.

I would like to thank District staff for their conscientious efforts in prudent management of District resources, enabling the District to reduce expenses whenever possible without reducing the levels of service necessary to meet the demands of good customer service and responsible facilities maintenance.

I want to thank the Board of Directors for their leadership and continued interest in prudent fiscal management.

Respectfully submitted,



Paul Helliker
General Manager

San Juan Water District

Fiscal Year 2023-24 Budget

This Page Intentionally Left Blank

San Juan Water District

Fiscal Year 2023-24 Budget



DISTRICT PROFILE

San Juan Water District

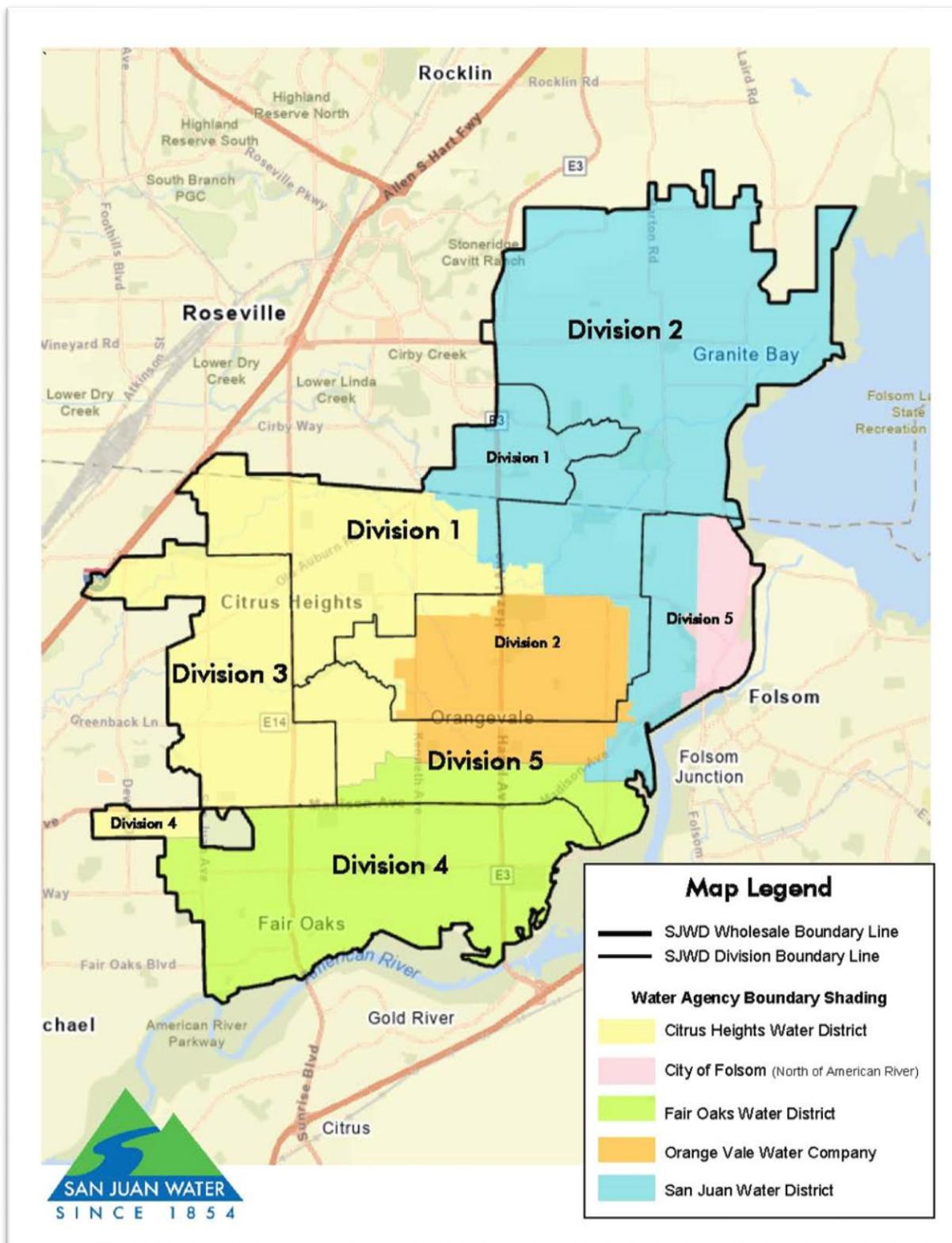
Fiscal Year 2023-24 Budget

By The Numbers – Summary of District Information

Water System	
Total Water Supply Available	82,200 acre-feet
Treatment Plants	1
Treatment Plant Capacity	150 MGD
Reservoirs	2
Miles of Water Main	222
Storage Tanks	2
Booster Stations	9
Number of Booster Pumps	38
Number of Control Valve Stations	15
Number of Solar Facilities	1
Number of Pressure Zones – Retail Service Area	8
Number of Active Service Connections – Retail Service Area	10,900

Miscellaneous Statistical Information	
Size of Service Area	46 square miles
Size of Retail Service Area Only	17 square miles
Population of Service Area (per FY 2021-22 ACFR)	151,903
Population of Retail Service Area Only (per FY 2020-21 ACFR)	29,712
Number of Active Employees	49
Number of Debt Issues Outstanding	3
Wholesale Operating Budget	\$ 10,304,900
Wholesale Capital Budget	\$ 5,043,200
Retail Operating Budget	\$ 14,378,700
Retail Capital Budget	\$ 25,107,100

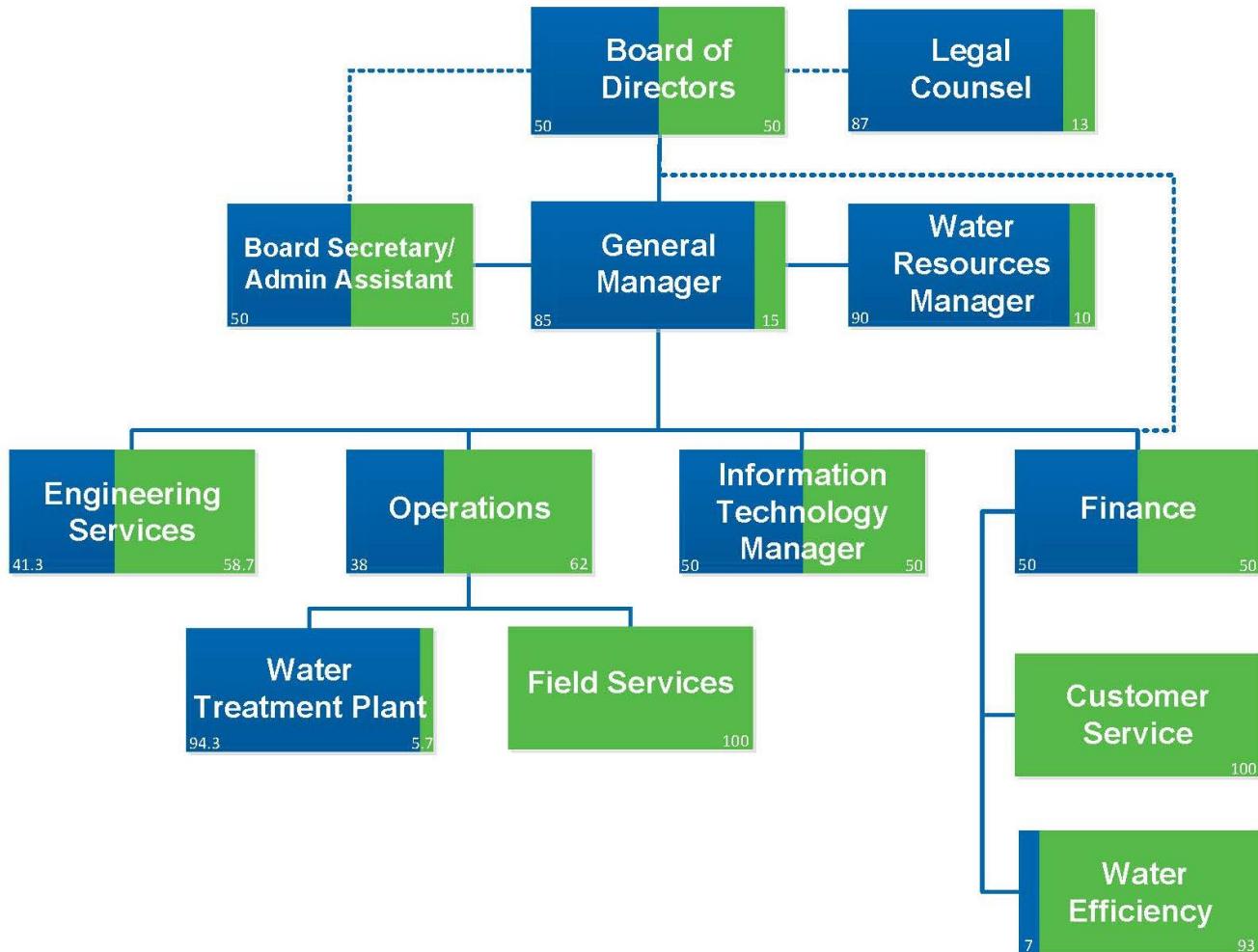
Wholesale Service Area Map



San Juan Water District

Fiscal Year 2023-24 Budget

Organization Chart by Functional Area



Allocation of Costs

Wholesale	%
Retail	%



ABOUT THE DISTRICT

San Juan Water District

Fiscal Year 2023-24 Budget

ABOUT THE DISTRICT

The San Juan Water District (District) initially began as the North Fork Ditch Company dating back to 1854 providing water to the area. The District, as in existence today, was formed as the result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company and a group of homeowners in South Placer County. An election was then held within the boundaries of the sponsoring districts including the District's current Placer County service area on February 10, 1954. At this election, voters approved the formation of the San Juan Water District by nearly a two-thirds majority and elected five Directors. The District is a Community Services District formed under Section 61000 et seq., Title 6, Division 3 of the California Government Code.

The District provides water on a wholesale and retail basis to an area of approximately 17 square miles for retail and 46 square miles for wholesale (which includes the retail area) in Sacramento and Placer Counties.

The District's wholesale operations include: protecting access to reliable and sufficient water supplies; operating and maintaining a surface water treatment plant; operating and maintaining treated water storage; pumping and transmission facilities; delivering treated water to five retail agency customers (the District's retail division, Fair Oaks Water District, Citrus Heights Water District, Orange Vale Water Company and the City of Folsom (Ashland); and providing the administrative support necessary to successfully carry out those functions.

In addition, the District has a contract with the Sacramento Suburban Water District (SSWD) to treat and wheel water that they purchase from the Placer County Water Agency (PCWA) and/or the United States Bureau of Reclamation (215 Water). SSWD's ability to purchase water from PCWA, diverted from Folsom Reservoir, is restricted to years when the unimpaired inflow to Folsom Lake exceeds a certain level. SSWD also at times accesses excess flows into Folsom made available by the United States Bureau of Reclamation. Additionally, in 2020 the District began selling a portion of its water supplies to SSWD with such supplies generally available in all water year types. These agreements are negotiated on an annual basis.

The District's retail operations consist of operating and maintaining storage, pumping, transmission and distribution facilities, which deliver water to approximately 10,900 retail service connections located in a portion of Northeast Sacramento County and the Granite Bay area of South Placer County, and providing the administrative, customer service, water efficiency, and engineering support necessary to successfully carry out those functions.

The District's existing water supply consists of three separate raw water contracts. The first source of water comes from a settlement contract with the U.S. Bureau of Reclamation (Reclamation) whereby it is required to deliver the District's pre-1914 and post-1914 water rights water from the American River, totaling 33,000 acre-feet, in perpetuity. The second source is a water repayment contract with Reclamation for 24,200

acre-feet of Central Valley Project water, also in perpetuity, subject to standard shortage policies. The third water source is a contract with Placer County Water Agency (PCWA) for up to 25,000 acre-feet of water.

All sources of surface water are either stored or flow through Folsom Lake with delivery taken from Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant. Total raw water delivery to the plant for the 2021-2022 fiscal year was 36,894 acre-feet (excluding pass through deliveries for SSWD) and is anticipated to be 37,031 acre-feet for fiscal year (FY) 2022-23 (inclusive of SJWD water sold to SSWD and pass through deliveries to same), and 31,740 for FY 2023-24 (excluding pass through deliveries for SSWD).

In response to the last drought and in preparation of future drought conditions, the District partnered with two nearby water districts, PCWA and SSWD, to construct inter-ties to allow water supplies to be shared and transferred if normally available supplies are reduced and/or inadequate to meet immediate demands for either district.

The District has long been a proponent and practitioner of cost effective water efficiency programs. The implementation of these programs has been highly successful and the District complies with best management practices that are required by the Sacramento Area Water Forum Agreement, California legislation SBx7-7 (2009), the California Department of Water Resources, and the Central Valley Project Improvement Act.

The District's water efficiency programs include:

- Water Awareness Poster Contest and Calendar – Since 1992, the District and its wholesale agency customers, Citrus Heights Water District, Fair Oaks Water District and Orange Vale Water Company, have promoted water awareness at the elementary school level through an annual water awareness poster contest.
- Rebate Program – The District provides rebates for the purchase of high-efficiency washing machines, and hot water on-demand recirculation systems as well as weather based irrigation timer rebates to both residential and non-residential customers.
- Free Programs – District staff provides free indoor and outdoor water audits, leak detection, and recommendations to improve irrigation system performance. Staff also creates landscape water budgets and irrigation schedules to improve efficiency. The District conducts and hosts a variety of workshops on drip systems and proper irrigation techniques, landscape design, soil health, tree maintenance, controller management and other water efficiency topics. A speakers' bureau is available to talk to groups about water efficiency programs and water supply and reliability issues.
- Water Efficient Landscape (WEL) Garden – Located behind the District's administrative office are gardens to inspire visitors to create a water efficient landscape that looks beautiful every season. The garden demonstrates efficient irrigation and non-water using materials to create a beautiful landscape.

San Juan Water District

Fiscal Year 2023-24 Budget

The benefits of these programs include more cost-effective and efficient use of water and increased customer awareness on the importance of water efficiency to contribute to future reliability of water supplies.

The District's water treatment facility, the Sidney N. Peterson Water Treatment Plant (Plant), was constructed in three phases beginning in 1975 and completed in 1983. The Plant includes two flocculation-sedimentation basins, two filter basins, an operations building and a covered 62-million-gallon storage reservoir. Major upgrades and improvements to the Plant have been made over the years, including increasing its maximum seasonal capacity (May 15th to September 30th) to 150 million gallons a day (mgd) from its original 100 mgd. The 62-million gallon Hinkle Reservoir was rehabilitated in FY 2022-23. Those past upgrades, and ongoing efforts to identify and implement projects and process improvements to increase efficiency, cost effectiveness, and productivity, all contribute to the District's success in reliably satisfying customer demands while continuing to meet or exceed all Federal and State regulatory requirements.

The Plant receives delivery of raw water directly from Folsom Dam outlets. The raw water undergoes an extensive water treatment process to ensure the highest quality of water for all customers. From the Plant, the water flows into the District's 62-million gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 222 miles of transmission and distribution pipelines, which transport the high quality treated water to wholesale and retail customers.

Budget Purpose, Process and Control

The District operates on a fiscal year that runs from July 1 through June 30. The District adopts an annual operating budget and an annual capital improvement budget to ensure the adequacy of resources to meet District needs and to accomplish the District's mission. California Government Code section 61110(c)(2)(f) requires the adoption of the final budget on or before September 1st of each year, however, the District strives to have an adopted budget by June 30th. As required by certain debt covenants, the annual operating budget is evaluated to ensure that net revenues, as defined by the various debt covenants, are equal to or exceed a minimum of 115 percent of the anticipated debt service for the budget year.

In March of 2018, the Board of Directors adopted a Strategic Plan which staff now uses as the guiding light in preparing an operations plan and annual budget. Using the goals in the Strategic Plan, as well as direction received throughout the year from the Board of Directors, the Department Managers prepare and submit draft budgets to the Finance Department. The Finance Department prepares the revenue budget, and reviews and compiles the various department budgets. A budget workshop is generally held in May of each year to present and discuss the draft budget with the Board of Directors and interested members of the public. Feedback from that meeting is used to adjust the draft budget, if necessary. A public hearing is then generally held in June after which the Board of Directors votes on budget adoption. The budget calendar, specific to the preparation of the FY 2023-24 budget, is presented below:

Important Dates for Adoption and Review of FY 2023-24 Budget

DATE	FORUM	TOPIC/ACTION
April 26, 2023	Board Meeting	Discussion of assumptions to use in budget preparation.
May 24, 2023	Board Meeting	Review and discuss Draft FY 2023-24 Operating and Capital Budgets
June 28, 2023	Public Hearing	Receive public input on proposed budget
June 28, 2023	Board Meeting	Consider adoption of proposed budget.
March 27, 2024	Board Meeting	FY 2023-24 Mid-Year Budget Review

Important Dates for Adoption and Review of FY 2024-25 Budget (preliminary)

DATE	FORUM	TOPIC/ACTION
April 24, 2024	Board Meeting	Discussion of assumptions to use in budget preparation
May 22, 2024	Board Meeting	Review and discuss Draft FY 2024-25 Operating and Capital Budgets
June 26, 2024	Public Hearing	Receive public input on proposed budget
June 26, 2024	Board Meeting	Consider adoption of proposed budget
March 26, 2025	Board Meeting	FY 2024-25 Mid-Year Budget Review

Budget to actual financial data is monitored continuously throughout the year by management and is reported on a monthly and annual basis to the Board of Directors. Beginning in February of each year, staff performs a mid-year budget review. The mid-year budget review process is an in depth analysis of year to date budget to actual data, combined with a projection of financial activity through the end of the year. That is then compared to the adopted budget. If expenses, in total, are projected to be greater than the adopted budget, the board considers a budget amendment, or staff recommends budget cuts in order to ensure adherence to the adopted budget. The mid-year budget review is usually presented at the March Board meeting. The General Manager has the authority to move budget between specific lines within a fund, or between funds to correct posting errors. Transfers between funds, for purposes other than error correction, or to maintain required reserve levels, require approval from the Board of Directors.

San Juan Water District

Fiscal Year 2023-24 Budget

Budget Format

The budget is prepared on a modified accrual basis wherein revenues and expenses are reported when earned and incurred, respectively. The budget does not include amounts for depreciation, pension expense in accordance with GASB 68, retiree medical expenses in accordance with GASB 74/75, lease revenue/expense in accordance with GASB 87, compensated absences expense accrual and the amortization of premium or discount on debt issuances, but does include an expenditure for debt principal and a revenue for any new debt issued. Therefore, the budget is not prepared in the same manner as the Annual Comprehensive Financial Report (ACFR). The program budget format is used versus a line item detail format to provide the most valuable information to the reader on all of the District's major areas of service (Administration, Customer Service, Distribution, Engineering, Water Efficiency, and Water Treatment Plant). Expenditure data is also presented in a functional format (Salaries & Benefits, Materials & Supplies, etc.) to provide readers with an alternate view.

For financial reporting purposes, the District operates a single enterprise fund. However, for management of the two divisions, wholesale and retail, the District utilizes four distinct funds, one each for Operations and one each for Capital Outlay.

In order to ensure funds are available to meet both operating and capital needs, the District (for both Wholesale and Retail Operations) established a financial planning process with the development of a Master Plan that contains a review of current infrastructure, and that recommends projects for a twenty to thirty-year period. The District then estimates current and future operating needs, and works with a rate consultant to develop a water rate study and financial plan.

The District's last Wholesale Financial Plan and Rate study, resulted in a five-year rate plan. The last rate increase from that plan went into effect on January 1, 2021. In FY 2021-22 the District worked on updating the Wholesale Master Plan. The master plan was completed in FY 2022-23 and produced the next 10-Year Capital Improvement Program. With that in hand, the District embarked on a Wholesale Financial Plan and Rate Study which will be used to set rates for calendar years 2024 through 2028. The Wholesale Financial Plan recommends annual rate increases of approximately 4%. The District is required to provide wholesale customers a 150-day notice of proposed rate changes. This notice will be sent in June 2023 and the Board will consider approval of the rate schedule at its December 2023 meeting, for implementation in January 2024. Since the rate schedule is not yet approved, the proposed rate increases are not incorporated into this budget.

The District completed a Retail Financial Plan and Rate Study in FY 2021-22, resulting in a 3-Year Rate Schedule. The new Retail Rate Schedule went into effect on February 1, 2022, and resulted in three successive 8% effective rate increases. In the previous five-year rate schedule, all rate increases were applied to the fixed base rate only, to bring stability to the rate structure and provide reliable funding to cover fixed operating costs. In the new rate schedule, this approach is taken for the first rate increase but the final two rate increases will apply to both the fixed and the volumetric rate as the District feels it has achieved equilibrium between rates and costs, to the greatest extent possible.

Financial Policies

Key District Financial Policies include the Reserve Policy, the Debt Policy, the Investment Policy and the Procurement Policy.

Reserve Policy

In accordance with Board Resolutions, Board Motions, District Ordinances, loan agreements and applicable laws, certain reserve funds have been established and maintained as follows:

WHOLESALE RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	Established in 1998 to provide working capital for operations and unexpected needs.	20% of operating expenses
Hinkle Reservoir Loan Debt Service	Required by the loan agreement with the State Water Resources Control Board	1-year Debt Service*
Capital Improvement Program	Established in 1998 to fund capital replacements, rehabilitation, upgrades and improvements.	Determined annually by Board of Directors.

* The District recently executed a loan agreement with the California State Water Resources Control Board through their Drinking Water State Revolving Loan Fund (SRF). The District intends to finish drawing down on that loan during this fiscal year to get reimbursed for the rehabilitation of the Hinkle Reservoir. The loan document requires the establishment of a reserve equal to one year's debt service. This budget estimates the required reserve amount, but the final amount will not be certain until full draw down is complete and the loan amortization schedule has been received from the State.

San Juan Water District

Fiscal Year 2023-24 Budget

RETAIL RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	To provide working capital for retail operations, as well as readily available capital for unexpected needs and modest variations between expected and actual water demands.	20% of annual operating expenditures
Eureka Road Transmission Pipeline Replacement Loan Debt Service	Required by the loan agreement with the State Water Resources Control Board	1-year Debt Service*
Capital Facility Fees	Government Code Section 66013(c) requires capital facility fees collected for specific future projects be held in reserve and spent only on the projects for which the fee was established and collected.	Amounts received, plus interest, not yet spent on the projects that formed the basis for the fee.
Capital Improvement Program	To fund capital replacements, rehabilitation, upgrades and improvements.	Determined annually by Board of Directors. Budget includes revenues and transfers in at least equal to annual depreciation.

* In April 2023, the District executed a loan agreement with the California State Water Resources Control Board through their Drinking Water State Revolving Loan Fund (SFR) for the replacement of the Eureka Road Transmission Pipeline. The District intends to draw upon that loan in FY 2023-24. The loan document requires the establishment of a reserve equal to one year's debt service. This budget estimates the required reserve amount, but the final amount will not be certain until full draw down is complete and the loan amortization schedule has been received from the State.

Debt Policy

The Debt Policy, adopted in compliance with Government Code Section 8855(i), governs all debt undertaken or refinanced by the District. It describes the purposes for which Debt may be issued, the types of debt the District may issue, and the relationship of debt to the Capital Improvement Program and the Operating Budget.

Investment Policy

In accordance with the Board's Investment Policy, the Director of Finance has been designated as the "Investment Officer" in charge of operational management.

Investments by the Investment Officer are limited to those instruments specifically described in the District's Investment Policy. The Investment Officer submits quarterly reports to the Board of Directors detailing all investment holdings. In order of importance, the following five fundamental criteria are followed in the investment program: 1) safety of principal; 2) limiting credit risk liquidity; 3) limiting interest rate risk; 4) liquidity and; 5) return on investment.

Procurement Policy

The District's procurement policy creates uniform procedures for acquiring equipment, and goods and services for its operations. The primary purpose of this policy is to provide for the purchase of materials and trade services with the objective that they will be available at the proper time, in the proper place, in the proper quantity, in the proper quality, and at the best available price, consistent with the needs of the District.

Accounting System and Controls

The District uses the Tyler Technologies financial accounting system to record its financial transactions. Management has established a system of internal controls that provides a reasonable basis for protecting the District's assets from loss, theft, and misuse, and that compiles sufficient reliable information for the preparation of the District's financial statements. At the end of the year, the District prepares an ACFR consisting of management's representations concerning the District's finances. An independent auditing firm audits this report and examines District internal controls and provides an opinion on the financial reporting and provides suggestions on ways to improve the internal control processes of the District.

Fund Structure and Descriptions

Legally, San Juan Water District is a single enterprise fund. For purposes of rate setting, reserve segregation and managerial reporting, the District utilizes four distinct funds as follows:

Enterprise Funds:

- Wholesale Operating Fund
- Retail Operating Fund

Capital Outlay Funds:

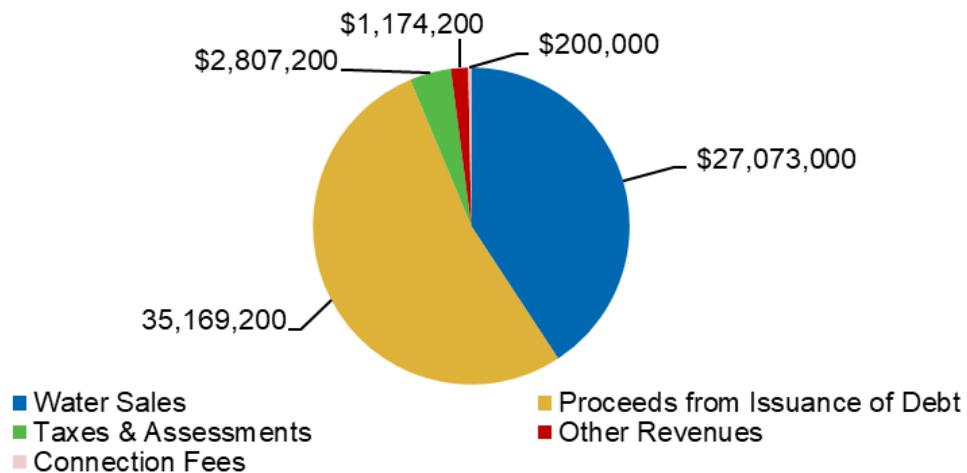
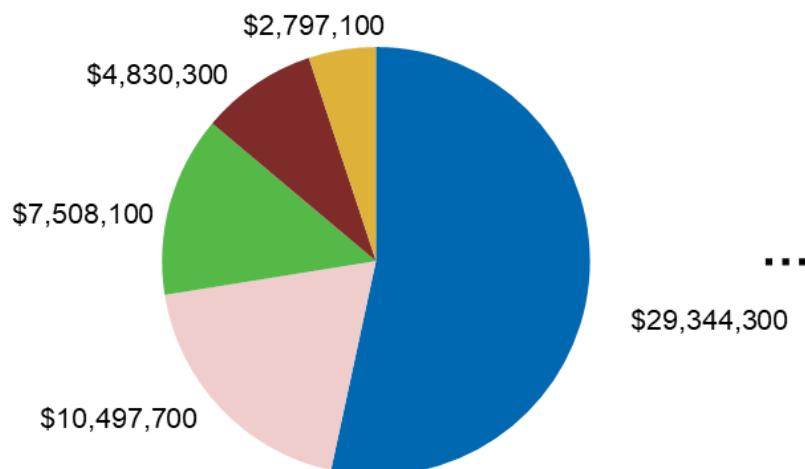
- Wholesale Capital Outlay Fund
- Retail Capital Outlay Fund

The funds are combined for purposes of formal financial reporting (audited financial statements). Budgets and descriptions for these funds can be found starting on page 51.

Budget Assumptions

A budget is an estimate of revenues and expenditures for a set period of time. The creation of estimates involves a set of assumptions. It is important that the reader of this budget understands the assumptions used in preparing the revenue and expenditures estimates contained herein. Listed below are the primary assumptions used in the creation of this budget:

- No increase to wholesale water rates
- Retail rate increase effective January 1, 2024 (8.1% increase on both the volumetric and base rate)
- Overall wholesale water demand 1.2% greater than estimate for FY 2022-23. Comprised of:
 - 13.8% increase in sales to regular wholesale customers. FY 2022-23 surface water sales to Citrus Heights Water District and Fair Oaks Water District were reduced due to participation in a groundwater substitution transfer.
 - No groundwater substitution transfer being done in FY 2023-24
 - 6,150 acre feet of water being treated and delivered to the Sacramento Suburban Water District, a 5.9% decrease from the prior year
- No significant change in retail water demand. Historical data shows that years with a wet spring have lower water demand. However, this is likely to be offset due to the cessation of drought messaging and conservation messaging that was done during the Hinkle Reservoir Replacement project in winter and spring 2024.
- Property taxes increase 2%
- Salaries prepared in accordance with Board Compensation Policy, utilizing CalPERS estimated wage growth
- 5% increase in health care insurance costs
- Resumption of \$200,000 supplemental payment to CalPERS towards an anticipated return of a small unfunded pension liability
- Property Insurance increase of 25% due to California wildfires
- Liability insurance expected to increase by 26% due to claims experience and general industry cost increases
- Implementation of minor changes in cost allocations between wholesale and retail as a result of a cost allocation study performed in FY 2022-23
- Creation of debt service reserves equal to an estimated one year's debt service for both the Hinkle Reservoir Replacement Project loan and the loan for the Eureka Road Transmission Pipeline Replacement Project. Both reserves are required by their respective loan agreements with the State Water Resources Control Board.

Estimated Revenues and Expenditures of Funds – Summary**All District Revenues \$66,423,600****All District Expenses \$54,977,500**

■ Capital Improvement Projects

■ Other Expenses

■ Debt Service

■ Salaries & Benefits

■ Water Supply

San Juan Water District

Fiscal Year 2023-24 Budget

Estimated Revenues and Expenditures of Funds – Summary

Estimated Beginning Reserves						
July 1, 2023	\$ 1,786,561	\$ 1,157,523	\$ 2,732,655	\$ 14,797,435	\$ 20,474,174	
Revenues						
Proceeds from Issuance of Debt	\$ -	\$22,274,200	\$ -	\$ 12,895,000	\$ 35,169,200	
Water Sales	10,451,600	-	16,621,400	-	27,073,000	
Taxes & Assessments	-	1,403,600	-	1,403,600	2,807,200	
Other Revenues	133,100	150,000	636,100	255,000	1,174,200	
Connection Fees	-	100,000	-	100,000	200,000	
Total Revenues	\$10,584,700	\$23,927,800	\$ 17,257,500	\$ 14,653,600	\$ 66,423,600	
Expenses						
Capital Improvement Projects	\$ -	\$ 4,237,200	-	\$ 25,107,100	\$ 29,344,300	
Salaries & Benefits	4,305,600	-	6,192,100.00	-	10,497,700	
Water Supply	1,364,900	-	3,465,400.00	-	4,830,300	
Debt Service - Principal	910,300	-	544,800.00	-	1,455,100	
Debt Service - Interest	887,900	-	454,100.00	-	1,342,000	
Other Expenses	2,836,200	806,000	3,865,900.00	-	7,508,100	
Total Expenses	\$10,304,900	\$ 5,043,200	\$ 14,522,300	\$ 25,107,100	\$ 54,977,500	
Net Income	\$ 279,800	\$18,884,600	\$ 2,735,200	\$ (10,453,500)	\$ 11,446,100	
Transfer In/(Out)	958,700	(958,700)	(2,427,000)	2,427,000	-	
Estimated Ending Reserves	3,025,061	19,083,423	3,040,855	6,770,935	31,920,274	
Restricted for Debt Service	920,800	-	136,300	-	1,057,100	
Restricted for Expansionary Projects	-	-	-	3,763,700	3,763,700	
Estimated Ending Available Reserves	\$ 2,104,261	\$19,083,423	\$ 2,904,555	\$ 3,007,235	\$ 27,099,474	

San Juan Water District

Fiscal Year 2023-24 Budget

MAJOR REVENUES AND EXPENDITURES

In order to assist in understanding the fiscal trends facing the District, and the assumptions utilized in preparing this budget, the following discussion and analysis of the District's major revenues and expenditures are presented.

Water Sales

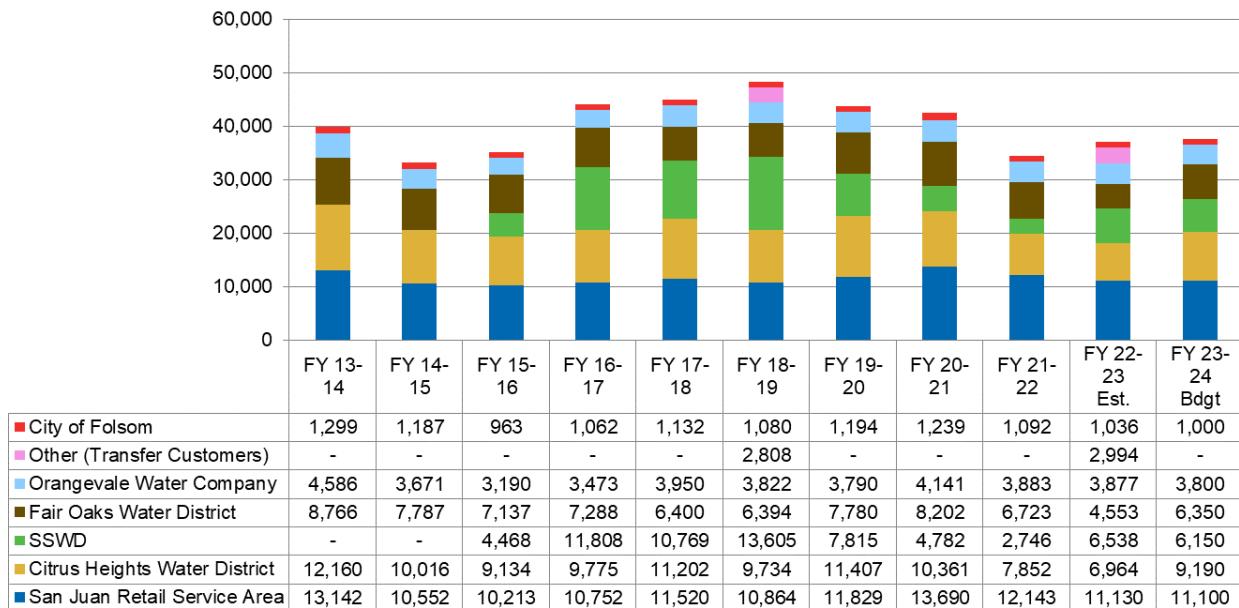
Revenue from the sale of water accounts for 87% of all District revenues, excluding the proceeds from the issuance of debt. Water revenues are driven by two primary factors, the amount of water sold and the rate per unit. The Board of Directors considers and adopts rates through separate processes for wholesale and retail. Wholesale customers are presented with a rate study and are given 150 days to provide comments to the Board of Directors on proposed rate changes. After the 150-day comment period, the Board of Directors review the comments and make a decision on rates for the upcoming calendar year.

Retail rate setting is subject to the provision of Proposition 218 wherein customers are provided information on proposed rate changes, and are invited to attend a public hearing on the proposed changes. Proposed rate changes can be denied if a majority of ratepayers submit letters of protest. If a majority of rate payers do not protest, the Board of Directors vote on the proposed rate increase and set the effective date for any proposed and approved changes.

The District completed a Financial Plan and adopted a 3-Year Schedule for retail water rates in January 2022. The District recently completed a draft Wholesale Financial Plan and Rate Study which will be first shared with the Board in June 2023 and provided to the wholesale customer agencies informally, in advance of the June Board meeting, and formally, no later than July 15, 2023, for the required 150-day comment period. The Board will consider approving a new wholesale rate schedule at its December 13, 2023, meeting.

Charts 1 and 2 show water deliveries and water revenues from FY 2013-14 to current.

WHOLESALE WATER DELIVERIES - ACRE FEET

**Chart 1**

The 2012-2016 drought resulted in a significant decline in water deliveries. Wholesale water deliveries began a steady decline in FY 2011-12, followed by retail two years later. Wholesale water deliveries reached their low in FY 2014-15 and retail reached its low in FY 2015-16. With the drought “officially” over, the District experienced an uptick in wholesale water demand in FY 2015-16 totaling 35,105 acre-feet. However, this increase was primarily attributed to 4,468 acre-feet of water treated for SSWD. SSWD has an agreement to periodically purchase raw water from PCWA (based upon water supply conditions). They have an agreement with the District to treat and deliver the water that they purchase from PCWA. In years when they are unable to take their PCWA water, such as FY 2020-21, they periodically enter into agreements with the District to purchase treated water from the District, instead of raw water from PCWA (treated by SJWD).

Absent the water treated for SSWD, wholesale demand did not begin to increase until FY 2016-17. Demand from the District’s regular wholesale customers slowly increased through FY 2020-21 but has been declining ever since, reaching an expected low of 30,554 acre feet in FY 2022-23. Demand from the regular wholesale customers is expected to increase by 2.76% this budget year, but the amount of water delivered to SSWD is expected to decline by almost 6% based on a conservative application of the proposed delivery schedule provided to the District by SSWD.

San Juan Water District

Fiscal Year 2023-24 Budget

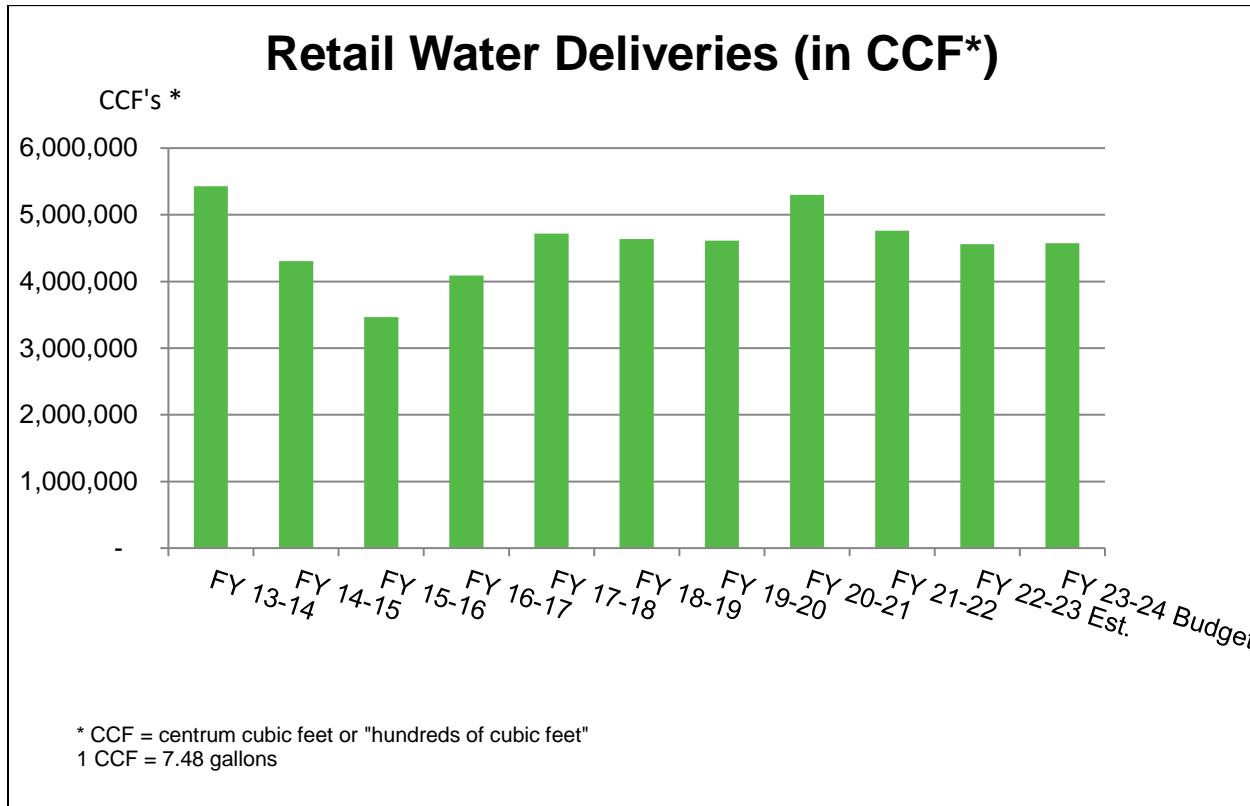


Chart 2

The end of the drought resulted in increased water demand in the Retail Service Area. There was an 18% increase in FY 2016-17 retail water deliveries and a 15% increase in FY 2017-18. Water demand stabilized in FY 2018-19 with a minor 2% decline. It remained stable in FY 2019-20 with just a ½ percent decline from the prior year. While the District planned for decreased water demand during the pandemic, the opposite occurred, with FY 2020-21 demand exceeding the prior year by 15%. The District experienced a 14% decline in retail water demand in FY 2021-22 due to weather patterns and conservation messaging. It is expected to continue that downward trend in FY 2022-23 and is anticipated to stabilize at that level for FY 2023-24.

Water Sale Revenues (in millions\$)

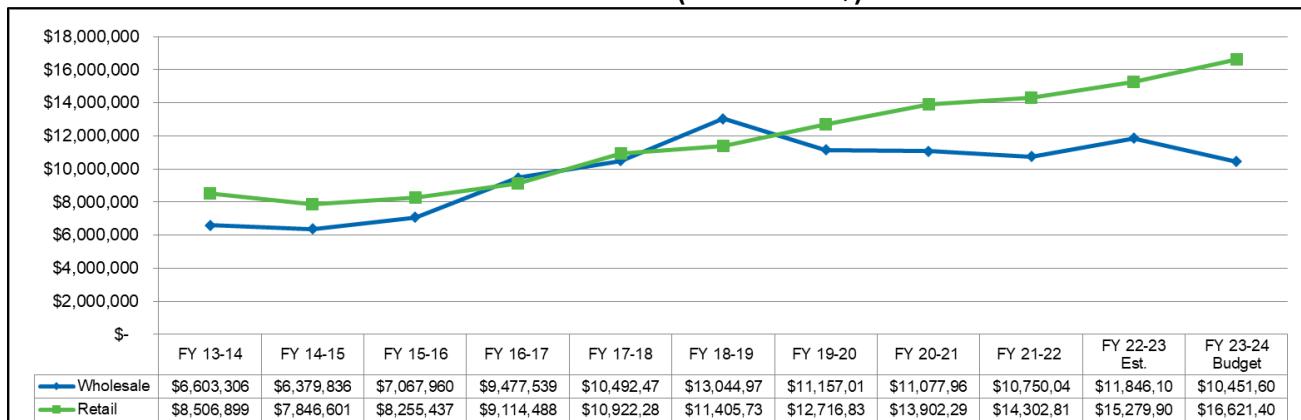


Chart 3

Wholesale water sale revenues increased steadily from a low in FY 2014-15 to a peak in FY 2018-19. This period of revenue growth occurred for a number of reasons:

- Increased demand from wholesale customers. Demand from the wholesale customers was a low 33,213 acre-feet in FY 2014-15 and peaked at 34,703 acre-feet in FY 2018-19.
- Treatment of SSWD water. When certain hydrology conditions are met, SSWD is able to purchase surface water from PCWA to augment their groundwater supplies. SSWD pays the District to treat this surface water on their behalf. After not taking surface water for two years, SSWD began taking this supply in FY 2015-16, causing a spike in District revenues.
- Increased rates. On January 11, 2017, the Board of Directors approved a 5-Year Rate Schedule, which allowed for a 16% effective increase to go into effect on January 1, 2017, 9% per year for January 2018 through January 2020 and 5% in January 2021.

Wholesale water sale revenues declined in FY 2019-20, in spite of the rate increase and increased sales to the wholesale customer agencies, due to SSWD taking less PCWA water. In addition, wholesale water rates were reduced on July 1, 2019, to reflect savings incurred by refinancing a debt issuance in 2017. Wholesale water sale revenues held steady in FY 2020-21, in spite of a planned 5% effective rate increase on January 1, 2021. Due to hydrologic conditions, SSWD was not able to take its PCWA water. However, the two water districts entered into an agreement wherein SSWD is purchasing treated water directly from the District. While the District earns more money by selling its own water to the SSWD, as opposed to simply treating their PCWA water, the amount sold was 2,340 acre-feet less than what was treated in the prior year, resulting in a decline in revenues. Wholesale water sale revenues fell in FY 2021-22 due to a general decline in demand, most notably from Citrus Heights Water District and Fair Oaks Water District. However, that decline in demand is expected to reverse for the 2022-23 fiscal year. Even though rates are unchanged, due to increased demand projections from the wholesale customer agencies, and a planned groundwater substitution transfer, wholesale water sale revenues are expected to increase by 10% over the prior year. With no approved rate

San Juan Water District

Fiscal Year 2023-24 Budget

increase, relatively constant demand from the regular wholesale customer agencies and a decline in water treatment for SSWD, wholesale water sale revenues are anticipated to decline by 12% in FY 2023-24. If the Board approves the recommended rate increases, they will go into effect January 2024, yielding a better result.

In FY 2014-15, retail water use dropped significantly as a result of the drought and conservation mandates. The District restructured their rates and at the end of the fiscal year, in June 2015, implemented a retail drought surcharge. Revenues for FY 2014-15 fell 7.8% from the prior year.

In FY 2015-16, water use continued its sharp decline but due to the drought surcharge and a 15% rate increase in January 2016, revenues were almost restored to FY 2013-14 levels. The drought surcharge was removed April 1, 2016.

FY 2016-17 yielded a 10.4% increase in revenues, mostly from increased consumption from the end of the drought.

The Board of Directors approved a 5-Year Rate Schedule that resulted in an effective 8% rate increase on May 1, 2017, and a 9% rate increase on January 1, 2018. Those rate increases, combined with increased consumption produced a 19.9% increase in retail water sale revenues for FY 2017-18.

In FY 2018-19, there was an 8% effective rate increase on January 1, 2019, but consumption was down 8.46%, resulting in a revenue increase of 4.43%.

Water sale revenues increased 11.5% in FY 2019-20 due to the 8% effective rate increases on January 1, 2019, and 2020, and stable consumption (0.55% decline).

The effective 6% rate increase on January 1, 2021 was expected to be partially offset by a 10% decline in consumption, as a result of the COVID-19 pandemic, resulting in a revenue increase of 3.48%. However, the pandemic resulted in an increase, not a decrease, in water sales and the FY 2020-21 retail water sales revenues increased by 9% from the prior year.

In spite of lower demand, retail water sales revenues increased 2.88% in FY 2021-22 due to an 8% rate increase effective February 2022.

For FY 2022-23, the District estimates revenues will increase by 6.8% due to an approximate 4% increase in demand, combined with an 8% rate increase scheduled for January 2023.

The last of the District's approved retail rate increases goes into effect on January 1, 2024. As a result of two consecutive 8% rate increases, FY 2023-24 revenues are budgeted to increase by 8.8% in spite of constant demand assumptions.

Property Tax

Representing about 9% of total District revenues, excluding the proceeds from the issuance of debt, Property Taxes are usually the second largest revenue source. Property Tax revenue is shared evenly between wholesale and retail and has been designated by the Board of Directors to be spent on capital projects, not operations.

Property Tax Revenues

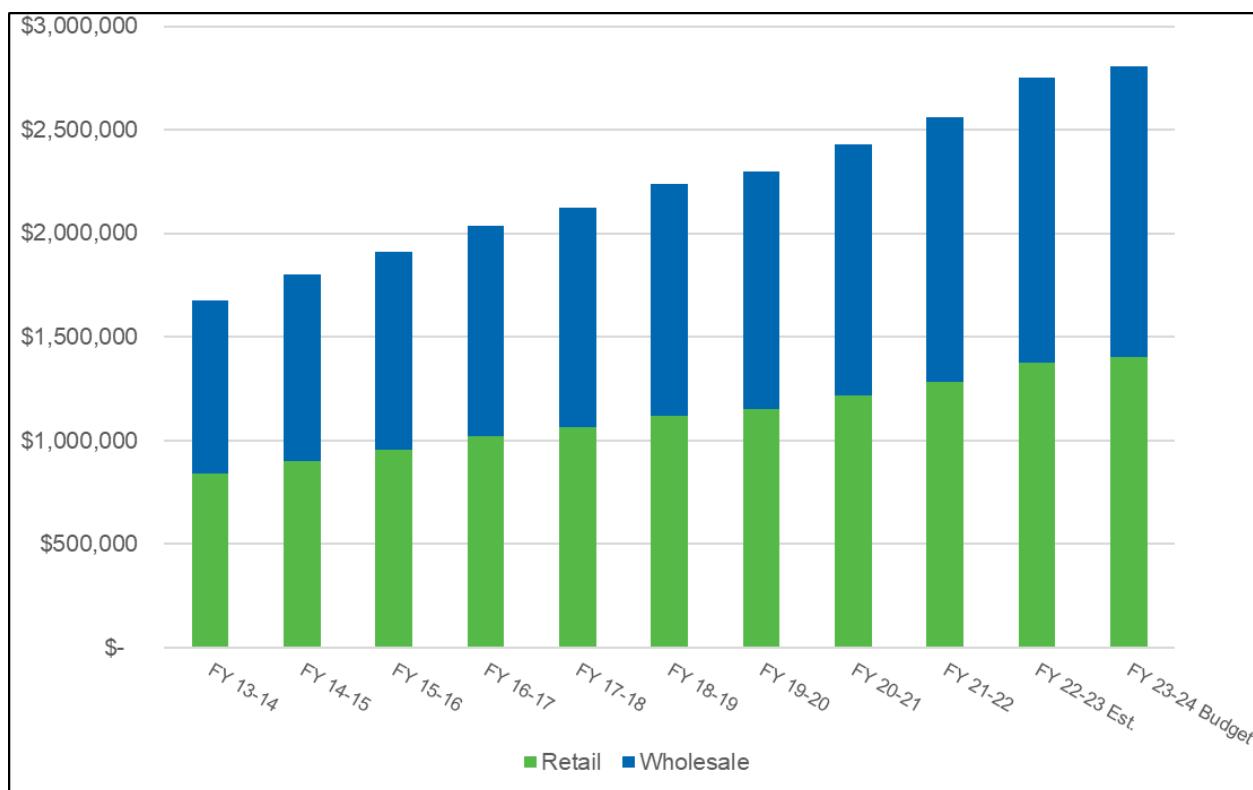


Chart 4

Property Tax revenues have been steadily increasing over the past eight years, a result of the rebound in the housing market after the Great Recession (see Chart 4). This budget anticipates a 2% increase in Property Tax revenues. Property taxes are set in January for the upcoming fiscal year, based on January property values. Neither the pandemic, nor the recent interest rate increases, appear to have had a negative effect on property values.

San Juan Water District

Fiscal Year 2023-24 Budget

Proceeds from the Issuance of New Debt

The San Juan Water District strives to be on a pay as you go basis for funding the capital program. This means the District needs to build up significant reserves so that cash is on hand when infrastructure needs to be replaced. The majority of the capital replacement program is funded with accumulated reserves. The existing reserves of the District are not currently sufficient to fund three large infrastructure projects:

Project	Total Project Cost	FY 2022-23 Debt Financing
Replacement of the Hinkle Reservoir Cover and Liner	\$ 25,682,000	\$ 23,120,600
Replacement of the transmission pipeline in Eureka Road, between Barton and Auburn Folsom Roads	\$ 4,000,000	\$ 3,995,000
Kokila Reservoir Replacement	\$ 12,541,000	\$ 8,900,000

All three projects are expected to utilize the State of California's Drinking Water Revolving Loan Fund, which offers project financing at lower than market rate. The District secured a loan agreement at 1.2% interest and a repayment period of 30 years for the Hinkle Reservoir project and an interest rate of 1.1% over 30 years for the Eureka Road Transmission Pipeline Replacement project. The loan application for the Kokila Reservoir Replacement project is in progress, as is a potential grant application for partial funding of the project.

Full draw down of the Hinkle Reservoir and Eureka Road Transmission Pipeline replacement loans was anticipated in the FY 2022-23 budget. However, due to delays in the funding process the majority of loan proceeds will not be received until FY 2023-24.

Salaries and Benefits

Aside from the Capital Improvement Program, Salaries and Benefits represent the largest expense of the District.

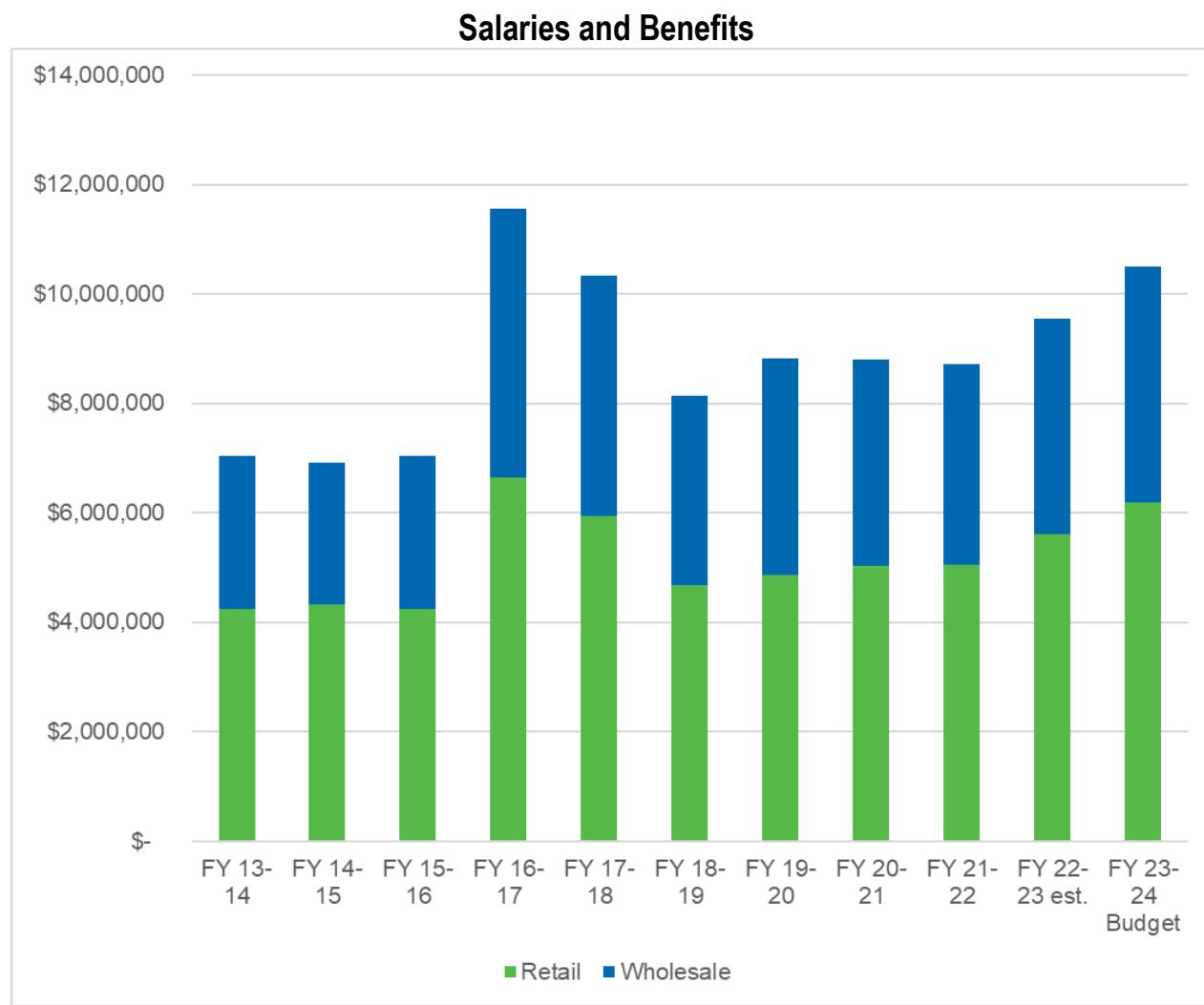


Chart 5

Chart 5 depicts a spike in Salary and Benefit costs in FY 2016-17, followed by a decline through FY 2018-19, then relative stability through FY 2021-22. The FY 2016-17 spike is due to the Board of Director's decision to pay down the District's unfunded pension liability. The District paid \$4,112,000 towards this liability in FY 2016-17 and remitted an additional \$2,787,800 in FY 2017-18, which, combined with extra annual payments of \$200,000 toward the liability through FY 2021-22, and with favorable returns in the CalPERS portfolio, eliminated the District's unfunded pension liability. While future market performance will dictate future pension funding status, the District did achieve a pension asset for FY 2021-22, which will save the District approximately \$8.8 million over the next 25 years.

San Juan Water District

Fiscal Year 2023-24 Budget

Salaries and Benefits are expected to increase by 9.9% in FY 2023-24 or \$944,300 due to the following factors:

- Two Temporary part-time positions. The California Environmental Protection Agency is requiring all California water districts to identify the material in each customer's water service line. The District needs temporary labor to assist in this endeavor. CalPERS requires that any individual working more than 960 hours for a CalPERS enrolled employer must be enrolled in the pension pool and both employer and employee contributions must be made into the plan. Utilizing different temporary employees to keep them each under the 960-hour ceiling is not allowed if the nature of the work is the same. Therefore, the District must enroll these temporary employees in the pension plan, even if they are hired through a temporary employment agency. If hired through an agency the District ends up paying both the employer and the employee pension contribution, as the employment agency is not an enrolled employer and has no mechanism to collect and remit the employee contribution. Therefore, it is more cost effective for the District to direct hire these temporary employees so that the District can collect and remit the employee portion, rather than absorbing the cost. Outside of the employer pension contribution and a minimum amount of sick leave required to be offered by law, the temporary employees receive no other District benefits. The budget includes 1,996 hours of temporary labor for FY 2023-24.
- Increase of 5% in health benefit costs.
- The District's compensation policy requires the salary budget to be prepared utilizing the same assumptions about wage growth as that used by CalPERS. The application of those assumptions are the cause of the remainder of the increase.

Water Supply Costs

The District's existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of water rights on the American River. The second source is a contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with PCWA 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. Total water deliveries to the District from Reclamation for FY 2021-22 were 36,894 acre-feet and are anticipated to be 27,893 acre-feet for FY 2022-23, and 31,740 for FY 2023-24, excluding pass through deliveries for SSWD.

Wholesale Water Supply Cost

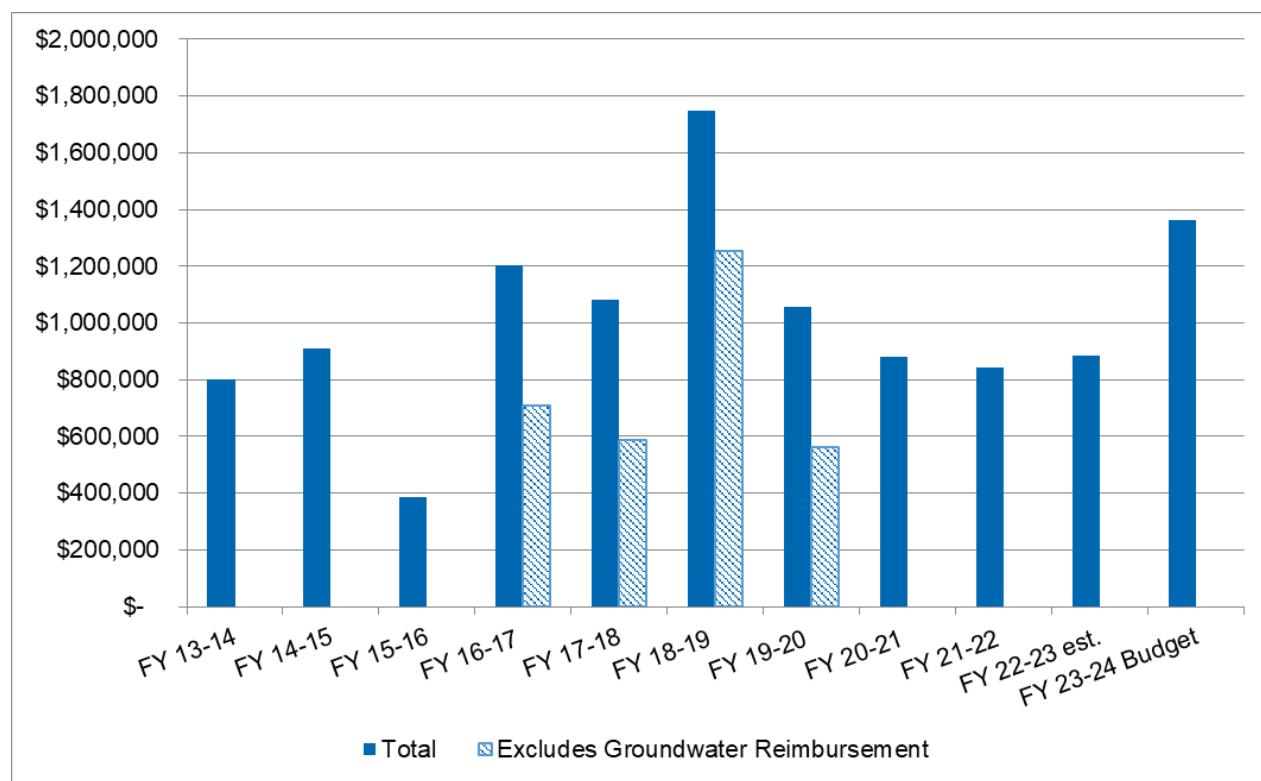


Chart 6

As illustrated in Chart 6, water supply costs increased significantly in FY 2016-17 and again in FY 2018-19.

The FY 2016-17 costs increased for two primary reasons. First, in 2008 a surface water shortage and reimbursement agreement to provide groundwater supplies during times of surface water shortage was prepared, and referenced in the signed 2008 Wholesale Water Supply Agreements. The District, in its capacity as the wholesale supplier, determined that there was a potential need for groundwater pumping between 2009 and 2013, and asked both the Citrus Heights Water District and Fair Oaks Water District to maintain their readiness to supply groundwater. In 2014, due to a potential shortage in

San Juan Water District

Fiscal Year 2023-24 Budget

surface water supplies caused by a third year of drought, the District requested groundwater to be pumped. From 2009 to 2014, both districts maintained their readiness to supply groundwater, as requested, but did not submit invoices for the incremental cost until the District asked them to actually pump groundwater in 2014. At that time, the District was provided with a bill in the approximate amount of \$4 million. The District disputed the amount, and the cost was settled in FY 2016-17 at \$1,981,440, to be repaid over a 4-year period ending in FY 2019-20. The light grey bar on Chart 6 shows water supply costs for fiscal years 2016-17 through 2019-20 without the payment towards the groundwater reimbursement.

After removing the effect of the groundwater reimbursement, FY 2016-17 water supply cost still show an increase over the prior year. The agreement with PCWA required the District to pay for 25,000 acre-feet of water, regardless of how much water the District actually took. However, in periods of drought, the District is allowed to pay for the greater of 10,000 acre-feet or the actual amount delivered. With the drought officially over in FY 2016-17, the reduced demand allowance ended and the cost of the PCWA contract rose accordingly.

Water supply costs decreased in FY 2017-18, in spite of increased demand. This was due to a reduction in the cost of water purchased from PCWA. Per the contract between the District and PCWA, the cost of PCWA water is calculated as the average of the District's Central Valley Project rate and the Central Valley Project rate for the City of Roseville and PCWA. In addition, the District must pay Warren Act contract charges on the PCWA water it receives. Central Valley Project water rates and Warren Act charges are set annually by Reclamation. Due to an abundance of water supplies, Reclamation reduced the Central Valley Project rate by 35% for 2017, causing a like decrease in the District's PCWA water rate. Additionally, in December of 2017, the District negotiated an amendment to the contract with PCWA wherein the take or pay amount was reduced from 25,000 acre-feet to 12,500 acre-feet. The District still has the option to take up to 25,000 acre-feet, but is only required to pay for 12,500 acre-feet regardless of whether it takes the water or not. This cut the PCWA water supply cost to half of what it would have been otherwise.

The spike in costs in FY 2018-19 is a result of a groundwater substitution transfer. In FY 2018-19, the District sold 2,808 acre-feet of surface water to the Dudley Ridge Water District and the Kern County Water Agency. Both the Citrus Heights Water District and the Fair Oaks Water District used their groundwater instead of purchasing the District's surface water. The District compensated them for the cost of the groundwater out of the transfer proceeds. The transaction yielded net revenues but increased the water supply cost in the process.

Water supply costs for FY 2019-20 were in line with FY 2017-18 with no groundwater substitution transfer and no substantial change in water demand.

The groundwater reimbursement payments to Citrus Heights and Fair Oaks Water Districts were completed in FY 2019-20, reducing annual costs by \$495,400. Thus, supply costs for FY 2020-21 decreased.

Water Supply costs for FY 2021-22 were lower than the prior year as the District is purchasing less water from PCWA thereby reducing the wheeling charges.

Costs rose slightly in FY 2022-23 due to an increase in the PCWA water and wheeling charges. The District anticipates paying approximately \$275,000 in FY 2023-24 for the environmental review necessary to renew the District's Warrant Act (or wheeling) agreement with the U.S. Bureau of Reclamation.

Capital Spending

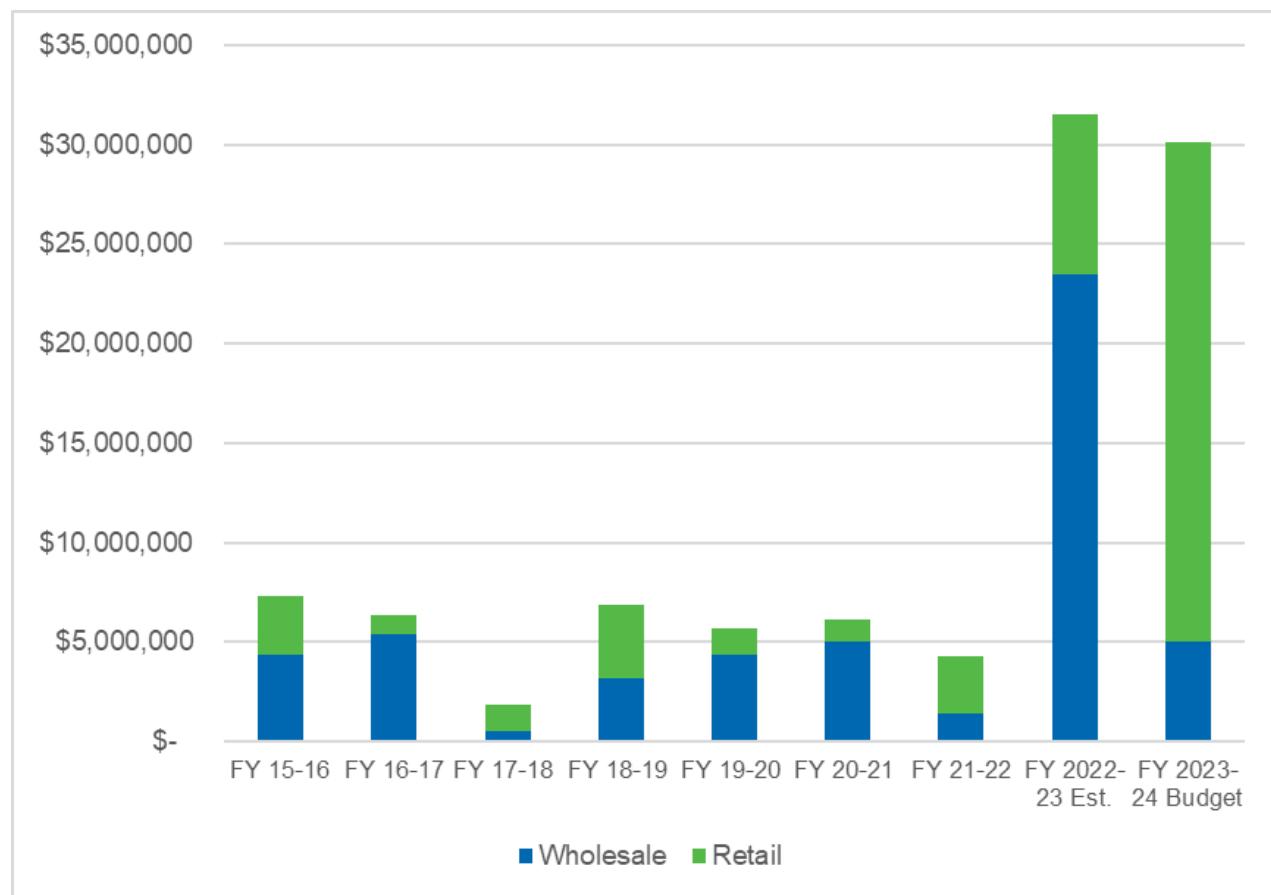


Chart 7

As illustrated in Chart 7 above, capital spending has fluctuated from \$7.3 million in FY 2015-16 to a low of \$1.8 million in FY 2017-18 then increasing to a nine year estimated high of \$31.5 million.

San Juan Water District

Fiscal Year 2023-24 Budget

The FY 2022-23 capital spending budget consists predominately of wholesale's Hinkle Reservoir Replacement Project. Total project costs are estimated to be approximately \$25.7 million. More information on the project can be found on page 59. The retail division estimates spending \$8 million on capital projects in FY 2022-23 and \$25.1 million in FY 2023-24. In FY 2022-23, the largest project was the replacement of transmission pipeline in Eureka Road, between Barton Road and Auburn Folsom Road. In FY 2023-24, half of the spending is from the replacement of the Kokila Reservoir. All three of these projects will be utilizing financing from the California State Drinking Water Revolving Loan Fund.

A complete list of projects planned for FY 2023-24 can be found starting on pages 57 and 69 of this document.

Reserve Summary

Wholesale and Retail Total Reserves

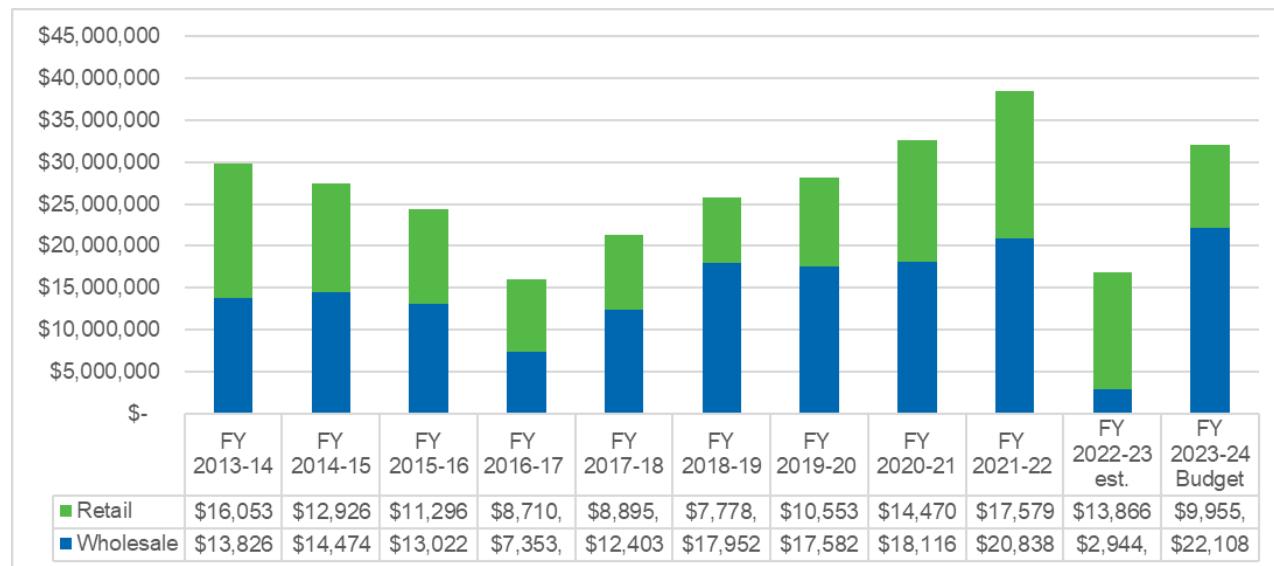


Chart 8

The combination of the Great Recession, followed by the drought, resulted in the need to defer maintenance and capital projects and utilize reserves to augment operations and critical capital projects. This is illustrated in Chart 8 by the sharp decline in District reserve balances between FY 2013-14 and 2017-18.

The District has taken several actions to improve its financial condition now and into the future, as described below:

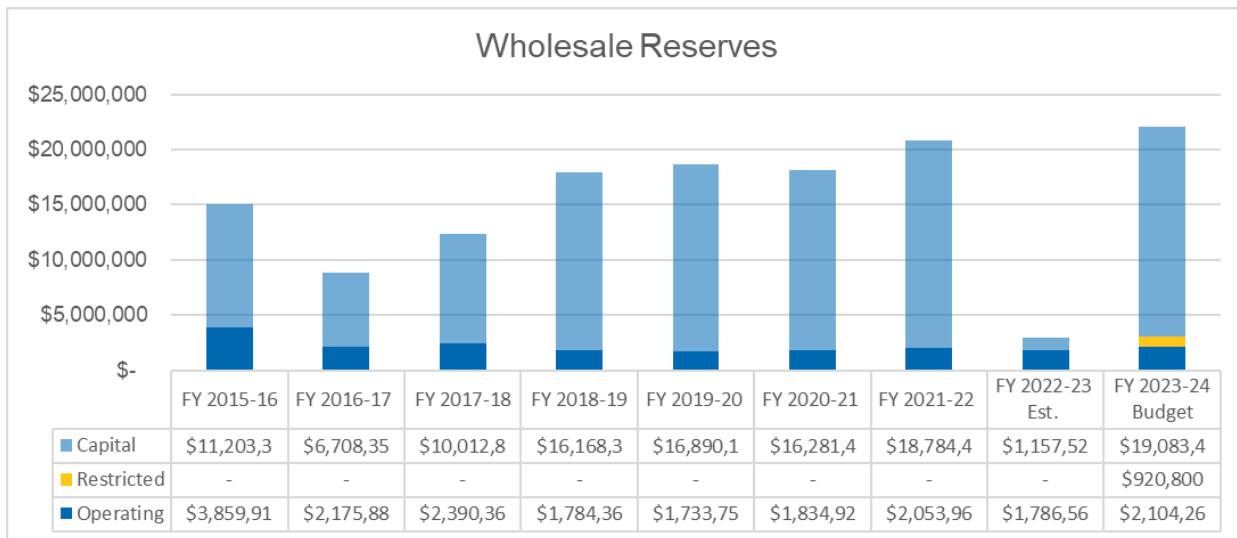
- *Paid off Unfunded Pension Liability:* The Board authorized two large payments intended to pay off the District's unfunded pension liability. The District was paying 7.5% interest on this liability, but only earning approximately 1.5% on its reserves. In May 2017, the District remitted \$4,112,000, and in April 2018 the District paid \$2,787,800. By drawing down reserves to pay down this debt, the District will save approximately \$8.8 million through FY 2036-37, with annual savings of approximately \$350,000. These savings will fund critical infrastructure needs which will help reduce upward pressure on rates. Through these efforts, the District was able to achieve a funded rate of approximately 95%, one of the highest funded rates in the State of California. With the pension plan's FY 2020-21 investment return of 21.3%, the District's pension liability converted to a pension asset. While this status is fluid, changing annually based on the performance of the CalPERS portfolio and subject to changing assumptions about future interest and mortality rates, it still signifies strong financial stewardship by the Board of Directors.
- *Debt Refinanced:* In May of 2017, the Board of Directors approved an advance refunding of the District's Series 2009A Certificates of Participation. This refinancing will save the District approximately \$11.2 million through FY 2038-39. The 2012 Refunding Bonds were refunded on February 1, 2022, with a private placement loan resulting in total interest savings of approximately \$1.75 million through FY 2032-33.
- *Utilization of California State Water Resources Control Board's Revolving Loan Fund Program (SRF):* The SRF grants low interest rate loans for drinking water capital improvement projects. While the process of obtaining the loan is long (up to two years or more), the low interest rate generates significant savings. For example, the District just secured an SRF loan for the Hinkle Reservoir Replacement Project at 1.2% interest. If the District were to finance this project through a traditional bond issuance, the interest rate would have been closer to 4%, increasing debt service costs by at least \$12 million over 30 years. The District intends to utilize the SRF program whenever possible.
- *Renegotiated Contract with PCWA:* In December of 2017, the District negotiated an amendment to its contract with PCWA wherein the take or pay amount was reduced from 25,000 acre-feet to 12,500 acre-feet. The District still has the option to take up to 25,000 acre-feet, but is only required to pay for 12,500 acre-feet regardless of whether it takes the water or not. This cut the PCWA water supply cost in half, providing savings of approximately \$275,000 per year, starting in FY 2018-19.
- *Renegotiated Contracts with City of Roseville (City):* Under two separate contracts, the District is obligated to provide up to 4,000 acre-feet annually to the City from the District's PCWA take or pay contract. The amendments require the City to compensate the District for maintaining the availability of 4,000 acre-feet per year water supply for the City. This generated annual revenue of approximately \$90,000 from FY 2018-19 through FY 2022-23 when the City signaled that they no longer needed to maintain access to this water and will not be renewing the agreement.

San Juan Water District

Fiscal Year 2023-24 Budget

- *Adjustment to Rate Building Methodology:* Since completion of the 2017 Wholesale and Retail Financial Plans, the District has been slowly adjusting the rate structure so that the fixed portion of the rate is in better alignment with fixed costs. Structuring rates in this manner results in stable revenues that move with expenses and eliminates the need for unpopular special drought rates. The Board's approval of these multi-year rate schedules have replenished reserves, ensuring that the District can continue its mission to deliver a reliable water supply of the highest quality at reasonable and equitable costs now and into the future.
- *Water Transfers:* As explained on page 9, SSWD's ability to purchase surface water from PCWA or the U.S. Bureau of Reclamation is constrained by the amount of unimpaired flow into Folsom Lake and they are not able to purchase such water supplies in every year. In 2020, the two water agencies negotiated an agreement whereby SSWD purchased the District's own treated water, which is generally available for sale in all water year types. The District sold roughly 4,768 AF to SSWD in FY 2020-21, 3,602 AF in FY 2021-22, and 3,170 AF in FY 2022-23. These water sales generated more than \$2.5 million in treatment and wheeling revenue, as well as over \$400,000 received for the water itself. In addition, the District has participated in regional groundwater substitution transfers in partnership with two of its Wholesale Customer Agencies – Fair Oaks Water District and Citrus Heights Water District. The first such transfer occurred in 2018 and another occurred in 2022. This latter transfer generated approximately \$1.15 million in revenues for the Wholesale Enterprise. All told, in the last two and a half years or so, these transfer activities undertaken by the District have generated approximately \$4,000,000 in revenue for the Wholesale Enterprise that otherwise would not have been received. This has been particularly helpful to stabilizing the budget because the treatment and wheeling revenue generated when SSWD is able to take PCWA water is subject to the vagaries of hydrology, which in recent years has not supported SSWD's receipt of that water. The transfer revenues have been able to fill that hole and then some.
- *Salary Schedule Reduction:* The District has historically chosen to maintain salaries schedules that, when combined with benefits, put the District's total compensation at 10% above average amongst the selected comparator agencies. In FY 2019-20, the Board of Directors reduced this target down to market median. Current employees were not subject to pay decreases, but their ability to receive future pay increases was substantially reduced. All new employees were hired into the new Compensation Schedule. Existing employees remained on their original pay scale until such time as the new schedule was greater than their existing scale. The old pay scale was not able to receive cost of living adjustments, as it was frozen until all employees migrated to the new pay scale, at which time it became obsolete. Given a number of factors, particularly the current tight labor market, the Board gave direction to staff to prepare a new salary schedule that is 5% above market median total cash. While this increased costs, there were significant savings in the three years prior and the District needs the increased salaries for retention and attraction of highly qualified employees.

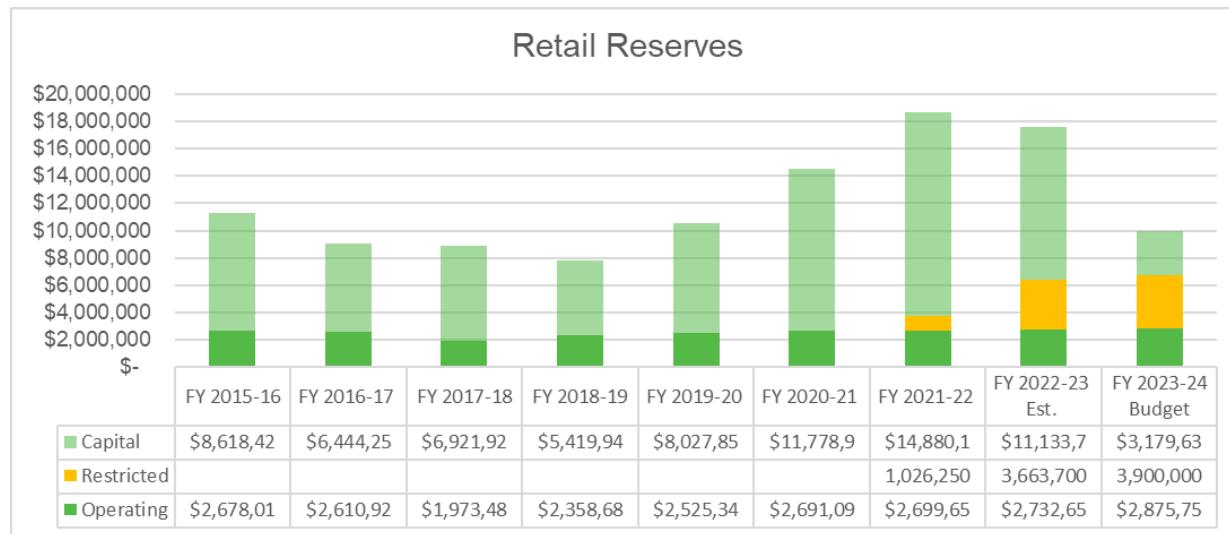
While the majority of the District's reserves are available to be used at the Board's discretion there are a few reserves, recently established, that are restricted by law or agreement. The charts below illustrate the restricted portion of wholesale and retail reserves followed by explanatory text.



Wholesale reserves peaked in FY 2021-22 just prior to the commencement of the Hinkle Reservoir Replacement Project, which has an estimated total cost of \$25.7 million. The District secured a loan from the State Water Resources Control Board at a favorable interest rate of 1.2%, for the majority of the project costs. Due to delays at the State, the majority of the proceeds will not be received until early FY 2023-24. This will require the use of Capital reserves since almost all of the expenses will have been incurred prior to receiving the loan funds. This is the cause of the large dip in reserves illustrated above in FY 2022-23. The loan agreement requires the District to hold one years' worth of debit service (interest and principal) in reserve. This amount is shown in orange in the FY 2023-24 bar of the graph. These funds will remain restricted and unavailable for use until the loan is paid off in 30 years.

San Juan Water District

Fiscal Year 2023-24 Budget



Retail reserves peaked in FY 2021-22 just prior to the commencement of the Eureka Road Transmission Pipeline Replacement Project. The fall in reserves shown for FY 2023-24 is due to a number of large ticket planned capital projects, further described on pages 69-77.

The retail division has several restricted reserves. First is the Capital Facility Fee reserve. The District has established capital facility fees to ensure that new development either buys into the existing system, reimbursing existing rate payers for the investments previously made in the treatment and distribution system, or provides funding for the system to be expanded to support their development project, or a combination of both. On the wholesale side, the capital facility fee is 100% reimbursement or “buy-in”. But, on the retail side, the capital facility fee is a combination of buy-in and expansion. 70% of the retail capital facility fee is designed to fund future projects that have an expansionary component. If fees are collected in advance of project expenditures then the District is required by California Government Code Section 66013 to hold the excess fees in reserve. The reserve was first established in FY 2021-22 and has grown due to a large amount of capital facility fees received in recent years.

Second, the loans for the Eureka Road Transmission Pipeline Replacement and the Kokila Reservoir Replacement projects both require the establishment of a reserve equal to one year of debt service (principal and interest) payments. This reserve must be maintained for the life of the loan.

San Juan Water District

Fiscal Year 2023-24 Budget

OPERATING FUNDS

The Wholesale and Retail Operating Funds account for the operations of the District. Department operating costs are shared and split between wholesale and retail based upon the proportionate benefit received by each, which can differ from person to person, department to department and expense to expense. The major projects for the budget years are discussed in detail in the Operations Plan, which can be found on page 44.

The District is comprised of the following functional areas or departments:

Administration and General

The functional area of Administration and General is a combination of the following departments: Board of Directors, Executive, Finance, Administration, Human Resources, and Information Technology. Overall District costs related to general operations, legal, insurance, and office expenses are recorded in this category.

Customer Service

The Customer Service Department is responsible for the billing and collection of water service revenue from the District's retail customers and is the initial point of contact for customer inquiries. This includes the establishment of new water service, modifications to existing service, payments, delinquency cutoffs, and meter reading.

Distribution (Field Services)

This Department operates and maintains wholesale and retail water transmission and distribution pipelines ranging in size from 6" to 96" in diameter and totaling over 222 miles in length, including water meters, air release values and other appurtenances. This Department also maintains and operates six pump stations and three reservoirs ranging from 0.05 to 4.56 million gallons within the retail system. This Department responds to emergency repairs, works directly with customers, and monitors and maintains water quality standards in the system to meet all federal and state drinking standards.

Engineering Services

This Department is responsible for planning, designing and managing capital improvement projects, assisting with operational improvements, and assisting with maintenance activities which contain an engineering component.

Water Efficiency

The Water Efficiency Department is responsible for creating and implementing programs and services that reduce water use to meet federal, state and local commitments.

Water Treatment

This Department maintains and operates the Plant. The Plant is staffed and operated continuously, 24 hours per day, 7 days per week and 365 days per year. This Department also maintains the Hinkle Reservoir, a 62 million gallon floating cover reservoir, where treated water is stored prior to distribution. The Plant supplies potable water to the Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, Ashland, Sacramento Suburban Water District, and the District's Retail Service Area.

Prior Year Report Card & Current Year Operations Plan

The District's Strategic Plan encompasses our mission, vision and values, and outlines the goals and objectives that we will pursue to meet our mission and achieve our vision. The Strategic Plan incorporates the principles of fiscal responsibility, customer service and operational excellence. It can be viewed on the District's website at: <https://www.sjwd.org/strategic-operations-plans>

The following tables comprise both the Operations Plan Report Card for FY 2022-23 and the Operations Plan for FY 2023-24. They are organized in sections that correspond to the District's different functional groups. The actions are not in priority order, but the Goals and Strategic Objectives in the Strategic Plan that are related to these actions are noted in the Operations Plan. A target date for accomplishing the action is also listed, and District staff will be reporting regularly on the status of completing each action. The report card for the prior year shows if actions were completed, on track, delayed or have issues.

San Juan Water District

Fiscal Year 2023-24 Budget

Operations Plan Report Card FY 2022-23

On Track
Delayed
Issues

ADMINISTRATION/WATER RESOURCES/IT		Task - Strategic Plan Goal & Objective	Original Target Date	Updated Target Date	Completion Date	Comments
Update the District's Strategic Plan - A/I/All			6/2023			
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable - A/5		Ongoing	Ongoing	Ongoing	Ongoing	
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought - A/5		Ongoing	Ongoing	Ongoing	Ongoing	
Represent the District's interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank - A/I 2.4		Ongoing	Ongoing	Ongoing	Ongoing	
Monitor and respond to regulatory proposals from the SWRCB and DWR in the "Making Conservation a Way of Life" program (water loss reductions, indoor and outdoor efficiency standards, reporting, etc.); collaborate with ACWA, RWA and others around the state to ensure regulations are reasonable - A/I 5; C/2; D/5		Ongoing	Ongoing	Ongoing	Ongoing	
Develop an agreement with PCWA to provide treatment and conveyance capacity for their West County water supply needs - A/5		Subject to PCWA timeline		Subj to PCWA		
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer - A/5		6/2023				
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation - A/I/All		Post-14 > 2/2023 Pre-14 > 2/2023 Reclamation > 3/2023				
Prepare environmental review documents for Warren Act Contract Renewal - A/5		6/2023				
Provide monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries - A/I/All		The 10 th of the following month	Ongoing	Ongoing	Ongoing	
Plan 2 nd Annual SJWD Employee Kids Day - E/3		7/2023				
Complete Board Ordinance Updates - C/I		6/2023				
Facilitate Records Inventory Process - C/I		6/2023				
CUSTOMER SERVICE		Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover - C/3		Ongoing	Ongoing	Ongoing	Ongoing	
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly - C/2.3		Ongoing	Ongoing	Ongoing	Ongoing	
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing - C/3		6/2023				In Process
Improve customer messaging with better utilization of our email communication software and more timely updates on the District website - C/I 5.7		12/2022		10/2022		
Improve billing process for hydrant meter rentals. Explore adding the process to Tyler UB for better billing and tracking and collecting options - C/3.4		6/2023				

Operations Plan Report Card FY 2022-23

On Track
Delayed
Issues

DISTRIBUTION (Field Services)

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Complete the 2023 CO-OP Maintenance Program - B/2	6/2023			
Complete the 2022 Cross Connection Control Program - B/2	12/2022		12/14/2022	
Complete the 2023 Leak Detection Program - B/2	6/2023			
Complete the 2022 Air/Vacuum Relief Valve Program - B/2	12/2022		12/30/2022	
Complete the 2023 Dead End Flushing Program - B/2	6/2023			
Complete the 2023 Valve Exercise Program - B/2	6/2023			
Complete the 2023 Hydrant Maintenance Program - B/2	6/2023			
Implement the new District Meter Replacement and Testing Program - B/2	6/2023			

ENGINEERING SERVICES

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Complete construction of the Hinkle Reservoir Liner and Cover Replacement Project - B/1,3	5/2023		4/2023	
Complete construction of the Eureka Road Pipeline Replacement Project - B/3	1/2023		6/2023	
Complete the design and construction of the Administration Building Electrical Service Upgrade Project - B/3	6/2023		12/2023	Material procurement has delayed Contractor's original schedule
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs - B/3	6/2023		8/2023	Material procurement could take approximately 50 weeks
Complete design and construction of the Lime Tower Improvements Project - B/3	6/2023			Design complete. Construction to be completed summer 2023



San Juan Water District

Fiscal Year 2023-24 Budget

Operations Plan Report Card FY 2022-23



On Track
Delayed
Issues

FINANCE and HUMAN RESOURCES

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Complete a Cost Allocation Study - D/1	12/2022	02/28/2023	4/2023	Completed
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project - D/3a	6/2023			In progress
Complete funding agreement for State Revolving Loan Funds for Eureka Road Transmission Pipeline Replacement Project - D/3a	12/2022	02/28/2023		In progress
Complete Wholesale Financial Plan and Rate Study - D/1	12/2022	06/30/2023		Delayed by the delay in completion of the Wholesale Master Plan.
Update Personnel Manual - E/3	12/2022	09/30/2023		Proposed changes will require board approval.
Complete improvements to the Administration Building back deck to improve outdoor meeting space - E/3	12/2022	06/30/2023		Delayed due to fallen tree
Fill any open positions within six months - E/5	6/2023			
Complete annual performance evaluations by the end of February - E/6	2/2023			
Complete revisions to Treatment Plant Shift Operators MOU - E/6	6/2023			
Review and improve Accounts Receivable billing and collection processes - D/4	6/2023			

WATER EFFICIENCY

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Provide 6 educational customer workshops (wholesale) - C/2.7	6/2023			In Process
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements - C/1.2.5	6/2023			In Process
Conduct a student art calendar contest to be distributed to all wholesale agencies - C/2.7	5/2023			In Process
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement - C/3.5	6/2023	Ongoing		This is an ongoing process with no end date.
Engage retail and wholesale customers to increase participation in the usage reductions needed for the Hinkle replacement project - C/1.5.7	4/2023		4/2023	

WATER TREATMENT

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Complete Hinkle Reservoir Liner Replacement - B/2	5/2023			In Process
Purchase and Add 34 Tons of Anthracite Filter Media - B/2	6/2023			In Process
Complete Chlorine Maintenance Training - B/2	11/2022		10/2022	
Replace 28 Online Water Turbidity Meters - B/2	12/2022		12/2022	

Administration/Water Resources/IT

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Update the District's Strategic Plan	All	All	6/2024
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable	A	5	Ongoing
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought	A	5	Ongoing
Represent the District's interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank	A	1, 2, 4	Ongoing
Monitor and respond to regulatory proposals from the SWRCB and DWR in the "Making Conservation a Way of Life" program (water loss regulations, indoor and outdoor efficiency standards, reporting, etc.); collaborate with ACWA, RWA and others around the state to ensure regulations are reasonable	A C D	1,5 2 5	Ongoing
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer	A	5	6/2024
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation	A	All	Post-14 > 2/2024 Pre-14 > 2/2024 Reclamation > 3/2024
Provide Monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries	A	All	The 10 th of the following month
Plan 2 nd or 3 rd Annual SJWD Employee Kids Day	E	3	7/2024
Complete Board Ordinance Updates	C	1	6/2024
Update Records Retention Schedule	C	1	12/2023

San Juan Water District

Fiscal Year 2023-24 Budget

Customer Service

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover	C	3	6/2024
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	C	2,3	6/2024
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing	C	3	6/2024
Successful transition to new customer payment processor while minimizing customer impact	C	1,5	1/2024
Complete a Customer Satisfaction Survey achieving an 85% good or excellent customer satisfaction rating for customer service	C	6	6/2024

Distribution (Field Services)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2024 CO-OP Maintenance Program: <ul style="list-style-type: none"> Inspect and maintain all of the appurtenances on the Cooperative Transmission Mainlines Exercise all mainline valves on the Cooperative Transmission Mainlines 	B	2	6/2024
Complete the 2023 Cross Connection Control Program: <ul style="list-style-type: none"> Test 100% of the District Backflows Re-Test 100% of the failed backflows Repair or replace all failed backflows 	B	2	12/2023
Complete the 2023 Leak Detection Program: <ul style="list-style-type: none"> Complete a Leak Detection Survey of the entire distribution system Prioritize finding and develop a repair plan 	B	2	6/2024
Complete the 2023 Air/Vacuum Relief Valve Program <ul style="list-style-type: none"> Inspect and maintain 160 ARVs 	B	2	12/2023
Complete the 2024 Dead End Flushing Program: <ul style="list-style-type: none"> Inspect, maintain, and flush all of the Districts 501 dead end sites Prioritize blow-off deficiencies and develop a repair plan 	B	2	6/2024

Distribution (Field Services) (con't)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2024 Valve Exercise Program: <ul style="list-style-type: none"> Inspect, maintain, and exercise 1,000 mainline valves Prioritize deficiencies and develop a repair plan 	B	2	6/2024
Complete the 2024 Hydrant Maintenance Program: <ul style="list-style-type: none"> Inspect, maintain, and exercise 300 fire hydrants Prioritize deficiencies and develop a repair plan 	B	2	6/2024
Complete the 2024 District Meter Replacement and Testing Program: <ul style="list-style-type: none"> Test and replace or repair as needed all large meters (3" and above) Test and replace or repair as needed 27 intermediate meters (1.5" to 2.5") Upgrade 515 residential meters (1" and below) Test 371 residential meters (1" and below) Install 2,100 Radio Read End Points 	B	2	6/2024
Complete the 2024 System Deficiency Goals: <ul style="list-style-type: none"> Install, repair, or upgrade 30 BOV's Replace 160 service lines Install 5 strategic mainline valves Identify and complete 1 in house mainline replacing project 	B	2	6/2024
Complete the 2024 Pump Station Deficiency Goals: <ul style="list-style-type: none"> Identify and replace broken valves at ARC South Pump Station and Douglas Pump Station Rebuild pump #3 at ARC North Pump Station 	B	2	6/2024
Kokila Reservoir Replacement Project: <ul style="list-style-type: none"> Provide technical support for system operations during the new tank construction 	B	1, 3	6/2024

Engineering Services

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Bid and start construction of the Kokila Reservoir Replacement Project	B	3	6/2024
Complete design and construction and/or rehabilitation of one of the Backwash Hoods (construction of the second Backwash Hood to be completed in FY24/25)	B	3	6/2024
Complete construction of the Administration Building Electrical Service Upgrade Project	B	3	6/2024

San Juan Water District

Fiscal Year 2023-24 Budget

Engineering Services (con't)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs	B	3	6/2024
Complete construction of the Lime Tower Improvements Project	B	3	6/2024
Complete construction of the Bacon Generator Replacement project	B	3	6/2024

Finance and Human Resources

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete analysis of health care providers	D	3 a.	12/31/2023
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project	D	3 a.	12/31/2023
Complete Wholesale Financial Plan and Rate Study	D	1	12/2023
Update Personnel Manual	E	3	12/2023
Fill any open positions within six months	E	5	6/30/2024
Complete annual performance evaluations by the end of February	E	6	2/28/2023
Complete revisions to Treatment Plant Shift Operators MOU	E	6	6/2024

Water Efficiency

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Provide 6 educational customer workshops (wholesale)	C	2,7	6/2024
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements	C	1,2,5	6/2024
Conduct a student art calendar contest to be distributed to all wholesale agencies	C	2,7	5/2024
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement.	C	3,5	6/2024

Water Treatment

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Flocculation Drives Zone 2 – Chain Replacement	B	2	10/2023
Filter Gallery Electrical Upgrade Phase 2 of 4	B	2	3/2024
Hinkle Reservoir: Perform internal inspection utilizing a diver.	B	2	5/2024
Primary Coagulant: Seasonal evaluation on the possible benefits of increased cationic polymer during seasonal water quality changes.	B	2	6/2024

San Juan Water District

Fiscal Year 2023-24 Budget

Wholesale Operating Fund

The Wholesale Operating Fund is used to account for the operating revenues and expenses of the wholesale division. This includes the acquisition of raw water, operation and maintenance of the Plant, and the related administrative support to conduct wholesale water activities. This fund holds and is used to report on all wholesale operating reserves. Details on projects funded for the year can be found in the District's Operations Plan, located at page 44.

FISCAL YEAR 2023-24 BUDGET

<u>Wholesale Operations</u>		
Est. Beginning Reserves July 1, 2023	\$	1,786,561
Revenues		
Water Sales		10,451,600
Other Revenues		133,100
Total Revenues	\$	10,584,700
Expenses		
Salaries & Benefits	\$	4,305,600
Water Supply		1,364,900
Other Expenses		2,836,200
Debt Service - Interest		887,900
Debt Service - Principal		910,300
Total Expenses	\$	10,304,900
Net Income	\$	279,800
Transfer In/(Out)		958,700
Estimated Ending Reserves	\$	3,025,061
Hinkle Reservoir Debt Service Reserve		920,800
Est. Ending Available Reserves June 30, 2024	\$	2,104,261

San Juan Water District

Fiscal Year 2023-24 Budget

WHOLESALE OPERATING FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimate	FY 2023-24 Proposed Budget
Est. Beginning Available Reserves	\$ 1,784,360	\$ 1,733,756	\$ 1,822,121	\$ 2,053,961	\$ 1,786,561
Revenues					
Water Sales	11,157,014	11,077,962	10,750,044	11,846,100	10,451,600
Other Revenues	294,047	139,064	158,727	137,100	133,100
Total Revenues	\$ 11,451,061	\$ 11,217,026	\$ 10,908,771	\$ 11,983,200	\$ 10,584,700
Expenses					
Administration and General					
Salaries & Benefits	\$ 1,347,397	\$ 1,466,215	\$ 1,490,571	\$ 1,559,100	\$ 1,639,400
Professional Services	418,729	425,766	449,843	412,000	425,800
Maintenance and Repair	11,298	13,948	19,101	16,200	33,000
Materials and Supplies	68,164	21,305	31,135	65,700	39,800
Other Expenses	391,591	507,632	402,886	505,200	562,300
Total Administration and General	2,237,179	2,434,864	2,393,535	2,558,200	2,700,300
Water Treatment Plant					
Salaries & Benefits	1,914,002	1,917,977	1,816,370	1,978,500	2,213,700
Professional Services	95,835	29,030	102,575	42,400	83,100
Maintenance and Repair	303,572	239,695	434,542	393,900	377,900
Materials and Supplies	489,061	455,985	550,270	678,500	805,900
Other Expenses	214,613	232,403	241,934	366,400	429,100
Total Water Treatment Plant	3,017,082	2,875,089	3,145,692	3,459,700	3,909,700
Water Supply					
Placer County Water Agency	413,785	680,925	650,297	678,400	475,300
Purchase of Treated Water (Groundwater)	495,360	-	-	-	-
Pumping to Treatment Plant	93,687	96,506	87,817	100,000	100,000
Pre - 1914 Water Rights Water	26,274	27,799	30,543	32,800	35,800
Central Valley Project Water	-	-	-	-	222,700
Other	28,794	74,064	74,533	72,800	531,100
Total Water Supply	1,057,900	879,294	843,190	884,000	1,364,900
Engineering					
Salaries & Benefits	341,241	341,700	330,404	372,700	410,500
Professional Services	10,859	130,133	17,234	72,500	42,500
Maintenance and Repair	2,433	2,108	2,650	1,800	2,300
Materials and Supplies	1,295	1,666	1,278	7,000	5,100
Other Expenses	3,706	10,347	3,841	10,100	13,000
Total Engineering	359,535	485,954	355,406	464,100	473,400
Water Efficiency					
Salaries & Benefits	-	34,874	35,861	38,500	42,000
Professional Services	500	-	340	6,000	3,000
Maintenance and Repair	12,425	10,734	8,881	10,000	8,000
Materials and Supplies	-	-	178	600	600
Other Expenses	3,825	114	4,326	3,100	3,200
Total Water Efficiency	16,750	45,722	49,586	58,200	56,800
Non-Departmental					
Debt Service - Principal	698,450	730,693	696,442	851,300	910,300
Debt Service - Interest	868,865	896,614	792,633	655,400	887,900
Other	1,441	1517	80,890	1,600	1,600
Total Non-Departmental	1,568,756	1,628,824	1,569,965	1,508,300	1,799,800
Total Expenses	\$ 8,257,201	\$ 8,349,747	\$ 8,357,374	\$ 8,932,500	\$ 10,304,900
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(3,244,465)	(2,778,914)	(2,319,558)	(3,318,100)	958,700
Est. Ending Reserves	\$ 1,733,756	\$ 1,822,121	\$ 2,053,961	\$ 1,786,561	\$ 3,025,061

San Juan Water District

Fiscal Year 2023-24 Budget

Retail Operating Fund

The Retail Operating Fund is used to account for the operating revenues and expenses of the Retail Service Area. This includes the payment to the wholesale fund for the cost of treated water, as well as the distribution of the treated water to all customers in the District's Retail Service Area, including related administrative support. This fund holds and is used to report on all retail operating reserves. Details on projects funded for the year can be found in the District's Operations Plan, located on page 44.

FISCAL YEAR 2023-24 BUDGET

Retail Operations

Est. Beginning Available Reserves July 1, 2023	\$	2,732,655
Revenues		
Water Sales		16,621,400
Other Revenues		636,100
Total Revenues	\$	17,257,500
Expenses		
Salaries & Benefits	\$	6,192,100
Treated Water		3,465,400
Other Expenses		3,865,900
Debt Service - Interest		454,100
Debt Service - Principal		544,800
Total Expenses	\$	14,522,300
Net Income	\$	2,735,200
Transfer In/(Out)		(2,427,000)
Estimated Ending Reserves		3,040,855
Eureka Rd. Transmission Pipeline Debt Service Reserve		136,300
Est. Ending Available Reserves June 30, 2024	\$	2,904,555

San Juan Water District

Fiscal Year 2023-24 Budget

RETAIL OPERATING FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimate	FY 2023-24 Proposed Budget
Est. Beginning Available Reserves	\$ 2,358,680	\$ 2,525,341	\$ 2,691,098	\$ 2,699,655	\$ 2,732,655
Revenues					
Water Sales	12,716,838	13,902,296	14,306,771	15,282,000	16,621,400
Other Revenues	635,438	620,108	838,672	796,300	636,100
Total Revenues	<u>\$ 13,352,276</u>	<u>\$ 14,522,404</u>	<u>\$ 15,145,443</u>	<u>\$ 16,078,300</u>	<u>\$ 17,257,500</u>
Expenses					
Administration and General					
Salaries & Benefits	\$ 1,105,749	\$ 1,229,681	\$ 1,264,661	\$ 1,344,800	\$ 1,408,100
Professional Services	179,110	239,323	191,368	181,000	221,400
Maintenance and Repair	10,962	13,948	19,702	31,100	33,000
Materials and Supplies	66,296	25,406	35,716	35,300	22,400
Other Expenses	276,858	281,896	280,862	372,100	406,900
Total Administration and General	<u>1,638,974</u>	<u>1,790,255</u>	<u>1,792,310</u>	<u>1,964,300</u>	<u>2,091,800</u>
Distribution System					
Salaries & Benefits	2,410,049	2,462,426	2,497,614	2,905,600	3,189,700
Professional Services	109,821	155,208	67,164	99,100	94,100
Maintenance and Repair	357,439	672,168	767,805	1,089,000	891,000
Materials and Supplies	365,388	434,814	427,928	559,500	444,300
Other Expenses	428,572	492,481	519,245	787,900	930,900
Total Distribution System	<u>3,671,270</u>	<u>4,217,097</u>	<u>4,279,756</u>	<u>5,441,100</u>	<u>5,550,000</u>
Water Supply					
Purchase Water from Wholesale	3,100,315	3,306,939	3,273,284	3,216,300	3,465,400
Total Water Supply	<u>3,100,315</u>	<u>3,306,939</u>	<u>3,273,284</u>	<u>3,216,300</u>	<u>3,465,400</u>
Engineering					
Salaries & Benefits	389,268	389,241	388,229	418,600	530,400
Professional Services	9,379	55,302	17,207	60,000	218,500
Maintenance and Repair	2,824	2,108	2,650	2,400	2,700
Materials and Supplies	1,563	1,964	11,574	16,000	5,100
Other Expenses	8,338	5,434	4,702	10,500	14,100
Total Engineering	<u>411,372</u>	<u>454,050</u>	<u>424,363</u>	<u>507,500</u>	<u>770,800</u>
Water Efficiency					
Salaries & Benefits	390,022	413,969	392,075	404,300	472,900
Professional Services	2,500	28,121	50,712	10,000	102,800
Maintenance and Repair	1,515	322	1,093	500	800
Materials and Supplies	1,494	325	7,720	2,000	2,100
Other Expenses	40,347	39,317	41,816	44,500	54,500
Total Water Efficiency	<u>435,878</u>	<u>482,054</u>	<u>493,416</u>	<u>461,300</u>	<u>633,100</u>
Customer Service					
Salaries & Benefits	559,789	534,818	501,914	531,300	591,000
Professional Services	67,918	20,413	45,277	70,000	109,100
Maintenance and Repair	2,851	6,209	4,742	1,600	2,400
Materials and Supplies	30,852	31,817	35,348	35,600	35,800
Other Expenses	112,190	133,080	175,499	233,300	217,400
Total Customer Service	<u>773,601</u>	<u>726,336</u>	<u>762,780</u>	<u>871,800</u>	<u>955,700</u>
Non-Departmental					
Debt Service - Principal	386,550	404,307	404,307	510,900	544,800
Debt Service - Interest	483,747	498,199	442,047	410,600	454,100
Other	1,441	1,487	44,598	26,600	56,600
Total Non-Departmental	<u>871,737</u>	<u>903,992</u>	<u>890,952</u>	<u>948,100</u>	<u>1,055,500</u>
Total Expenses	\$ 10,903,147	\$ 11,880,722	\$ 11,916,860	\$ 13,410,400	\$ 14,522,300
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(2,282,468)	(2,475,925)	(3,220,026)	(2,634,900)	(2,427,000)
Est. Ending Reserves	\$ 2,525,341	\$ 2,691,098	\$ 2,699,655	\$ 2,732,655	\$ 3,040,854

San Juan Water District

Fiscal Year 2023-24 Budget

This Page Intentionally Left Blank

San Juan Water District

Fiscal Year 2023-24 Budget

Wholesale Capital Outlay Fund

This fund was created in FY 2015-16 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for wholesale capital expenditures and to account for the acquisition of wholesale capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all wholesale capital reserves. Details on the capital projects can be found starting on page 57.

FISCAL YEAR 2023-24 BUDGET

Wholesale Capital Outlay

Est. Beginning Available Reserves July 1, 2023	\$	1,157,523
Revenues		
Proceeds from Issuance of Debt		22,274,200
Taxes & Assessments		1,403,600
Connection Fees		100,000
Other Revenues		150,000
Total Revenues	\$	23,927,800
Expenses		
Capital Improvement Projects		4,237,200
Professional Services		806,000
Total Expenses	\$	5,043,200
Net Income	\$	18,884,600
Transfer In/(Out)		(958,700)
Est. Ending Available Reserves June 30, 2024	\$	19,083,423

WHOLESALE CAPITAL OUTLAY FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimated	FY 2023-24 Proposed Budget
Est. Beginning Available Reserves	\$ 16,168,310	\$ 19,973,299	\$ 21,970,683	\$ 25,239,830	\$ 8,045,330
Revenues					
Proceeds from Issuance of Debt	\$ -	\$ -	\$ -	\$ 846,400	\$ 22,274,200
Taxes & Assessments	1,164,350	1,215,739	1,281,061	1,376,100	1,403,600
Capital Contributions	232,052	68,658	0	-	-
Connection Fees	61,216	268,649	189,894	220,000	100,000
Other Revenues	419,417	88,090	126,380	266,300	150,000
Total Revenues	\$ 1,877,035	\$ 1,641,135	\$ 1,597,335	\$ 2,708,800	\$ 23,927,800
Expenses					
Water Treatment Plant Improvements	\$ 3,083,166	\$ 2,606,088	\$ 766,153	\$ 432,400	\$ 1,556,000
Reservoirs & Improvements	711,141	2,298,310	151,583	22,374,800	772,900
Land Improvements	19,370	34,704	11,814	404,800	765,000
Professional Services	-	-	271,438	176,500	411,000
Maintenance	369,229	13,080	3,177	-	395,000
Buildings & Improvements	1,912	11,306	7,968	22,100	349,300
Vehicles	-	30,637	113,291	-	300,000
Equipment and Furniture	44,433	32,796	52,243	55,100	265,000
Land Acquisition	-	-	22,500	-	125,000
Software	66,180	1,829	13,733	-	37,000
Meters	-	-	-	18,300	35,000
Mains/Pipelines & Improvements	104,246	-	-	-	32,000
Contributions to Others	-	-	-	-	-
Total Expenses	\$ 1,316,511	\$ 2,422,664	\$ 647,747	\$ 23,051,600	\$ 5,043,200
Net Income	\$ 560,524	\$ (781,529)	\$ 949,588	\$ (20,342,800)	\$ 18,884,600
Transfer In	3,244,465	2,778,914	2,319,558	3,148,300	-
Transfer Out	-	-	-	-	958,700
Est. Ending Available Reserves	\$ 19,973,299	\$ 21,970,683	\$ 25,239,830	\$ 8,045,330	\$ 25,971,230

San Juan Water District

Fiscal Year 2023-24 Budget

WHOLESALE CAPITAL PROJECTS FY 2023-24

Water Treatment Plant Improvements

Backwash Hood Rehabilitation Assessment and Design (Two) and Rail Track Improvements

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 275,000
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 900,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 1,175,000

The final filtration of water occurs in the North and South basins which each have a series of filter cells along the bottom of the basin. Each basin has two backwash hoods that move across the basins to backwash (clean) the various filters. The backwash hoods suck water up through the filters and send the water back into the first treatment stage of the plant. Each basin currently has one new and old backwash hood. This project will assess the structural integrity of the two old hoods to determine if they can be rehabilitated, or need to be replaced (including the rail track upon which they move). One of the hoods will be rehabilitated this year and the other will be completed in the next year. This project will not materially affect ongoing operating costs.

Lime Tower Coating

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 138,700
Start Date:	FY 2019-20	Budgeted Spending FY 2023-24:	\$ 350,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 488,700

The lime tower stores and distributes lime into the treated water as it leaves the treatment plant. Lime is used in the treatment process to manage pH levels in the distribution system. The small amount of lime in the treated drinking water protects the District's entire distribution system from untimely corrosion. The lime tower is aged. The District commissioned a study in FY 2019-20 to determine its rehabilitation needs. The study recommends re-doing the interior and exterior coating and installing additional anchor bolts. Design work started in FY 2022-23 and will finish in early FY 2023-24 and construction will commence soon thereafter.

WTP Outdoor Lighting Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 80,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 80,000

The District's Water Treatment Plant operates 24 hours a day, 7 days week. Visual inspections during the night are a regular occurrence so good lighting is critical. The current lighting for the plant is old and inefficient. This project will replace the current lighting at the treatment plant with brighter, more efficient lighting. are old, not energy efficient, no replacement parts available. More energy efficient brighter lighting. Around the treatment plant, around the basins.

Water Treatment Plant Improvements (con't)**Power Monitors (2 sites)**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 63,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 63,000

The District's power costs have almost doubled over the past two years. Power monitors allow you to see how much energy is being utilized at a specific site in real time. There are currently two power monitors at the Water Treatment Plant. One on the main power switch and another in the solids handling building. This allows us to see total power coming into these locations. However, the existing monitors are not capable of tying into the District's SCADA system. If we replace them with newer models that can be tied into SCADA then we can see how power fluctuates with different processes at the plant, which will allow us to potentially change the time of use other than peak energy cost hours.

Rehabilitation of 3 Backwash Pump Stations

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 58,000
Estimated Completion:	FY 2023-24	Estimated Future Spending:	\$ 122,000
		Total Project Cost:	\$ 180,000

The dirty water from the filters in the Water Treatment Plant filter basis is sent to the EQ basin where it is pumped by the backwash pump stations back to the headwater of the treatment plant. The backwash pump stations are in need of rehabilitation. The District plans on rehabilitating one backwash pump station per year, for the next three years.

Fiber Optic Cabling to Solids Handling Building

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 30,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 30,000

The current network connection between the solids handling facility at the Water Treatment Plant consists of a single network cable stretched from the solids handling room to the operations room then connected to a switch which connects to the server room. It allows for one server connection with no redundancy. Installing fiber optic cabling from the solids handling building directly to the server room, creates multiple connections to the network, thus creating redundancy. The solids handling facility is the only location not connected to the server room with fiber optic cabling. This improvement will not affect future operating costs.

San Juan Water District

Fiscal Year 2023-24 Budget

Reservoirs and Improvements

Hinkle Reservoir Cover and Liner Replacement

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 25,182,000
Start Date:	FY 2018-19	Budgeted Spending FY 2023-24:	\$ 500,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 25,682,000

Hinkle Reservoir is a 62 million gallon Hypalon lined and covered earthen reservoir. The Water Treatment Plant is operated at a constant flowrate and the Hinkle Reservoir is used to store excess treated water, with the water level rising and falling with changes in demand and production. In FY 2022-23 the liner and cover were replaced, the inlet and outlet structures were rehabilitated and other ancillary repairs were made. While the majority of the project was completed in FY 2022-23 there will be some final work done in FY 2023-24.

Hinkle Reservoir Overflow Channel Lining (East of Auburn Folsom Road)

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 63,700
Start Date:	FY 2019-20	Budgeted Spending FY 2022-23:	\$ 277,300
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 341,000

The Hinkle Reservoir Overflow Channel runs from the reservoirs overflow structure to Baldwin Reservoir, which is across Auburn Folsom Road. The channel is currently unlined and requires frequent maintenance to clear out vegetation. The Division of Dam Safety requires the District to maintain a relatively clear channel to ensure unobstructed flow in the event of an overflow of the reservoir. This project will line the channel in concrete, preventing future vegetation growth in the channel and reducing future maintenance costs

Land Improvements

WTP Site Paving, Slurry Seal and Re-Stripe

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 650,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 650,000

This project will grind down and overlay the pavement surrounding the Water Treatment Plant (approximately 48,000 square feet. Project costs also include wholesale's share of applying a slurry seal and restriping the Administration Building and overflow parking lots and the road through the main campus.

Administration Building Deck and Shade Structure

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 70,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 70,000

On January 3, 2023, during a rainstorm, a very large oak tree fell onto the deck of the Administration Building causing significant damage to the existing deck. Prior to falling, the oak tree had provided shade for the majority of deck. This project will replace the damaged deck and install a shade structure in place of the fallen tree. Insurance proceeds will be received for the deck replacement, but not for the cost of the shade structure.

Land Improvements (con't)**Water Treatment Plant Security Improvements**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 45,000
Estimated Completion:	FY 2023-24	Estimated Future Spending:	\$ 108,000
		Total Project Cost:	\$ 153,000

The District's Water Treatment Plant backs up to the Beal's Point State Park campground on the north and a public bike trail on the east. This project will install camera's and lighting necessary to provide alarm and visuals if the District's fence line is breached. Design of a security system will be completed in FY 2023-24 with purchase and installation in the subsequent fiscal year.

Professional Services**Evaluation of Powdered Activated Carbon System**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 311,000
Estimated Completion:	FY 2024-25	Estimated Future Spending:	\$ 1,262,000
		Total Project Cost:	\$ 1,573,000

Cyanobacterial algae blooms (blue-green algae) occur in fresh water when the water is warm, stagnant, and rich in nutrients from sources such as fertilizer runoff. These blooms have been occurring in California's fresh water sources with increasing frequency. A powdered activated carbon system can effectively remove the toxins in the water supply from these algae blooms. The funding in FY 2023-24 will be used to evaluate if such a system would be effective at the District's Water Treatment Plant. If so, construction would occur in the following year. The effect on ongoing operating costs is not yet known.

Launderer & Settling Tube Evaluation and Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 100,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 100,000

The launderers and settling tubes in the sedimentation basins are experiencing multiple failures each year. This project will evaluate what can be done to strengthen the launderers and settling tubes to prevent recurring failures.

San Juan Water District

Fiscal Year 2023-24 Budget

Maintenance

72-Inch Transmission Pipeline - Joint Seal Replacements Hinkle to Bacon Pump Station

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 191,000
Estimated Completion:	FY 2023-24	Estimated Future Spending:	\$ 571,000
		Total Project Cost:	\$ 762,000

This project funds the design for the replacement of the aged joint seals in the 72-inch transmission pipeline that runs between the Hinkle Pump Station and Bacon Pump Station. Ensuring a proper seal on the pipe joints reduces leaks.

Wholesale Meter Terminal Replacements (33 meters total - 11 years)

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 66,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 66,000

The district has 34 wholesale meters. The meter terminals are a component used in the collection of meter data that is sent back to the Water Treatment Plant. The terminals have reached the end of their useful life and are in need of replacement in order to ensure continued accurate meter reads.

Wholesale Meter PLC Replacements Project (17 total)

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 50,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 50,000

The District has 34 wholesale meters. The programmable logic controllers (PLC's) at 17 of the wholesale meters are in need of replacements. The PLC's function is to store meter read data and send it back to the SCADA system at the Water Treatment Plant. Replacement of the aged PLC's will ensure continued accurate meter reads.

Twin 54-Inch Transmission Pipelines and BFV Actuators Rehabilitation and Repairs

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 50,000
Estimated Completion:	FY 2023-24	Estimated Future Spending:	\$ 150,000
		Total Project Cost:	\$ 200,000

The Twin 54-Inch transmission pipelines run from the Baldwin Pump Station down to the Penstocks Manifold., where they split off into 4 separate wholesale distribution pipelines. This project will evaluate the rehabilitation needs of the pipeline, likely resulting in rehabilitation of the butterfly valves at the start of the pipelines and or/rehabilitation of the actuator gear box. The planning and design is funded in FY 2023-204 with work to commence in the subsequent fiscal year.

Maintenance (con't)**Penstock Manifold and BFV Actuators Rehab/Repair**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 38,000
Estimated Completion:	FY 2023-24	Estimated Future Spending:	\$ 112,000
		Total Project Cost:	\$ 150,000

The penstock manifold converts the twin-54 inch transmission pipelines into 4 separate wholesale distribution pipelines. This project will assess the condition of the lining of the pipe and determine the maintenance needs of the manifold, including the 3 butterfly valves where the twin 54-inch pipelines meet the manifold.

Buildings and Improvements**Electrical Service Upgrade at Administration Building**

Project Status:	In Progress	Estimated Spending FY 2022-23 & Prior:	\$ 27,000
Start Date:	FY 2020-21	Budgeted Spending FY 2023-24:	\$ 194,300
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 221,300

The electric panel for the Administration Building is antiquated and in need of replacement. During a recent test of the electric system, the main breaker failed and the District was unable to shut off power to the building. A temporary panel has been installed to remedy the failed main breaker, but the entire service panel needs to be replaced. This project will bring the panel up to current standards, and allow for future expansion of the building including the installation of electric vehicle charging stations.

Water Treatment Plant HVAC Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 100,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 100,000

There are three HVAC units at the Water Treatment Plant. Various components have been replaced and are failing again. The treatment plant was without heat during this past winter on several occasions. It is time to replace all three units for operational stability, improved working conditions, increased efficiency and lower operating costs.

Administration Building HVAC Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 50,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 50,000

The HVAC unit at the Administration building is aged and unreliable. Staff are frequently working in uncomfortable temperatures, requiring the use of individual space heaters to stay warm in the colder months. A new unit will be more reliable and more energy efficient, putting downward pressure on future energy bills. This represents wholesale's 50% cost share of the HVAC replacement.

San Juan Water District

Fiscal Year 2023-24 Budget

Buildings and Improvements (con't)

Flagpole Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 5,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 5,000

The District's flagpole has deteriorated and is in need of replacement so the flag of the United States of American can be safely flown, and safely raised and lowered in accordance with orders of the Governor of the State of California and/or the President of the United States of America. The total cost of the replacement is estimated to be \$10,000 but is shared evenly between the wholesale and retail divisions.

Vehicles

Vehicle #3 (1991 Ford F-800 Dump Truck)

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2022-23:	\$ 125,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 125,000

The District generally replaces vehicles every 10 years or 100,000 miles. This vehicle is used to haul sludge from the treatment plant to the drying beds. It is 32 years old with a rusted out bed and is in need of replacement. In addition, recent regulations requires that starting in calendar year 2024 50% of the District's large vehicle purchases (F-250's and larger) have to be electric vehicles. After performing an in depth analysis the District has determined it advantageous to replace certain large vehicles in advance of the new rule. Moving some vehicle purchases forward a few years will allow the District to postpone the purchase of electric trucks in the hopes that the prices will have lowered with the increased demand. This is one of the vehicle identified for replacement both due to its condition and its size relative to the new regulations. The existing vehicle will be sold at auction.

Vehicle #25 (2009 Ford F-650 with Dump Bed)

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2022-23:	\$ 125,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 125,000

The District generally replaces vehicles every 10 years or 100,000 miles. This vehicle is 14 years-old. In addition, recent regulations requires that starting in calendar year 2024 50% of the District's large vehicle purchases (F-250's and larger) have to be electric vehicles. After performing an in depth analysis the District has determined it advantageous to replace certain large vehicles in advance of the new rule. Moving some vehicle purchases forward a few years will allow the District to postpone the purchase of electric trucks in the hopes that the prices will have lowered with the increased demand. This is one of the vehicle identified for early replacement. The existing vehicle will be sold at auction.

Vehicles (con't)**Vehicle #7 (2010 Ford F-150)**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2022-23:	\$ 50,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 50,000

The District generally replaces vehicles every 10 years or 100,000 miles. This truck is 13 years old with 33,418 miles. It is used as the Water Treatment Plant's pooled vehicle, used predominately by the maintenance staff. This truck is slated for replacement this year and will be sold at auction.

Equipment and Furniture**Thickener Access Ladders (3)**

Project Status:	In Progress	Estimated Spending FY 2022-23 & Prior:	\$ 50,000
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 261,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 311,000

Each of the District's three thickener basis have an access ladder. For safety reasons these ladders need to be reconfigured and replaced. As currently installed an employee has to climb over a railing at the top of the tank in order to access the ladder. The ladder terminates at the bottom of the tank, on a slope. These are unsafe conditions that need to be rectified. This project will redesign and install new ladders. There will no impact to ongoing operating costs.

Engineering Survey Equipment

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 5,500
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 5,500

This project replaces old survey equipment that is no longer being supported by the manufacturer with new equipment. The new equipment utilizes satellite data, increasing its accuracy. This equipment is used by both the wholesale and the retail divisions. Wholesale is paying for 25% of the equipment cost, commensurate with its estimate usage.

Land (Non-Depreciable)**Land Acquisition (Property Boundary Adjustment South of Hinkle Reservoir)**

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 125,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 125,000

The District is working with U.S. Bureau of Reclamation (Reclamation) to address a property issue at the District's main site. The property, currently owned by Reclamation, is located at the south end of Hinkle Reservoir and encompasses the south slope and a small section at the Southeast corner of the reservoir. The District would like to have ownership of these properties since they encompass portions of the Hinkle Reservoir embankment. The costs include reimbursements to Reclamation for their time and the cost for any consultant work necessary for the deed transfer. Acquisition of property title will not affect ongoing operating costs as they District has been maintaining this property for years.

San Juan Water District

Fiscal Year 2023-24 Budget

Software

Back-Up Plant Pumps – SCADA Integration

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ 13,733
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 20,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 33,733

The District's Crown Point pump station provides pressurized drinking water to the Retail Service Area and the entire District campus, including the Water Treatment Plant. That water is critical for maintaining Water Treatment Plant operations as it is used in various treatment processes such as the chemical feed system, and the belt press process. The back-up plant pumps exist to provide pumping capabilities if/when the Crown Point pump station is off line. Historically the back-up pumps have had to be turned on manually. By integrating those pumps into the District's SCADA system, the system will automatically switch the pumps on if Crown Point goes off line, either intentionally or unintentionally, greatly improving system reliability. Originally planned to be completed in FY 2021-22, it has now been delayed until FY 2023-24.

Tyler Content Management and Output Director

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 12,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 12,000

The District uses a software called Tyler Technologies for its financial and utility billing processes. The module was included in the budget last fiscal year, even though the analysis of the benefits of the module had not been completed. With that analysis complete, the District has determined that the module will afford the Finance Department the ability to store records and documents electronically within the system, reducing filing and document retrieval time, as well as reducing the District's carbon footprint. The District executed the purchase agreement, but was unable to complete the installation due to staffing shortfalls. It is anticipated to be purchased, installed and implemented in FY 2023-24.

Synology SSD NAS

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 5,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 5,000

The District is running out of server storage space. This equipment will provide the necessary additional server storage and will not affect future operating costs.

Meters

Central Avenue 8-inch Meter Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 35,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 35,000

In FY 2022-23, the District determined this meter was malfunctioning and in need of replacement. It is not producing accurate reads of water flowing in either direction.

Mains/Pipelines & Improvements**Replacement of 12-Inch Transmission Pipeline on Hazel Avenue between Eden Oaks and Orange Vale Water Company**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 32,000
Estimated Completion:	FY 2023-24	Estimated Future Spending:	\$ 298,000
		Total Project Cost:	\$ 330,000

The pipeline that runs between the District's meter at Eden Oaks and the connection to the Orange Vale Water Company is aged and in need of replacement. The District intends to design the replacement of the pipeline in FY 2023-24 with construction to commence in the subsequent fiscal year.

San Juan Water District

Fiscal Year 2023-24 Budget

Retail Capital Outlay Fund

This fund was created in FY 2015-16 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for retail capital expenditures and to account for the acquisition of retail capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all retail capital reserves. Details on the projects can be found starting on page 69.

FISCAL YEAR 2023-24 BUDGET

Retail Capital Outlay

Est. Beginning Available Reserves July 1, 2023	\$	14,797,435
Revenues		
Proceeds from Issuance of Debt		12,895,000
Taxes & Assessments		1,403,600
Connection Fees		100,000
Other Revenues		255,000
Total Revenues	\$	14,653,600
Expenses		
Capital Improvement Projects		25,107,100
Professional Services		-
Total Expenses	\$	25,107,100
Net Income	\$	(10,453,500)
Transfer In/(Out)		2,427,000
Estimated Ending Reserves		6,770,935
Reservation of Capital Facility Fees		3,763,700
Est. Ending Available Reserves June 30, 2024	\$	3,007,235

San Juan Water District

Fiscal Year 2023-24 Budget

RETAIL CAPITAL OUTLAY FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimate	FY 2023-24 Proposed Budget
Est. Beginning Reserves	\$ 5,419,939	\$ 8,027,850	\$ 11,778,997	\$ 15,906,434	\$ 14,797,434
Revenues					
Proceeds from Debt Issuance	\$ -	\$ 43,197	\$ -	\$ -	\$ 12,895,000
Taxes & Assessments	1,164,350	1,215,738	1,281,061	1,376,100	1,403,600
Connection Fees	319,577	1,082,998	2,415,360	2,665,000	100,000
Other Revenues	157,483	37,929	114,532	264,700	255,000
Total Revenues	\$ 1,641,411	\$ 2,379,862	\$ 3,810,953	\$ 4,305,800	\$ 14,653,600
Expenses					
Reservoirs & Improvements	\$ 5,267	\$ -	\$ 247,822	\$ 40,700	\$ 12,500,000
Mains/Pipelines & Improvements	382,645	428,467	1,912,374	6,499,100	6,012,500
Pump Stations & Improvements	359,840	467,098	297,640	631,400	5,035,300
Meters and Endpoints	-	-	29,081	321,400	550,000
Land Improvements	10,638	-	6,295	-	546,000
Buildings & Improvements	1,912	2,514	34,196	22,100	274,300
Vehicles	49,036	170,561	278,140	269,000	113,000
Equipment and Furniture	55,541	-	9,482.2	56,000	59,000
Software	197,969	9,385	4,578	-	17,000
Professional Services	253,120	26,614	83,933	210,000	-
Total Expenses	\$ 1,315,967	\$ 1,104,640	\$ 2,903,541	\$ 8,049,700	\$ 25,107,100
Net Income	\$ 325,443	\$ 1,275,222	\$ 907,412	\$ (3,743,900)	\$ (10,453,500)
Transfer In	2,282,468	2,475,925	3,220,026	2,634,900	2,427,000
Transfer Out	-	-	-	-	-
Estimated Ending Reserves	\$ 8,027,850	\$ 11,778,997	\$ 15,906,434	\$ 14,797,434	\$ 6,770,934
Reservation of Capital Facility Fees	-	-	1,026,250	3,663,700	3,763,700
Est. Ending Available Reserves	\$ 8,027,850	\$ 11,778,997	\$ 14,880,184	\$ 11,133,735	\$ 3,007,234

San Juan Water District

Fiscal Year 2023-24 Budget

RETAIL CAPITAL PROJECTS FY 2023-24

Reservoirs and Improvements

Kokila Reservoir Replacement

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 293,789
Start Date:	FY 2019-20	Budgeted Spending FY 2023-24:	\$ 12,500,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 12,793,789

Kokila Reservoir is a 4.56 million gallon hypalon lined and covered earthen reservoir. The reservoir serves an as operational and emergency storage facility at a high elevation point in the District's Retail Service Area. The cover and liner were installed in 1984 with an estimated life of 25 years. Regular maintenance has extended its life an additional 15 years. The cover and liner are now in need of replacement. The District intends to replace the Hypalon cover and liner with a concrete tank. The District is pursuing both a grant and a low interest rate loan from the State Water Resources Control Board's revolving loan fund to finance this project.

Mains/Pipelines and Improvements

Replace 170 Identified Service Laterals

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 3,122,500
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 3,122,500

A service lateral is the pipeline that runs from the main line, in or next to the road, to individual water meters. In 2020 it was determined that the District's service lateral failure rate is 35% worse than the national average. The District plans to replace 85 identified service laterals per year. The program was scheduled to begin last year however the contract was not awarded as of the time of this budget preparation. funding for FY 2023-24 includes two years of replacements, or 170 service laterals. Replacing the service laterals will save the District money as less time will be spent responding to leaks and less water will be lost.

Replace 45 Air/Vacuum Relief Valves

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 120,000
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 1,585,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 1,705,000

An air release valve allows air to enter or leave pipelines as needed. Removing air pockets in a pipeline allows water to flow more freely. Allowing air to enter if there is a leak or break prevents the creation of a vacuum, which can cause a pipeline to collapse. California law requires the vent opening to be above grade, to minimize opportunities for water contamination. Most of the district's valves are in boxes in the street, blow grade. Approximately 75 valves need to be relocated to the side of the road and vented above ground. The District plans to replace 45 per year, over a 20 year period, commencing with FY 2022-23. the program got off to a late start and it is expected that only design will be completed for FY 2022-23. Therefore, this project now incorporates two years' worth of replacements, for a total of 90 air release valve replacements.

Mains/Pipelines and Improvements (con't)**Failed Service Lateral Replacements**

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	N/A
Start Date:	On-going	Budgeted Spending FY 2023-24:	\$ 600,000
Estimated Completion:	On-going	Total Project Cost:	\$ 600,000

A service lateral is the pipeline that runs from the main line, in or next to the road, to individual water meters. In 2020 it was determined that the District's service lateral failure rate is 35% worse than the national average. The District plans to proactively identify and replace 85 service laterals per year. In addition to this program the District has to replace service lateral's that fail (spring a leak) during the fiscal year. This project creates funding for unidentified service lateral replacements that occur on an emergency basis throughout the fiscal year. Replacing the service laterals will save the District money as less time will be spent responding to leaks and less water will be lost.

Wharf Hydrant Replacements

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 292,632
Start Date:	FY 2021-22	Budgeted Spending FY 2023-24:	\$ 218,000
Estimated Completion:	FY 2031-32	Total Project Cost:	\$ 510,632

The District is systematically replacing both aged and wharf style fire hydrants. Wharf style hydrants have less water capacity and are more likely to break than a standard hydrant. The District has approximately 100 wharf style hydrants in its distribution system. The District intends to replace 10 per year over the next 10 years.

Blow-Off Valve Replacements

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 210,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 210,000

Blow-Off Valves are used at or near the end of a pipe to allow for flushing of water to eliminate the possibility of stagnant water at the end of a distribution pipeline. The District plans on replacing approximately 24 blow-off valves during the fiscal year. This will not increase future operating costs.

Fire Hydrant Replacements

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	Ongoing	Budgeted Spending FY 2023-24:	\$ 140,000
Estimated Completion:	Ongoing	Total Project Cost:	\$ 140,000

The District is systematically replacing aged fire hydrants. This project will replace ten aged fire hydrants, at various locations, throughout the District.

San Juan Water District

Fiscal Year 2023-24 Budget

Mains/Pipelines and Improvements (con't)

Water Main Installation Underneath the North Glenn Bridge

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 82,000
Estimated Completion:	Unknown	Total Project Cost:	\$ 82,000

This project involves the replacement of approximately 100-LF of previously existing 6-inch pipe with new 8-inch pipe. In June of 2015 Placer County requested that the District remove the old water main running under the existing storm drainage channel to facilitate removal of the old North Glen Pedestrian Bridge. When the bridge washed out in 2015 the 6-inch pipeline was damaged. The District's only option at that time was to cut and remove the damaged section of pipe and then cap the water main on opposite sides of the drainage channel at this location. The County has plans to replace the bridge, and at that time the District can replace the currently disconnected pipeline. This project will involve designing the replacement water main that will be installed under the new bridge on the downstream side. Construction timing is dependent upon the County's project schedule, but the District needs to be ready to move forward concurrently with the County's project. This will be a joint project with Placer County, and the County has agreed to allow the District to install the replacement pipeline on or under the County's bridge which will result in a lower cost than replacing the pipeline under the drainage channel. The County did not move forward with the project last year, so the District is budgeting for this again in FY 2023-24.

Eckerman 8 inch tie-in to "The Park" Subdivision

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 55,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 55,000

This project involves the installation of approximately 50 to 100 linear feet of 8-inch pipe to extend the existing southerly section of the Eckerman pipeline into the new piping that will be installed with the construction of "The Park" Subdivision. The costs are to be reimbursed by the developer of The Park subdivision project. This connection into The Park subdivision is needed to provide adequate supply for fire flow, and to facilitate source of supply redundancy. The project was originally budgeted in FY 2021-22 but has not yet commenced, as the developer has not yet completed design review.

Pump Stations and Improvements

Groundwater Production Facility

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 2,575,000
Estimated Completion:	FY 2023-24	Estimated Future Costs:	\$ 2,652,000
		Total Project Cost:	\$ 5,227,000

Included in the retail financial plan is \$5 million for SJWD to use in securing access to groundwater production capacity to provide water supplies to the District's Retail Service Area. These supplies could be delivered via the Antelope Pump Station, which can send groundwater produced in the Sacramento Suburban Water District's North Service Area to Orangevale Water Company, the City of Folsom and the District's Retail Service Area.

Pump Stations and Improvements (con't)**Bacon Pump Station Generator Replacement(s)**

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 191,812
Start Date:	FY 2020-21	Budgeted Spending FY 2023-24:	\$ 2,072,300
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 2,264,112

The two existing emergency generators at the Bacon Pump Station have exceeded their useful life and need to be replaced. Two new generators and electrical controls will be installed at the station. The project includes a new 400 and a 600KW generator, slab foundations, a retaining wall, electrical conduits and electrical panel replacements. Additionally the existing generators shall be removed, including their foundation slabs, fuel cells, and electrical connections. This project was supposed to have been completed in FY 2022-23 but has been rolled over to FY 2023-24 due to supply chain issues.

Power Monitors for Pump Stations

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 124,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 124,000

The District's power costs have almost doubled over the past two years. Power monitors allow you to see how much energy is being utilized at a specific site in real time. The District intends to purchase power monitors for the Lower Granite Bay Pump Station, Hinkle Pump Station, and the American River South Pump Station.

Motor Control Center Replacement - American River Canyon North Pump Station

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 75,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 75,000

Variable Frequency Drives (VFD) #1 and #2 are being relocated to a climate controlled environment at this pump station and we are installing a VFD for pump #3 in this climate controlled environment as well. In order to properly configure and operate this new set up the District needs to replace the MCC next to the main breaker at the American River Canyon North Pump Station. An MCC (Motor Control Center) is an assembly to control some or all electric motors in a central location. This new configuration will extend the life of the VFD's and will not increase future operating costs.

Canyon Falls Village Pressure Reducing Station Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 61,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 61,000

This pump station is currently below grade which creates added costs and complexity in terms of operations and maintenance. This project brings the control valves above grade in an above ground enclosure. This will improve the safety environment for staff when performing maintenance and will reduce maintenance costs as confined space equipment and air quality testing will no longer be needed to perform basic and ongoing maintenance.

San Juan Water District

Fiscal Year 2023-24 Budget

Pump Stations and Improvements (con't)

Bacon Booster Pump Station – New Variable Frequency Drive and Components

Project Status:	In progress	Estimated Spending FY 2022-23 &	\$ 15,000
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 45,000
Estimated	FY 2023-24	Total Project Cost:	\$ 60,000

This project will install a variable frequency drive on pump number five at the Bacon Booster Pump Station, along with other components to complement the generator replacement project described above. The existing motor drive for pump number five is either on or off and therefore the pump runs at full speed regardless of the system demands. Replacing the drive with a variable frequency drive will provide the District the ability to optimize the operation of the pump station based on the current demands on the distribution system. due to supply chain issues this project was not able to be completed in FY 2022-23.

American River Canyon North Pump Station - New Variable Frequency Drive

Project Status:	Planned	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 45,000
Estimated	FY 2023-24	Total Project Cost:	\$ 45,000

Pump #3 at the American River Canyon North Pump Station is currently either on or off, in full power mode. A variable frequency drive (VFD) allows the pump to cycle on only when needed an to vary the pumping capacity to meet, not exceed, pumping needs of the moment. Using VFD's extends the life of the pump and reduces operating costs as less power is utilized to operate the pumps.

Pump Station Pressure Transmitters

Project Status:	Planned	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2023-24:	\$ 38,000
Estimated	FY 2023-24	Total Project Cost:	\$ 38,000

In FY 2022-23 the district intended to replace 9 pressure transmitters at the Hinkle and Bacon Pump Stations. They ended up costing less than expected and instead of replacing them at Hinkle and Bacon, the transmitters were replaced at Sierra, ARC-North, ARC-S, Douglas, Los Lagos Tank and Mooney Tank as well as the suction pressure transmitter at Bacon a Pump Station. This year the District plans to replace the pressure transmitters at the Hinkle Pump Station, and purchase two spares. The costs are similar as the installation of the transmitters at the Hinkle Pump Station will require conduit installation, thus increasing the costs. This project will not increase future operating costs.

Meters and Endpoints

Meter Replacement Program

Project Status:	In progress	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2021-22	Budgeted Spending FY 2023-24:	\$ 550,000
Estimated	FY 2022-23	Total Project Cost:	\$ 550,000

The District's meters were originally installed between 1997 and 2004. There are approximately 4,400 meters that are greater than 18 years old. With a typical meter life of 20-25 years it is time to start a replacement program. As of 2021 the District had 10,779 total meters. 736 of them were manual read meters, 7,987 were touch read meters and 2,056 were radio read (drive-by only). The plan is to replace 515 (5%) of the meters each year, which results in a 20 year replacement cycle and to replace all endpoints over 5 years (converts all to radio read), which equate to 2,118 per year. Due to supply chain issues, the District was not able to reach its goal for FY 2022-23 for endpoints, but exceeded its goal for meters by replacing approximately 675 instead of 515. This budget funds the replacement of approximately 3,000 endpoints and 400 meters.

Land Improvements

District Campus Paving Improvements

Project Status:	Planned	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 375,000
Estimated	FY 2023-24	Total Project Cost:	\$ 375,000

This project will grind down and overlay 16,000 square feet of pavement in front of the Field Services Building. Project costs also include retail's share of applying a slurry seal and restriping the Administration Building, overflow parking lots and the road through the main campus.

Administration Building Deck and Shade Structure

Project Status:	Planned	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 70,000
Estimated	FY 2023-24	Total Project Cost:	\$ 70,000

On January 3, 2023, during a rainstorm, a very large oak tree fell onto the deck of the Administration Building causing significant damage to the existing deck. Prior to falling, the oak tree had provided shade for the majority of deck. This project will replace the damaged deck and install a shade structure in place of the fallen tree. Insurance proceeds will be received for the deck replacement, but not for the cost of the shade structure.

1,400 Linear Feet of Fencing at 8310 Santa Juanita Ave.

Project Status:	Planned	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 70,000
Estimated	FY 2023-24	Total Project Cost:	\$ 70,000

Both the Sierra 30-inch and Bacon 33-inch transmission pipelines run underground at 8310 Santa Juanita Ave. The District has had 3 leaks on the Sierra 30-inch pipe in the past year. It appears that when the house at that location was built heavy equipment crushed the pipeline above the pipe, damaging the pipeline, although this cannot be proved. The District would like to install fencing around their easement in this area to prevent this from happening in the future.

Purchase and Install Perimeter Fencing for Bacon Pump Stations

Project Status:	Planned	Estimated Spending FY 2022-23 &	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 31,000
Estimated	FY 2023-24	Total Project Cost:	\$ 31,000

This project consists of the purchase and installation of perimeter fencing for the Bacon Pump Station for security fencing.

San Juan Water District

Fiscal Year 2023-24 Budget

Buildings and Improvements

Electrical Service Upgrade at Administration Building

Project Status:	In progress	Estimated Spending FY 2022-23 & Prior:	\$ 27,000
Start Date:	FY 2020-21	Budgeted Spending FY 2023-24:	\$ 194,300
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 221,300

The electric panel for the Administration Building is antiquated and in need of replacement. During a recent test of the electric system, the main breaker failed and the District was unable to shut off power to the building. A temporary panel has been installed to remedy the failed main breaker, but the entire service panel needs to be replaced. This project will bring the panel up to current standards, and allow for future expansion of the building including the installation of electric vehicle charging stations. The costs for this project are shared 50-50 between the Wholesale and Retail divisions.

Administration Building HVAC Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 50,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 50,000

The HVAC unit at the Administration building is aged and unreliable. Staff are frequently working in uncomfortable temperatures, requiring the use of individual space heaters to stay warm in the colder months. A new unit will be more reliable and more energy efficient, putting downward pressure on future energy bills. This represents retail's 50% cost share of the HVAC replacement.

Purchase of Connex Storage Container

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 25,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 25,000

The District's parts shelter was torn down in 2018. It was structurally unsound and it was more cost effective to replace, rather than improve the existing structure. The District budgeted to construct a movable 3-sided steel parts shelter in FY 2021-22 however, the Board of Directors did not approve construction and directed the District hold off until the larger District facilities renovation happens, currently slated for FY 2028-29. This storage facility is needed in the interim to house parts that would otherwise degrade quickly if left out in the elements, it was originally budgeted in FY 2022-23 but was not able to be procured by the end of the year.

Flagpole Replacement

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 5,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 5,000

The District's flagpole has deteriorated and is in need of replacement so the flag of the United States of American can be safely flown, and safely raised and lowered in accordance with orders of the Governor of the State of California and/or the President of the United States of America. The total cost of the replacement is estimated to be \$10,000 but is shared evenly between the wholesale and retail divisions.

Vehicles**Replace Vehicle #35 2017 F-450**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 98,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 98,000

The District generally replaces vehicles every 10 years or 100,000 miles. This vehicle is only 6 years-old. However, recent regulations require that starting in calendar year 2024 50% of the District's large vehicle purchases (F-250's and larger) have to be electric vehicles. After performing an in depth analysis the District has determined it advantageous to replace certain large vehicles in advance of the new rule. Moving some vehicle purchases forward a few years will allow the District to postpone the purchase of electric trucks in the hopes that the prices will have lowered with the increased demand. This is one of the vehicle identified for early replacement. The existing vehicle will be sold at auction.

Replace Vehicle #31 2015 GEM

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 15,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 15,000

The District utilizes a Global Electric Motorcar (GEM), which is an electric vehicle similar to a golf cart, for purposes of meter reading in neighborhoods. The battery life of the GEM is about one-third of what it was when new, which is making it inefficient to use. The cost of replacing the battery is not significantly less than the cost of replacing the entire vehicle.

Equipment and Furniture**Large and Intermediate Meter Tester**

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 15,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 15,000

The District is required to test a certain number of meters each year and has been contracting with an outside firm to test the large meters at an annual cost of approximately \$6,000. Intermediate meters have been tested in house but have to be pulled out of the ground and brought back to the test bench at the District campus. Purchasing this meter tester will allow the District to test the large meters in house and will allow the intermediate meters to be tested in the ground, saving time and money.

Hand Held Meter Reader

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 14,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 14,000

The District utilizes hand held meter readers to collect meter data from its retail customers. The customer service hand held meter reader is used daily to read customer meters. Due to the age of the equipment the reader is experiencing inefficient delays when uploading data and needs to be replaced.

San Juan Water District

Fiscal Year 2023-24 Budget

Equipment and Furniture (con't)

Engineering Survey Equipment

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 12,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 12,000

This project replaces old survey equipment that is no longer being supported by the manufacturer with new equipment. The new equipment utilizes satellite data, increasing its accuracy. This equipment is used by both the wholesale and the retail divisions. Retail is paying for 75% of the equipment cost, commensurate with its estimate usage.

Tapping Machine

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 10,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 10,000

The Field Services utilizes a tapping machine to drill into main pipelines. The current machine is old and losing its efficiency, taking longer to do the job than it should be taking. This replaces the old equipment and will result in increased operating efficiency, without increased operating costs.

Leak Detection Equipment for Water Efficiency Department

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 8,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 8,000

A leak detector consists of speakers in a headset, worn by the operator, hooked up to a microphone that is on the ground. The microphone transmits the sound of leaking water to the wearer of the headset. A quality leak detector will improve the District's ability to assist retail customers reduce water waste by helping them locate leaks on their property.

Software

Tyler Content Management and Output Director

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 12,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 12,000

The District uses a software called Tyler Technologies for its financial and utility billing processes. The purchase of this module would enhance reporting capabilities and functionality of the system. The primary benefit to this software enhancement is that it will allow the District to continue converting to electronic data storage. This software allows digital documents to be saved within the accounting software itself, linked to the underlying transaction, eliminating the needs for paper files for items such as invoices and check stubs. It has been included in the budget for several years, but due to turnover and staffing shortages the District has not yet been able to implement.

Synology SSD NAS

Project Status:	Planned	Estimated Spending FY 2022-23 & Prior:	\$ -
Start Date:	FY 2023-24	Budgeted Spending FY 2023-24:	\$ 5,000
Estimated Completion:	FY 2023-24	Total Project Cost:	\$ 5,000

The District is running out of server storage space. This equipment will provide the necessary additional server storage and will not affect future operating costs.

San Juan Water District

Fiscal Year 2023-24 Budget

This Page Intentionally Left Blank

Transfers In and Transfers Out

Transfers In and Transfers Out represent accounting methods to move resources (usually cash) from one fund to another. Transfers in represent resources being brought into that fund. Whereas, transfers out represent resources being taken from that fund.

Transfer In To:

Wholesale Operating Fund	\$ 958,700
Retail Capital Fund	\$ 2,427,000

Total Transfers In

\$ 3,385,700**Transfer Out From:**

Wholesale Capital Fund	\$ 958,700
Retail Operating Fund	\$ 2,427,000

Total Transfers Out

\$ 3,385,700

San Juan Water District

Fiscal Year 2023-24 Budget

Debt Service Schedules

2022 Refunding Loan Debt Service Schedule - Fiscal Year Basis

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2024	502,298	272,733	78,653	42,706	580,951	315,439	896,390
2025	511,499	277,729	70,465	38,261	581,964	315,990	897,954
2026	520,492	282,612	62,128	33,734	582,620	316,346	898,966
2027	526,513	285,884	53,644	29,127	580,157	315,011	895,168
2028	534,681	290,317	45,062	24,467	579,743	314,784	894,527
2029	544,865	295,846	36,346	19,735	581,211	315,581	896,792
2030	550,981	299,167	27,465	14,913	578,446	314,080	892,526
2031	562,065	305,185	18,484	10,036	580,549	315,221	895,770
2032	571,920	310,536	9,322	5,062	581,242	315,598	896,840
Paid in Prior Years	\$ 458,345	\$ 248,869	\$ 86,124	\$ 46,763	\$ 544,469	\$ 295,632	\$ 840,101
Outstanding	\$ 5,283,659	<u>\$ 2,868,878</u>	\$ 487,693	<u>\$ 264,804</u>	\$ 5,771,352	\$ 3,133,682	\$ 8,905,034

Refunding Revenue Bonds, Series 2017
Debt Service Schedule - Fiscal Year Basis

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2024	435,200	244,800	564,429	317,492	999,629	562,292	1,561,921
2025	454,400	255,600	542,269	305,027	996,669	560,627	1,557,296
2026	476,800	268,200	519,083	291,984	995,883	560,184	1,556,067
2027	502,400	282,600	494,709	278,274	997,109	560,874	1,557,983
2028	528,000	297,000	469,056	263,844	997,056	560,844	1,557,900
2029	553,600	311,400	442,123	248,694	995,723	560,094	1,555,817
2030	585,600	329,400	413,776	232,749	999,376	562,149	1,561,525
2031	611,200	343,800	383,963	215,979	995,163	559,779	1,554,942
2032	643,200	361,800	352,736	198,414	995,936	560,214	1,556,150
2033	675,200	379,800	325,536	183,114	1,000,736	562,914	1,563,650
2034	1,318,400	741,600	291,747	164,107	1,610,147	905,707	2,515,854
2035	1,369,600	770,400	238,157	133,964	1,607,757	904,364	2,512,121
2036	1,424,000	801,000	182,467	102,637	1,606,467	903,637	2,510,104
2037	1,481,600	833,400	129,177	72,662	1,610,777	906,062	2,516,839
2038	1,529,600	860,400	80,375	45,211	1,609,975	905,611	2,515,585
2039	1,580,800	889,200	29,969	16,858	1,610,769	906,058	2,516,827
Outstanding	\$14,169,600	\$ 7,970,400	\$5,459,571	\$ 3,071,009	\$19,629,171	\$11,041,409	\$30,670,580
Paid 2017-2023	\$ 2,550,400	\$ 1,434,600	\$3,741,172	\$ 2,104,409	\$ 6,291,572	\$ 3,539,009	\$ 9,830,581
Total	\$16,720,000	\$ 9,405,000	\$9,200,743	\$ 5,175,418	\$25,920,743	\$14,580,418	\$40,501,161
	combined	\$26,125,000	combined	\$14,376,161			

San Juan Water District

Fiscal Year 2023-24 Budget

Labor Allocation

As mentioned previously, many employees are shared by wholesale and retail to maximize efficiency and eliminate the need for redundant positions. The table on the next page shows all District positions and their respective cost sharing between wholesale and retail based on their assigned duties.

San Juan Water District

Fiscal Year 2023-24 Budget

Dept.	Position Title	Budgeted	Budgeted	#	Budgeted in Fiscal Year 2023-2024			
		in FY21-22	in FY22-23	Budgeted	Wholesale Allocation	Retail Allocation	Wholesale FTE	Retail FTE
Executive								
General Manager	1.00	1.00	1.00	85%	15%		0.85	0.15
Water Resources Manager	1.00	1.00	1.00	90%	10%		0.90	0.10
Information Technology Manager	1.00	1.00	1.00	50%	50%		0.50	0.50
Board Secretary/Administrative Assistant	1.00	1.00	1.00	50%	50%		0.50	0.50
Total Executive	4.00	4.00	4.00				2.75	1.25
Finance and Administrative Services								
Director of Finance	1.00	1.00	1.00	50%	50%		0.50	0.50
Senior Accountant ¹	1.00	1.00	2.00	50%	50%		1.00	1.00
Accountant	1.00	1.00	-	50%	50%		-	-
Purchasing Agent	1.00	1.00	1.00	50%	50%		0.50	0.50
Accounting Technician II	1.00	1.00	1.00	50%	50%		0.50	0.50
Accounting Intern	-	-	0.12	50%	50%		0.06	0.06
Total Finance and Administrative Services	5.00	5.00	5.12				2.56	2.56
Customer Service								
Customer Service Manager	0.50	0.50	0.50	0%	100%		-	0.50
Meter Technician	1.00	1.00	1.00	0%	100%		-	1.00
Customer Service Technician I - III	3.00	3.00	3.00	0%	100%		-	3.00
Total Customer Service	4.50	4.50	4.50				-	4.50
Engineering Service								
Engineering Services Manager	1.00	1.00	1.00	50%	50%		0.50	0.50
Associate/Senior Engineer	1.00	1.00	1.00	50%	50%		0.50	0.50
Engineering Technician III	1.00	1.00	1.00	40%	60%		0.40	0.60
Construction Inspector III	1.00	1.00	1.00	25%	75%		0.25	0.75
Total Engineering Service	4.00	4.00	4.00				1.65	2.35
Field Services (Distribution System)								
Field Services Manager	1.00	1.00	1.00	0%	100%		-	1.00
Pump Station Lead	1.00	1.00	1.00	0%	100%		-	1.00
Distribution Lead Worker	2.00	2.00	2.00	0%	100%		-	2.00
Distribution Operator II - IV ²	6.00	6.00	6.00	0%	100%		-	6.00
Pump Station Technician/Mechanic	1.00	1.00	1.00	0%	100%		-	1.00
Pump Station Operator ²	1.00	1.00	1.00	0%	100%		-	1.00
Utilities Coordinator	1.00	1.00	1.00	0%	100%		-	1.00
Meter Maintenance Technician ³	1.00	1.00	1.00	0%	100%		-	1.00
Distribution Maint. Helper - PT/Temporary ⁶	-	0.92	0.96	0%	100%		-	0.92
Total Field Services (Distribution System)	14.00	14.92	14.96				-	14.92
Operations								
Operations Manager	1.00	1.00	1.00	40%	60%		0.40	0.60
Safety-Regulatory Compliance Coordinator	1.00	1.00	1.00	50%	50%		0.50	0.50
CMMS/GIS Coordinator	1.00	1.00	1.00	25%	75%		0.25	0.75
Total Operations	3.00	3.00	3.00				1.15	1.85
Water Efficiency								
Customer Service Manager	0.50	0.50	0.50	0%	100%		-	0.50
Water Efficiency Lead	1.00	1.00	1.00	25%	75%		0.25	0.75
Water Efficiency Technician I - II	2.00	2.00	2.00	0%	100%		-	2.00
Total Water Efficiency	3.50	3.50	3.50				0.25	3.25
Water Treatment Plant								
Water Treatment Plant Manager	1.00	1.00	1.00	100%	0%		1.00	-
Maintenance Chief	1.00	1.00	1.00	87%	13%		0.87	0.13
Chief Operator	1.00	1.00	1.00	100%	0%		1.00	-
Water Treatment Plant Operator IV	2.00	2.00	2.00	100%	0%		2.00	-
Water Treatment Plant Operator III	2.00	2.00	2.00	100%	0%		2.00	-
Water Treatment Plant Operator II	1.00	1.00	1.00	100%	0%		1.00	-
Electrical & Instrumentation Technician	1.00	1.00	1.00	60%	40%		0.60	0.40
Utilities Mechanic I - II ⁴	1.00	1.00	1.00	95%	5%		0.95	0.05
Utilities Maintenance Worker I - II ⁵	1.00	1.00	1.00	95%	5%		0.95	0.05
Total Water Treatment Plant	11.00	11.00	11.00				10.37	0.63
Total Funded Full Time Equivalents (FTE)	49.00	49.92	50.08				18.73	31.31

¹ Finance and Administrative Services Analyst position was changed to Senior Accountant in April 2022.

² One Distribution Operator IV position was changed to a Pump Station Operator in December 2021.

³ The Board of Directors approved the new Meter Maintenance Technician in January 2022.

⁴ The Facilities Maintenance Worker I - II was renamed to a Utilities Mechanic I - II in January 2022.

⁵ The Board of Directors approved the name change from Facilities Maintenance Helper to Utilities Maintenance Worker I - II in January 2022.

⁶ Converting use of Temp Agency assistance to direct hire temporary workers for cost savings

San Juan Water District

Fiscal Year 2023-24 Budget



SAN JUAN WATER DISTRICT COMPENSATION SCHEDULE

EFFECTIVE: January 25, 2023 retroactive to July 2, 2022

Non-Exempt Positions	Hourly Rate Range	
	Minimum	Maximum
Accountant	\$ 42.60	\$ 51.12
Accounting Technician I	\$ 29.48	\$ 35.38
Accounting Technician II	\$ 32.57	\$ 39.08
Accounting Technician III	\$ 35.97	\$ 43.17
Administrative Assistant - Board Secretary	\$ 44.33	\$ 53.20
Chief Operator	\$ 58.00	\$ 69.60
CMMS/GIS Coordinator	\$ 46.13	\$ 55.36
Construction Inspector I	\$ 36.70	\$ 44.04
Construction Inspector II	\$ 40.54	\$ 48.64
Construction Inspector III	\$ 44.78	\$ 53.73
Customer Service Technician I	\$ 27.23	\$ 32.67
Customer Service Technician II	\$ 30.07	\$ 36.09
Customer Service Technician III	\$ 33.22	\$ 39.87
Distribution Lead Worker	\$ 50.46	\$ 60.55
Distribution Operator I	\$ 32.57	\$ 39.08
Distribution Operator II	\$ 35.97	\$ 43.17
Distribution Operator III	\$ 39.74	\$ 47.69
Distribution Operator IV	\$ 43.90	\$ 52.67
Distribution Maintenance Temporary Helper	\$ 20.00	\$ 20.00
Electrical & Instrumentation Technician	\$ 49.96	\$ 59.95
Engineering Technician I	\$ 34.92	\$ 41.90
Engineering Technician II	\$ 38.57	\$ 46.28
Engineering Technician III	\$ 42.60	\$ 51.12
Information Technology Technician I	\$ 35.62	\$ 42.74
Information Technology Technician II	\$ 39.34	\$ 47.21
Maintenance Chief	\$ 55.18	\$ 66.22
Meter Maintenance Technician	\$ 35.97	\$ 43.17
Meter Technician	\$ 33.89	\$ 40.67
Pump Station Lead	\$ 55.18	\$ 66.22
Pump Station Operator	\$ 43.90	\$ 52.67
Pump Station Technician	\$ 48.01	\$ 57.61
Purchasing Agent	\$ 37.43	\$ 44.92
Senior Accountant	\$ 49.46	\$ 59.35
Utilities Coordinator	\$ 45.68	\$ 54.81
Utilities Maintenance Worker I	\$ 26.96	\$ 32.35
Utilities Maintenance Worker II	\$ 29.78	\$ 35.73
Utilities Mechanic I	\$ 36.33	\$ 43.60
Utilities Mechanic II	\$ 40.14	\$ 48.16
Water Efficiency Helper	\$ 25.90	\$ 31.09
Water Efficiency Lead Worker	\$ 38.57	\$ 46.28
Water Efficiency Technician I	\$ 31.61	\$ 37.93
Water Efficiency Technician II	\$ 34.92	\$ 41.90
Water Treatment Plant Operator I	\$ 34.57	\$ 41.48
Water Treatment Plant Operator II	\$ 38.19	\$ 45.82
Water Treatment Plant Operator III	\$ 42.18	\$ 50.62
Water Treatment Plant Operator IV	\$ 46.60	\$ 55.91

Exempt Positions (Annual Salaries based on 2080 Hours)	Annual Rate Range	
	Minimum	Maximum
Associate Engineer	\$ 121,846.40	\$ 146,203.20
Customer Service Manager	\$ 134,596.80	\$ 161,512.00
Director of Engineering Services	\$ 164,216.00	\$ 197,080.00
Director of Finance	\$ 164,216.00	\$ 197,080.00
Director of Operations	\$ 164,216.00	\$ 197,080.00
Field Services Manager	\$ 134,596.80	\$ 161,512.00
Information Technology Manager	\$ 134,596.80	\$ 161,512.00
Safety/Regulatory Compliance Coordinator	\$ 113,651.20	\$ 136,364.80
Senior Engineer	\$ 134,596.80	\$ 161,512.00
Water Resources Manager	\$ 134,596.80	\$ 161,512.00
Water Treatment Plant Manager	\$ 150,155.20	\$ 180,190.40
General Manager (Contract)	\$ 208,000.00	\$ 208,000.00

Compensation Schedule incorporates Board approved COLA's of 3.8% and .9%, approved retroactive to July 2, 2022 on August 3, 2022 and January 25, 2023 respectively.

San Juan Water District

Fiscal Year 2023-24 Budget

RESOLUTION NO. 23-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2023-2024

WHEREAS, District staff has prepared a budget for the fiscal year 2023-2024 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2023-2024 budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including contributions to reserves sufficient to return them to prudent levels; and

WHEREAS, after conducting a workshop and a public hearing on the proposed budget the Board of Directors has approved the same.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Juan Water District as follows:

1. That certain document referred to as "The San Juan Water District Proposed Budget Fiscal Year 2023-2024," and all schedules, exhibits and policies contained therein, is hereby adopted and the appropriations for the annual budget of the San Juan Water District for the fiscal year beginning on July 1, 2023 and ending on June 30, 2024, are hereby adopted; and
2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and
3. The General Manager is authorized to approve expenditure adjustments within individual accounts and line items so long as the total appropriated is not exceeded.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 28th day of June 2023, by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:

DAN RICH
President, Board of Directors
San Juan Water District

ATTEST

TERI GRANT
Secretary, Board of Directors

San Juan Water District

Fiscal Year 2023-24 Budget

Glossary of Terms

The budget contains specialized and technical terminology and acronyms that are unique to public finance and budgeting. To assist the reader in understanding these terms and acronyms, a budget glossary has been included herein.

Term	Definition
Acre-Foot	The volume of water that will cover one acre to a depth of one foot. One acre-foot of water equates to 325,828.8 gallons.
Allocation	A distribution of funds or costs from one account or appropriation to one or more accounts or appropriations.
Ashland	City of Folsom, north of the American River.
Assets	Resources owned or held by SJWD which have monetary value.
Audit	An investigation, done by an independent certified public accounting firm to provide an opinion on whether or not the financial statements of the SJWD are prepared in conformance with generally accepted accounting principles for government entities within the United of States of America, and are free of material errors or misstatements.
Authorized	Given the force of law (e.g., by statute). For some action or quantity to be authorized, it must be possible to identify the enabling source and date of authorization.
Beginning/Ending Fund Balance	Appropriated resources available in a fund from the prior/current year after payment of the prior/current year's expenses. This is not necessarily cash on hand.
Best Management Practices (BMPs)	Proven and reliable water efficiency technologies and programs that address residential, commercial, industrial, and landscape water uses.
Bond	A written promise to pay a sum of money with a specific interest rate, at a specific time. In the budget document, these payments are identified as a debt service.
Budget	A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.
Transmittal Letter	A general discussion of the proposed budget as presented in writing by the General Manager to the Board of Directors and Rate payers. The message contains an explanation of principal budget items and summaries found in the prepared budget relative to the current year adopted budget.
Capital Budget	The portion of the annual budget that appropriates funds for the purchase of capital equipment items and capital improvements.
Capital Improvements Program (CIP)	A long-range plan of the District for the construction, rehabilitation and replacement of the District-owned infrastructure.
Capital Outlay	A character of expenditure of funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction.

Term	Definition
Central Valley Project (CVP)	California water project owned by the United States and managed by the Bureau of Reclamation for diversion, storage, carriage, distribution and beneficial use of waters of the Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries. The CVP is composed of some 20 reservoirs with a combined capacity of more than 11 million acre-feet, 11 power plants, and more than 500 miles of major canals and aqueducts. The CVP delivers about 7 million acre-feet of water annually for agricultural, urban, and wildlife use.
COLA	Cost of Living Adjustment – an increase to base wages designed to keep an employee's pay even with inflation.
Debt Service	The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.
Delta	The Delta is the largest estuary on the west coast and the hub of California's water system. It is formed by California's two largest rivers, the Sacramento and San Joaquin. The Delta has increasingly become a center of controversy as federal, state, and local governments and private entities have sought to make use of its resources.
Department	An operational and budgetary unit designated by the General Manager to define and organize District operations.
Depreciation	The process of matching the cost of a fixed asset (property, equipment, software, etc.) to the time periods over which it is used. As an example, if a piece of equipment has an estimated useful life of ten years and a purchase price of \$5,000; each year is charged \$500 of depreciation over the equipment's ten year life, and the value of the asset is reduced accordingly.
Division	A major administrative unit of the District which has overall management responsibility for an operation of a group of related operations within a functional area.
Estimated Revenues	The budgeted, projected revenues expected to be realized during the budget (fiscal) year to finance all or part of the planned expenditures.
Expenditure	The actual payment for goods and services.
Expenses	The incurrence of liabilities or the consumption of assets arising from the delivery or production of goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operation.
Fiscal Year (FY)	The time period designated by the District signifying the beginning and ending period for recording financial transactions. The District has specified July 1 to June 30 as its fiscal year.
Full Time Equivalent (FTE)	The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year (2,080 hours).

San Juan Water District

Fiscal Year 2023-24 Budget

Term	Definition
Fund	A set of accounting books with a self-balancing group of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.
Fund Balance	For accounting purposes, the excess of a fund's assets over its liabilities. For budgeting purposes, the accumulated excesses of a fund's resources over its expenditures.
Generally Accepted Accounting Principles (GAAP)	The accounting principles, rules, conventions, and procedures that are used for accounting and financial reporting. GAAP for governments are set by the Governmental Accounting Standards Board (GASB), the accounting and financial reporting standards setting body for state and local governments.
Grants	Contributions of gifts or cash or other assets from another government to be used or expended for a specific purpose, activity or facility, with no obligation to repay (in contrast to a loan, although the award may stipulate repayment of funds under certain circumstances).
Great Recession	A term that represents the sharp decline in economic activity during the late 2000's, which is considered to most significant downturn since the Great Depression. The term "Great Recession" applies to both the U.S. recession, officially lasting from December 2007 to June 2009, and the ensuing global recession in 2009. The economic slump began when the U.S. housing market went from boom to bust, and large amounts of mortgage-backed securities and derivatives lost significant value.
Infrastructure	Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, parks and airports.
Line Item	The description of an object of expenditure, i.e. salaries, supplies, professional services and other operational costs.
Operating Budget	The normal, ongoing costs incurred to operate the District, specifically excluding the capital program budget.
Operating Expenses	Expenditures for materials, supplies and services which are ordinarily consumed within a fiscal year and which are not included in the program inventories or capital budget.
Ordinance	A formal legislative enactment by the Board of Directors. It is the full force and effect of law within the District boundaries unless pre-empted by a higher form of law.
Program	A group of related activities performed by one or more organizational units for the purpose of accomplishing a District responsibility.
Reclamation	United States Bureau of Reclamation
Resolution	A special order of the Board of Directors, which has a lower legal standing than an ordinance.

San Juan Water District

Fiscal Year 2023-24 Budget

Term	Definition
Resources	Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.
Reserve	An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriations.
Reimbursements	An amount received as a payment for the cost of services performed/to be performed, or of other expenditures made for, or on behalf of, another entity. Reimbursements represent the recovery of an expenditure.
Revenue	Moneys that the District receives as income. It includes such items as water sales, fees for services, contributions, interest income and other miscellaneous receipts. Estimated revenues are those expected to be collected during the fiscal year.
Transfer In/(Out)	Movement of resources between two funds. Example: An inter-fund transfer would include the transfer of money from the operations fund to the capital fund to set money aside for future capital infrastructure replacements or improvements.
WEL Garden	A demonstration Water Efficient Landscape Garden located behind the Administration Building of the San Juan Water District.
WTP	The Sidney N. Peterson Water Treatment Plant of the San Juan Water District.

San Juan Water District

Fiscal Year 2023-24 Budget

Acronyms

Acronyms, as may be used in this document, are familiar terms to those in government but not to those who do not work in that setting. While we tried to avoid their use, they do appear occasionally throughout the budget document. The list below explains acronyms that may appear in this document.

Acronym	Definition
ACFR	Annual Comprehensive Financial Report
AF	Acre-feet or Acre-foot
AFR	Auburn Folsom Road
BMPs	Best Management Practices
CCF	100 cubic feet (centum cubic feet), equivalent to 748 gallons
CIP	Capital Improvements Program
CSD	Community Services District
CVP	Central Valley Project
CalPERS	California Public Employees Retirement System
CHWD	Citrus Heights Water District
COLA	Cost of Living Adjustment
FOWD	Fair Oaks Water District
GIS	Geographic Information Services
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
HVAC	Heating, Ventilation, and Air Conditioning
IT	Information Technology
LF	Linear Foot/Feet
MGD	Million gallons a day
OVWC	Orange Vale Water Company
PCWA	Placer County Water Agency
PERS	Public Employees Retirement System
SCADA	Supervisory Control and Data Acquisition
SSWD	Sacramento Suburban Water District
VFD	Variable Frequency Drive
WCA's	Wholesale Customer Agencies
WEL	Water Efficient Landscape
WTP	Water Treatment Plant

AGENDA ITEM V-1

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: June 28, 2023
Subject: Presentation of Wholesale Financial Plan and Rate Study

RECOMMENDED ACTION

Receive and discuss report.

BACKGROUND

The District's last Wholesale Financial Plan and Rate Study was completed in January 2017, resulting in a five-year rate schedule ending January 1, 2021. The effective rate increases under that schedule were as follows:

January 2017:	16%
January 2018:	9%
January 2019:	9%
January 2020:	9%
January 2021:	5%

On June 26, 2019, the Board of Directors approved a revised rate schedule, effective July 2019, for the last two quarters of calendar year 2019, through calendar year 2021. The revision, due to the refinancing of the 2009 Certificates of Participation Debt with the 2017 Refunding Bonds, lowered the debt service charge by approximately \$525,000 per year.

In December 2019, at the request of the Wholesale Customer Agencies, the San Juan Water District's Board of Directors approved a change in the allocation of the fixed service charge. Prior to the change, the fixed service charge was allocated to each agency based upon a blend of their average water deliveries during calendar years 2012-2016 and the relative number of customer accounts. Commencing in January 2020 the service charge was allocated each calendar year based upon the rolling 5-year average of water deliveries. Under this new methodology, the total amount of revenue to be collected via the service charge remained as set by the Financial Plan, but the allocation changed each January based upon the past five years of water deliveries per agency. Furthermore, the debt service charges were consolidated into the fixed quarterly charge.

Outside of the annual reallocation of the fixed charge, there were no wholesale rate increases in January 2022 or January 2023 while the District was working on the

next Wholesale Master Plan. The Wholesale Master Plan was substantially completed in FY 2022-23, identifying the capital improvements needed to the wholesale system over the next 10 years.

CURRENT STATUS

Hildebrand Consulting was retained to update the financial plan and develop recommendations for Wholesale water rates for a five-year period from calendar year 2024 through 2028. 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 2022-23 Adopted Budgets as the base year for analysis. In forecasting subsequent years, the following adjustments were made:

- The one-time \$1 million budgeted cost for environmental review for the Warren Act contract renewal was not repeated in subsequent years.
- Assumed resumption of discretionary payment of \$85,000 per year towards unfunded pension liability starting in FY 2023-24.
- Salaries and benefits were reduced by \$41,038 to reflect the changes in labor allocation stemming from the District's 2023 Cost Allocation Study.

The Financial Plan recommends the following rate increases:

Fiscal Year	Implementation Date	Rate Revenue Adjustment	Proposed Rate
2023/24	January 1, 2024		5.0%
2024/25	January 1, 2025		5.0%
2025/26	January 1, 2026		5.0%
2026/27	January 1, 2027		4.0%
2027/28	January 1, 2028		4.0%

The increases are primarily driven by the following inflation assumptions:

- General expense inflation:
 - 6% in FY 2023-24
 - 4% in FY 2024-25
 - 3% thereafter
- Energy and chemical inflation of 5% per year
- Construction cost inflation of 3% per year

STAFF REPORT

*Wholesale Financial Plan and Rate Study
Donna Silva*

The rate plan excludes revenues from the treatment of surface water for the Sacramento Suburban Water District as those revenues are uncertain from year to year. It also does not consider establishing reserves for capital needs outside of the 10-year planning horizon.

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, paying down the District's unfunded pension liability, renegotiation of water contracts, water transfers to generate additional revenues, revenues received for the treatment of Sacramento Suburban Water District's surface water purchased from others, reducing the District's salary schedule to market median, etc.

Next Steps:

The District will send the required 150-Day Notice of Proposed Changes in Water Rates and Charges by July 16, 2023. District staff will conduct stakeholder meetings during the comment period and ask the Board to consider adoption of the proposed rate schedule at its December 13, 2023 meeting. If approved, the new rate schedule would go into effect on January 1, 2024.

Attachments:

San Juan Water District Draft 2023 Wholesale Water Rate Study Report
San Juan 2023 Wholesale Rate Study Presentation



DRAFT

2023 Wholesale Water Rate Study Report

May 30, 2023



May 30, 2023



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

Re: **Draft** 2023 Wholesale Water Rate Study

Dear Ms. Silva,

Hildebrand Consulting is pleased to present this 2023 Wholesale 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 Board.

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

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 appears to read "Mark Hildebrand".

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

TABLE OF CONTENTS

SECTION 1.	INTRODUCTION.....	4
1.1	UTILITY BACKGROUND.....	4
1.2	PROJECT BACKGROUND AND SUMMARY.....	5
1.3	STUDY METHODOLOGY	7
SECTION 2.	WHOLESALE FUND FINANCIAL PLAN	9
2.1	FUND STRUCTURE	9
2.2	BEGINNING FUND BALANCES	10
2.3	HISTORICAL AND FORECASTED WATER USAGE	10
2.4	RATE REVENUE.....	13
2.5	NON-RATE REVENUES.....	13
2.6	CURRENT AND PROJECTED OPERATING EXPENSES.....	14
2.7	EXISTING DEBT EXPENSES	16
2.8	CAPITAL IMPROVEMENT PROGRAM.....	16
2.9	DEBT STRATEGY	16
2.10	DEBT SERVICE COVERAGE	18
2.11	RESERVE POLICIES.....	18
2.12	PROPOSED RATE REVENUE INCREASES.....	20
SECTION 3.	COST OF SERVICE & RATE STRUCTURE	24
3.1	CURRENT RATES	25
3.2	ALLOCATION OF COSTS AND PROPOSED RATES	26
SECTION 4.	CAPITAL FACILITY CHARGES	32
SECTION 5.	TREAT AND WHEEL RATES	33
SECTION 6.	HINKLE PUMPING SURCHARGE	35
SECTION 7.	CONCLUSION	37

LIST OF TABLES

TABLE 1: HISTORICAL ANNUAL WATER DELIVERIES BY FISCAL YEAR	11
TABLE 2: PROJECTED ANNUAL WATER DELIVERIES	12
TABLE 3: SUMMARY OF PROPOSED DEBT ISSUE	18
TABLE 4: RECOMMENDED WATER RATE REVENUE INCREASE	22
TABLE 5: CURRENT WHOLESALE RATE SCHEDULE	25
TABLE 6: COST ALLOCATION METRICS	28
TABLE 7: COST ALLOCATION STEPS	29
TABLE 8: PROPOSED RATES FOR CY 2024.....	30
TABLE 9: ESTIMATED TOTAL COSTS TO MEMBER AGENCIES FOR CY 2024 ¹	31
TABLE 10: CAPITAL FACILITY CHARGE SCHEDULE FOR ORANGEVALE WATER COMPANY.....	32
TABLE 11: RECOMMENDED WATER RATE REVENUE INCREASE	34
TABLE 12: HINKLE PUMPING SURCHARGE CALCULATIONS	35

LIST OF FIGURES

FIGURE 1: HISTORICAL AND PROJECTED ANNUAL WATER DELIVERIES	11
FIGURE 2: BUDGETED REVENUE CATEGORIES (FY 2022/23)	14
FIGURE 3: BUDGETED OPERATING EXPENSE CATEGORIES (PROJECTED FY 2022/23).....	15
FIGURE 4: FORECASTED CAPITAL SPENDING WITH DEBT STRATEGY.....	17
FIGURE 5: FINANCIAL PROJECTION WITH RECOMMENDED RATE REVENUE INCREASES	22

LIST OF SCHEDULES

SCHEDULE 1 - CASH FLOW PRO FORMA (OPERATING FUND AND CAPITAL FUND)

SCHEDULE 2 - 10-YEAR CAPITAL SPENDING PLAN

SCHEDULE 3 - 5-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
COSA	cost of service analysis
CY	calendar year
DCR	debt service coverage ratio
FY	fiscal year (which ends on June 30 for the District)
O, M, R, & D	operation, maintenance, replacement, and debt
OPEB	Other Post-Employment Benefits
SJWD	San Juan Water District
SSWD	Sacramento Suburban Water District
UWMP	Urban Water Management Plan

Section 1. INTRODUCTION

The San Juan Water District (“SJWD” or “District”) retained Hildebrand Consulting, LLC. to update the District’s ten-year wholesale financial plan and develop recommendations for annually updating water rates for a five-year period from calendar year (CY) 2024 through 2028. The purpose of this Study was to ensure that the District’s wholesale water system continues to meet financial obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves. 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 forty-six square miles in northeastern Sacramento and southeastern Placer Counties. The District wholesales water to five “member agencies”: San Juan Water District Retail, Citrus Heights Water District, Fair Oaks Water District, Orangevale Water Company, and the City of Folsom (for its customers north of the American River).

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.

1.2 PROJECT BACKGROUND AND SUMMARY

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

The scope of this Study is to prepare a multi-year financial plan, review the allocation of costs to member agencies, and propose a 5-year rate schedule. 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 standards¹ and California's legal requirements.

One focus of this 2023 wholesale water financial plan is to help ensure adequate funding of the District's wholesale capital improvement program (CIP). The CIP includes a \$23 million project to replace the cover and liner of the Hinkle Reservoir. The financial plan presented herein indicates the funding of the debt that was issued in 2023 to fund this

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

capital program. Based on financial plan analyses, all other planned capital improvement projects over the next 10 years can be funded on a pay-as-you-go basis.

In other respects, the wholesale financial plan provides a strategy for maintaining sufficient reserves to cash fund most capital projects in the future.

Wholesale water rate calculations were updated based on the revenue needs developed through the financial planning process. The cost allocation methodology used in the rate calculations is consistent with past studies, with the exception of the following modifications.

- 1) While the wholesale water rates will continue to include a uniform water usage charge and fixed service charge, this Study proposed to ensure that all of the District's fixed costs are recovered through the fixed service charges. This completes a shift in this direction that was started in the 2017 Wholesale Rate Study. Fixed costs are considered to be any cost that does not increase or decrease in direct response to increases or decreases in water deliveries. This Study has found that about 88 percent of the District's costs are fixed.
- 2) While the 2017 Wholesale Rate Study had a separate fixed charge for debt service obligations, this Study proposes to have all fixed costs paid by a single fixed charge (as has been the District's practice over the past few years).
- 3) While variable rates are clearly charged based on actual water deliveries to each member agency, the allocation of fixed costs has been a source of debate. The 2017 Wholesale Rate Study proposed to allocate fixed costs based primarily on the average water usage by each member agency over the previous 5 years. Since that time, the District has agreed to allocate fixed costs based on each agency's most recent five-year average water usage. This Study proposes to allocate fixed costs based on each agency's peak annual water usage over the past 10 years. A more detailed explanation is provided in Section 3.2).

Continuing with current practices, fixed service charges as well as capital facilities charges (see Section 4), will be billed to each member agency on a quarterly basis in

advance, and water usage charges will be billed in arrears following the end of each quarter based on the actual water used during the quarter.

During the course of this Study, preliminary results and recommendations were presented to the District's Board of Directors. In addition, member agencies were provided with a 150-day period during which to comment on this report. This report reflects consideration of comments received from member agencies, new information that became available since prior drafts, as well as direction provided by the District's Board of Directors and staff.

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. 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 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. The financial plan is a cash-flow model and differs from standard accounting income statements and balance sheets which include non-cash accounting such as depreciation expense.

Revenue requirements calculated for fiscal year ending June 2024 (FY 2023/24²) were then used to perform a detailed cost-of-service analysis (COSA). The COSA and rate

² Fiscal years are sometimes indicated by their ending years. For example, FY 2023/24, starts on July 1, 2023, and ends on June 30, 2022, can also be expressed as FY 2024.

structure design were conducted based upon principles outlined by the AWWA, legal requirements and other generally accepted industry practices to develop rates that reflect the cost of providing service.

Section 2. WHOLESALE FUND FINANCIAL PLAN

This section presents the Wholesale 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 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 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 two Wholesale Water funds: Wholesale Operating Fund (Fund 10) and Wholesale Capital Fund (Fund 11). The financial plan model is based on the Wholesale fund structure and reserve policies currently used by the District. Similarly, the Board has designated certain revenue streams to be accounted for within this fund and dedicated to the Capital Program and

the financial plan for this study has attempted to replicate those policies as best as possible.

The two funds serve the following purposes:

- **Wholesale Operating Fund (Fund 10)** – The Operating Fund is the primary fund within the Wholesale enterprise. Most Wholesale revenues, including rate revenues, flow into the Operating Fund and all operating and maintenance costs, including debt service payments, are paid out of this fund. In addition, the Operating Fund also supports part of the water enterprise's capital improvement program. Funds are transferred from the Operating Fund to the Capital Fund (Fund 11), which processes the execution of all capital projects.
- **Wholesale Capital Fund (Fund 11)** – The Capital Fund is primarily supported by transfers from Fund 10, but also receives property tax revenue, connection fee revenue, and capital facility charge revenue (see Section 4). All capital projects are executed through this fund.

2.2 BEGINNING FUND BALANCES

The budgeted ending reserve balance for FY 2021/22 in the Wholesale Operating Fund was approximately \$2,054,000 while the ending reserve balance in the Wholesale Capital Fund was approximately \$18,784,000. These reserve 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 2.9).

2.3 HISTORICAL AND FORECASTED WATER USAGE

Historical water usage by member agency by fiscal year is summarized in **Table 1** and in **Figure 1**. This data provides some context into the District’s recent water usage trend as well as context when addressing peak annual water usage data (see Section 3.2).

Table 1: Historical Annual Water Deliveries by Fiscal Year

	San Juan Water District (Retail)	Citrus Heights Water District	Fair Oaks Water District	Orange Vale Water Company	City of Folsom	Total
FY 2007	16,482	19,147	12,140	4,312	1,861	53,942
FY 2008	17,226	16,594	10,729	4,796	1,661	51,006
FY 2009	14,943	14,879	10,519	4,154	1,708	46,204
FY 2010	12,686	11,366	10,707	4,363	1,334	40,456
FY 2011	12,700	12,684	10,307	4,215	1,308	41,214
FY 2012	13,545	13,091	10,122	4,500	1,469	42,728
FY 2013	14,618	14,526	10,740	4,991	1,507	46,382
FY 2014	12,666	12,160	8,766	4,467	1,299	39,357
FY 2015	10,372	10,016	7,787	3,626	1,187	32,988
FY 2016	10,041	9,134	7,137	3,196	963	30,471
FY 2017	10,385	9,775	7,288	3,475	1,062	31,984
FY 2018	11,570	11,202*	6,400	3,900	1,132	34,204
FY 2019	11,254	9,734*	6,394*	3,707	1,080	32,170
FY 2020	12,606	11,407	7,780	3,763	1,194	36,750
FY 2021	13,781	10,361	8,202	4,333	1,239	37,916
FY 2022	11,922	7,852	6,723	3,876	1,092	31,465

*FY 2018/19 surface water deliveries to CHWD & FOWD were reduced by 1,446 and 1,587 acre feet respectively, due to a groundwater substitution transfer that occurred.

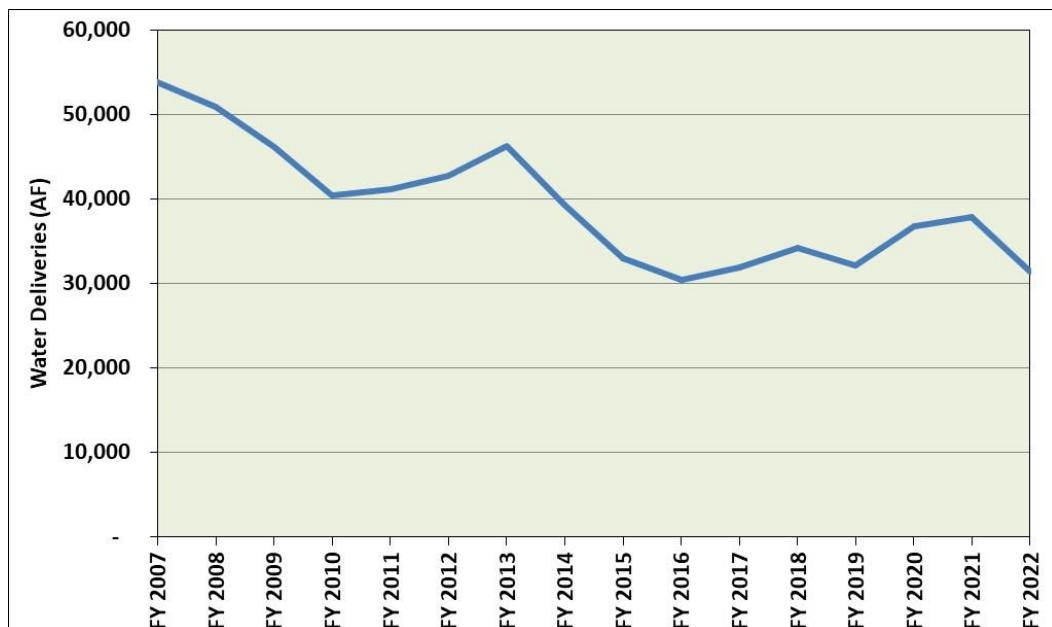


Figure 1: Historical and Projected Annual Water Deliveries

The Sacramento region has predominantly been in drought conditions over the past 10 years, interspersed with record rainfall years such as the current rain season. As such, it is difficult to predict the collective future water demands by the member agencies. This

Study relies on each member agencies' respective 2020 Urban Water Management Plan (UWMP) to provide the best available forecast of future water usage. The UWMPs' projections of water usage include assumptions regarding growth and future conservation trends. The projected water demands for calendar years 2025, 2030 and 2035 provided in **Table 2** and consider both UWMP projections as well as (1) an assumption that Fair Oaks Water District will derive 30 percent of its water supply from local groundwater (based on a recent policy that was not considered in the UWMP) and (2) starting in CY 2025 Orangevale Water District will begin to derive 500 AF of water supply from a rehabilitated well.

In the most recent complete calendar year (CY 2022), the District provided 31,088 AF to its member agencies (see Table 2). The forecast numbers in Table 2 represent an overall increase in total water demand of 3.2 percent per year between 2022 and 2025, an overall increase of 0.3 percent per year between 2025 and 2030 and an overall increase of water usage of just over 0.1 percent between 2030 and 2035. This Study uses these water usage trend projections in applicable analysis.

Table 2: Projected Annual Water Deliveries

	San Juan Water District (Retail)	Citrus Heights Water District	Fair Oaks Water District	Orange Vale Water Company	City of Folsom	Total
CY 2022¹	12,033	7,970	5,953	4,033	1,099	31,088
CY 2023³	11,789	8,963	6,426	3,755	1,107	32,040
CY 2024³	11,549	10,080	6,936	3,497	1,115	33,177
CY 2025²	11,300	10,949	7,372	3,200	1,123	33,944
CY 2026³	11,320	11,014	7,383	3,220	1,124	34,061
CY 2027³	11,340	11,079	7,395	3,240	1,125	34,179
CY 2028³	11,360	11,145	7,407	3,260	1,126	34,298
CY 2029³	11,380	11,211	7,418	3,281	1,127	34,417
CY 2030²	11,400	11,273	7,430	3,300	1,128	34,531
CY 2031³	11,380	11,326	7,455	3,300	1,122	34,582
CY 2032³	11,360	11,379	7,480	3,300	1,115	34,634
CY 2033³	11,340	11,432	7,505	3,300	1,109	34,686
CY 2034³	11,320	11,486	7,530	3,300	1,103	34,738
CY 2030²	11,300	11,537	7,554	3,300	1,096	34,787

¹ Based on actual flows

² Based on 2020 UWMP projections and other assumptions (see text)

³ Inferred based on other values in table (see text).

2.4 RATE REVENUE

Rate revenue is the revenue collected from member agencies for wholesale water service. The District collects rate revenue on a quarterly basis from member agencies in the form of Water Usage Rates and a Quarterly Service Charge. The financial plan starts with rate revenue levels that were budgeted for FY 2022/23. Budgeted and projected rate revenues (including proposed rate adjustments) are listed in **Schedule 1**.

2.5 NON-RATE REVENUES

In addition to rate revenue, the District receives “non-rate revenue” from sources such as miscellaneous operating revenue, property taxes, connection fees, treat and wheel rates (see Section 5), miscellaneous water sales to other entities (namely Granite Bay Golf Course), capital facility fees (see Section 4), and Hinkle pumping surcharges (see Section 6), and interest revenue on investments. Projections for miscellaneous operating revenue, property taxes, and connection fees were based on FY 2022/23 budgeted revenues. The least predictable source of revenue is the treat and wheel rates paid by SSWD, due to the highly variable amount of water purchased by SSWD from one year to the next. Over the past 10 years, SSWD has purchased as much as 13,600 AF and as little zero AF. Due to this variability, and no minimum purchase requirement for SSWD, it is very difficult to predict how much water SSWD will purchase going forward. Given the uncertainty of this source of revenue, the financial plan assumes no revenue from SSWD. Prior wholesale financial plans have excluded this revenue source for the same reason.

Future annual interest income was calculated based upon projected fund balances and assumed interest rate of 1.0 percent, which is consistent with the District’s historical interest earnings relative to its total reserve levels. Property tax revenue is forecasted to increase by 2 percent per year. Budgeted non-rate revenues are depicted in **Figure 2** below and listed in detail in **Schedule 1**.

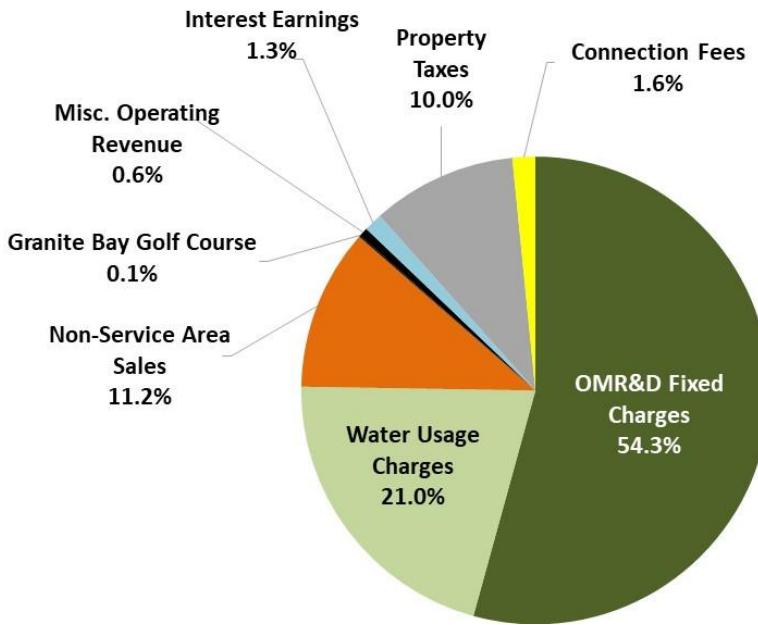


Figure 2: Budgeted Revenue Categories (FY 2022/23)

2.6 CURRENT AND PROJECTED OPERATING EXPENSES

The District's expenses include operating and maintenance expenses, debt service, and capital spending. Debt service expenses are addressed in Section 2.10 and capital spending is addressed in Section 2.8.

Future operating and maintenance expenses were projected based upon the budgeted expenditures for FY 2022/23 and adjusted for inflation. There were three exceptions of the carry-over of the FY 2022/23 budget to FY 2023/24: (1) the “one-time” \$1 million cost for environmental review for the Warren Act contract renewal in the FY 2022/23 Source of Supply budget was not repeated in subsequent years and (2) an increase of \$85 thousand in the annual contribution to unfunded liabilities was added starting in FY 2023/24. Lastly, an adjustment of \$(41,038) was made to the FY 2022/23 salaries and benefits budgeted expenses to reflect the changes in labor allocations stemming from the District’s 2023 Cost Allocation Study. As a result of that study the labor allocations for five positions will be changed starting in FY 2023-24.

Major budgeted expense categories are depicted in **Figure 3**. Projected operating and maintenance costs are listed in detail in **Schedule 1**. This schedule specifically breaks out the costs of energy, chemical and maintenance since these variable expenses are a key topic of discussion in the proposed rate structure modifications (see Section 3).

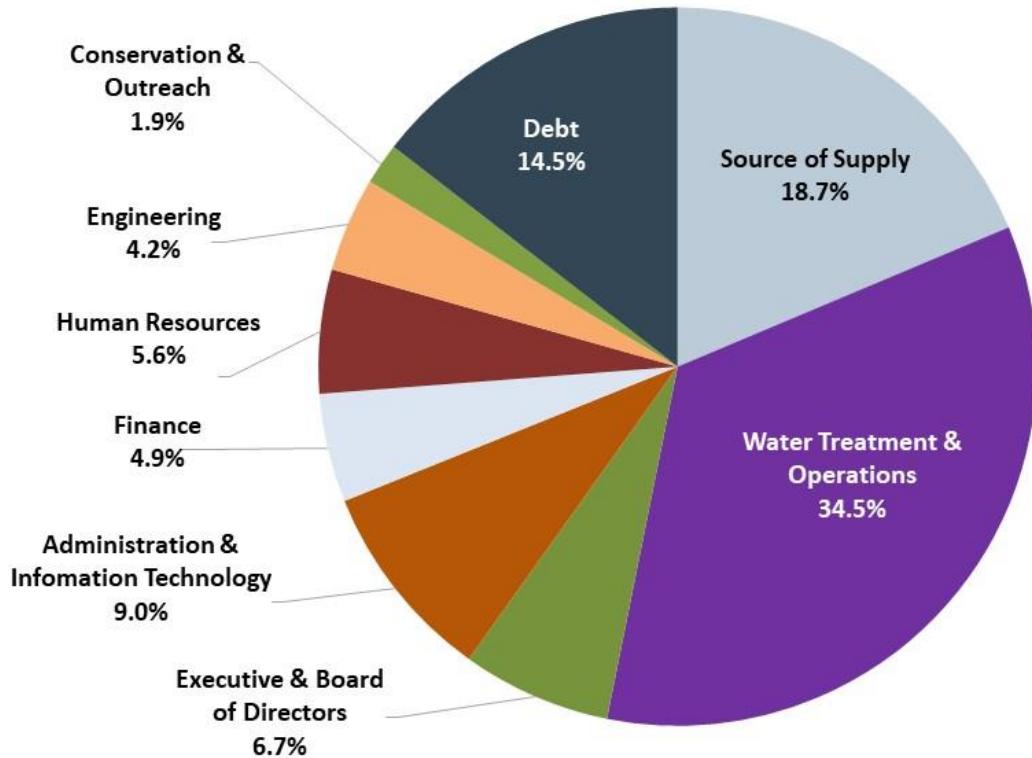


Figure 3: Budgeted Operating Expense Categories (Projected FY 2022/23)

Annual cost escalation factors for various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff regarding recent trends. During the projection period, general inflation is projected to increase by 6 percent in FY 2023/24, 4 percent in FY 2024/25, and 3 percent thereafter. Expenses related to energy and chemicals are projected to increase at a rate of 5 percent per year for the study period. Construction costs are projected to increase by 3 percent per year for the study period.

2.7 EXISTING DEBT EXPENSES

The Wholesale enterprise's current debt obligations include a 2017 refunding revenue bond and a 2022 refunding private placement loan. A portion of these debt obligations is shared with the Retail enterprise (Wholesale is responsible for 60 percent of the 2017 debt and 64.81 percent of the 2022 debt). In FY 2022/23, the Wholesale portion of annual debt service on the 2017 bonds totals about \$581,000 and about \$937,200 for the 2022 loan. While the cost of the Wholesale debt is allocated among the member agencies as described in Section 3, the City of Folsom is also directly responsible for a portion of the 2022 refunding loan.

2.8 CAPITAL IMPROVEMENT PROGRAM

The District has developed a 2022 Master Plan that describes the capital projects and spending that is necessary in order to pro-actively address water system rehabilitation needs associated with aging pipes, pump stations, water tanks, and other system deficiencies. Over the past seven years, the District has spent an average of approximately \$3.1 million per year in capital reinvestment projects. The Wholesale 2022 Master Plan calls for a slight increase in the average annual capital spending (to \$3.4 million) with the exception of a single outlier project: the Hinkle Reservoir Cover & Liner Replacement project in 2024 for \$23.1 million dollars. A detailed list of capital projects and associated costs is provided in **Schedule 2**. Notable projects include Powdered Activated Carbon System (\$1.5 million), Filter Channel Lining/Underdrain Inspection (\$3.3 million), Drying Bed Improvements (\$1.2 million), Hinkle Reservoir Temporary Tanks, Piping, & Electrical (\$1.6 million), Reline 60" Pipe from Filters to Inlet Structure (\$1.8 million), and Administration/FO/Engineering Building Improvement/Replacement (Wholesale portion \$3.2 million).

2.9 DEBT STRATEGY

While the District typically tries to cash-finance capital projects whenever possible, there are instances when debt financing is appropriate. Such instances are typified by abnormally large spikes in capital spending, such as the Hinkle Reservoir cover

replacement project. Such spikes in capital spending can either be addressed by drawing down existing reserves or by issuing new debt.

Dating back to the 2017 Wholesale Rate Study, the District has planned to debt-finance the Hinkle Reservoir cover replacement project. In fact, the District has already adopted a “Hinkle Reservoir debt service charge” which is designed to pay for the debt service associated with the project³. **Figure 4** shows how this debt strategy effectively “shaves” the spike in capital spending created by the Hinkle Reservoir project, and subsequently mitigates the need for cash in the immediate future.

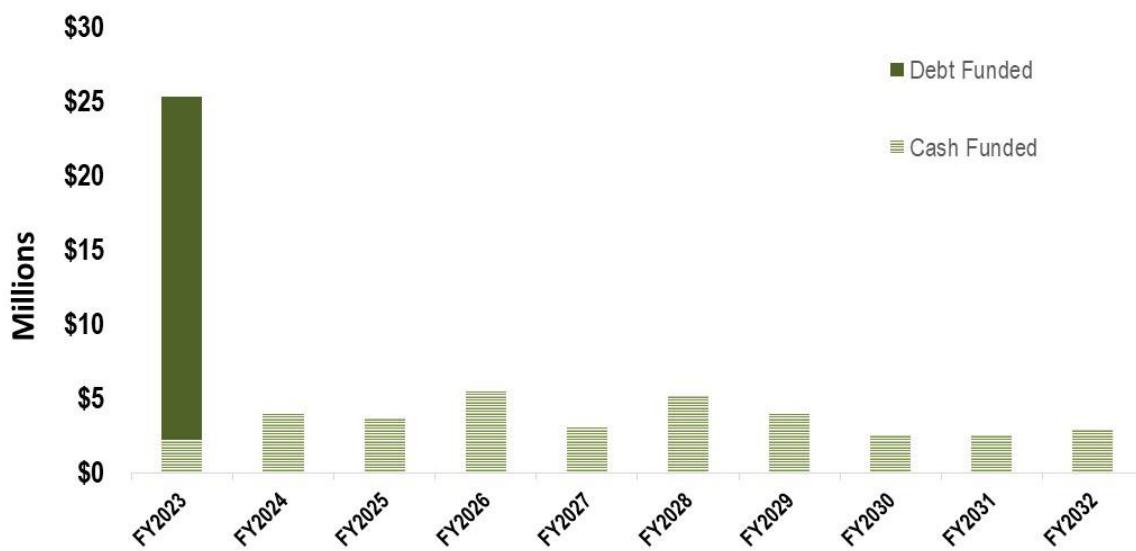


Figure 4: Forecasted Capital Spending with Debt Strategy

This Study assumes receiving a loan through the State of California’s Drinking Water Revolving Loan Fund (SRF) with a repayment period of 30-years, a fixed interest rate of

³ The existing Hinkle Reservoir debt service charge, which has not actually been collected from member agencies, will be superseded by the recommendations of this Study.

1.2 percent and no issuance costs⁴. The total proposed debt principal would amount to \$23.12 million.

Table 3 summarizes some of the details of the proposed new debt issues, including the timing and the ensuing annual debt service.

Table 3: Summary of Proposed Debt Issue

Total Loan Issue	\$23,120,600
Interest Rate on Borrowings	1.2%
Debt Maturity (years)	30
First Full Payment Year	FY 2024
First Year of Interest Payments	FY 2023
Approx. Annual Debt Payments	\$922,281

2.10 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 San Juan Water District's Retail enterprise and Wholesale enterprise. Based on published guidance from Fitch Ratings, utility systems with *midrange* financial profiles should maintain a DCR greater than 1.5 times annual debt service. This financial plan estimates that a DCR of at least 2.14 will be maintained throughout the planning period.

2.11 RESERVE POLICIES

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

⁴ 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.

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 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) which were last updated in 2018 (after the 2017 Wholesale Rate Study). The policy recommendations are intended to help the District mitigate and manage financial risk while meeting service and financial obligations.

Wholesale Operating Reserve - The purpose of the 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 percent of the annual operating expenditures (excluding depreciation). This amounts to about \$1.65 million in FY 2022/23.

Wholesale Capital Reserve - The purpose of the Capital Reserve is to accumulate funds necessary to pay for the replacement of the District's aged assets and to fund new Wholesale assets as deemed necessary by the District's Master Plan. As written, the District's 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 Wholesale's fixed assets.
- 2) The balance of the reserve should be equal to the accumulated depreciation for existing Wholesale 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.

In addition to the reasons for the capital reserve cited by the District's policy, the "cushion" provided by working capital 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 2021/22 Comprehensive Annual Financial Report (CAFR), the Wholesale enterprise's accumulated depreciation is approximately \$43 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 equal to 10-year average annual capital spending levels (excluding the Hinkle Reservoir cover replacement project as an outlier) as an interim goal. This equates to a reserve target of \$3.6 million.

Hinkle Debt Reserve – The terms of the Hinkle Reservoir SRF loan (see Section 2.9) requires the District to set aside a cash reserve equal to one year of debt service for the loan (\$922 thousand).

Target Reserves vs. Minimum Reserves – When discussing the three 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 and the Hinkle Debt Reserve) 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.

It should be noted that a series of reserves that existed during the 2017 Wholesale Rate Study are no longer used by the District, including the Rate Stabilization Reserve, the Compensation Absence Reserve, the PERS Stabilization Reserve and the Delta / Water Rights Reserve.

2.12 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 5-year schedule of annual rate adjustments as detailed in **Table 4**.

It is important to understand three important complexities with respect to the percentages shown in Table 4.

- 1) While Table 4 shows a 5 percent increase in rates in FY 2023/34, the *actual* change to the District's adopted rates will be significantly lower because the Table 4 percentages *are relative to the revenue that the District has actually collected* from member agencies. While the Hinkle Reservoir Debt Service Charge was previously adopted by the District, the member agencies have not yet been asked to pay that charge. As is detailed in Section 3, the Hinkle Reservoir Debt Service Charge will be replaced by a revised rate schedule which will ultimately yield rates that are lower than a 5 percent increase to member agencies.
- 2) In addition to the above, the relative change in the rates paid by member agencies will also differ slightly among the member agencies due to the fact that any time there is an update to the cost allocation data, each rate payer will be affected differently.
- 3) The rate increases will happen at the midpoint of each fiscal year; therefore, the revenue increase will only be effective for half of the year. This means that the District's revenue increase in Fiscal Year 2023/24 will only be 2.5 percent.

Table 4: Recommended Water Rate Revenue Increase

Fiscal Year	Rate Implementation Date	Proposed Rate Revenue Adjustment
2023/24	January 1, 2024	5.0%
2024/25	January 1, 2025	5.0%
2025/26	January 1, 2026	5.0%
2026/27	January 1, 2027	4.0%
2027/28	January 1, 2028	4.0%

The numbers provided in **Schedule 1** (cash flow proformas) are summarized graphically in **Figure 5**.

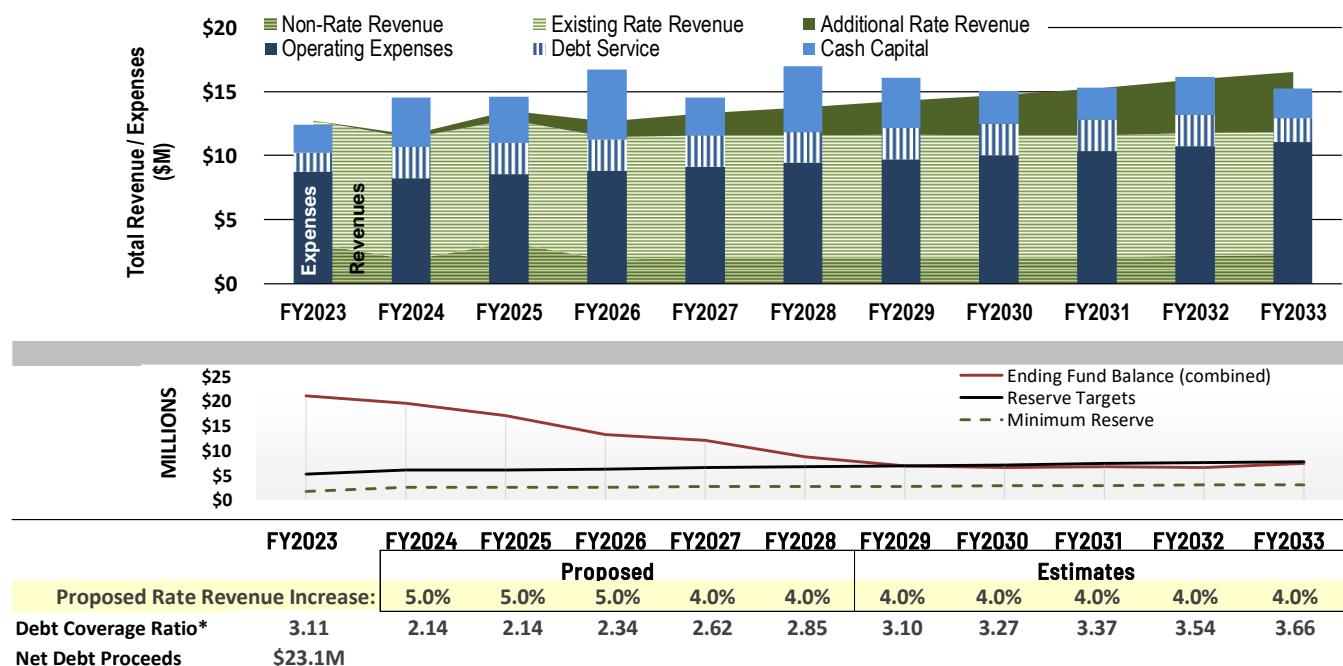


Figure 5: Financial Projection with Recommended Rate Revenue Increases

It is important to understand that the rate revenue increases that are being proposed are only slightly higher than assumed inflation rates (see Section 2.6). The projected rate increases after FY 2027/28 shown in Figure 5 are only estimates to demonstrate that,

based on current forecasts, larger rate increases are not anticipated for that time period.

This financial plan has been developed based on a number of assumptions. It is understood that actual results (such as water usage or inflation) may deviate materially from the projections shown in this report. While it is recommended that the Board adopt the 5-year rate schedule (as shown in Schedule 3), it is also recommended that the District actively monitor the state of reserves over the course of the next 5 years. In the event that reserve levels fall short of projections, it may be necessary to consider higher rate increases than recommended by this report. Conversely, if reserve levels begin to build materially higher than projected by this report, the Board may decide to modify some of the rate increases that had previously been adopted.

Section 3. COST OF SERVICE & RATE STRUCTURE

The Cost-of-Service analysis (COSA) 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 COSA is performed in order to comply with applicable law, which requires the wholesale water rates to not exceed the reasonable costs of providing the service.

Upon completion of the COSA, a rate structure analysis was performed to evaluate rate structure modifications and calculate specific rate schedules for implementation starting in CY 2024. The complete schedule of proposed rates for CY 2024 through CY 2028 as detailed in **Schedule 3**.

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

The wholesale water rates proposed herein were calculated using the same general rate methodology originally developed by the District in 1998 and updated several times since then. The wholesale water rates include a uniform water usage rate applicable to each acre-foot (AF) of water deliveries⁵, a fixed quarterly service charge (which now included debt service costs), and quarterly capital facilities charges (applicable to only some wholesale member agencies and related to specific limited-benefit capital improvement projects, see Section 4).

⁵ The City of Folsom pays an additional usage rate for the Hinkle Pumping Surcharge (see Section 6).

3.1 CURRENT RATES

Current wholesale water rates are presented in **Table 5** for reference purposes. The water rates were last adjusted in January 2023, which was done to re-allocate fixed costs among member agencies based on their most recent water usage, with no change in the total amount of the overall rate revenue received by SJWD.

Table 5: Current Wholesale Rate Schedule

Calendar Year	2023
San Juan Water District	
Water Usage Rate (\$/AF)	\$81.14
Quarterly Fixed Charge	\$578,808.35
Quarterly Hinkle Reservoir Debt Charge ¹	\$133,920.00
Total Quarterly Charge	\$712,728.35
Citrus Heights Water District	
Water Usage Rate (\$/AF)	\$81.14
Quarterly Fixed Charge	\$533,570.81
Quarterly Hinkle Reservoir Debt Charge ¹	\$125,550.00
Total Quarterly Charge	\$659,120.81
Fair Oaks Water District	
Water Usage Rate (\$/AF)	\$81.14
Quarterly Fixed Charge	\$366,991.51
Quarterly Hinkle Reservoir Debt Charge ¹	\$96,255.00
Total Quarterly Charge	\$463,246.51
Orange Vale Water Company	
Water Usage Rate (\$/AF)	\$81.14
Quarterly Fixed Charge	\$189,735.60
Quarterly Hinkle Reservoir Debt Charge ¹	\$46,035.00
Total Quarterly Charge	\$235,770.60
City of Folsom	
Water Usage Rate (\$/AF)	\$81.14
Hinkle Pump Station Surcharge (\$/AF) (2)	\$102.00
Quarterly Fixed Charge	\$56,139.74
Quarterly Hinkle Reservoir Debt Charge ¹	\$12,555.00
Direct Portion of 2022 Refunding Loan ² (Quarterly)	\$18,476.96
Total Quarterly Charge	\$87,171.70
Sacramento Suburban Water District	
Treat and Wheel Rate (\$/AF) (3)	\$220.16

¹ Adopted charge in anticipation of debt for the Hinkle Reservoir Rehabilitation Project. Charges have not yet been assessed.

² Unique charge to the City of Folsom

3.2 ALLOCATION OF COSTS AND PROPOSED RATES

The process for calculating water rates involves (a) determining the annual water rate revenue requirements (as detailed in Section 2) then (b) allocating those costs to each member agency based on the cost of providing service (also known as the cost-of-service analysis, or COSA). This study allocated costs using the District's broad (departmental) cost classifications, including source of supply, water treatment and operations, executive and board of directors, administration and information technology, finance and purchasing, human resources, engineering, water conservation and outreach, debt service, and cash-funded capital expenses (see Table 7). Non-rate revenues and changes in the operating fund balance were also factors in determining the annual revenue requirement.

While this Study proposes a methodology for allocating costs that is consistent with the methodology employed in the 2017 Wholesale Water Rate Study, this Study proposes to further increase the amount of revenue that is collected through fixed charges. The 2017 study began a shift towards recovering more fixed costs through fixed charges, and this current Study proposes to complete the shift by recovering all fixed costs through fixed charges. There are a number of reasons why fixed costs are best recovered with a fixed revenue source, particularly for a wholesale agency with only five member agencies. Fixed costs are (by definition) a certainty for the wholesaler and therefore it stands to reason that those same costs should also be a certainty for the member agencies. Furthermore, recovering fixed costs through a fixed charge provides financial certainty to both parties. Consistent with legal requirements, it is “reasonable” that a wholesale agency require its member agencies to support the wholesaler’s fixed financial obligations through fixed charges. While it is common for *retail* water agencies to recover a certain portion of their fixed revenue through variable charges, it is not appropriate to apply the same rate setting approach to wholesale agencies. There is a material difference in the dynamics of recovering revenue from thousands of end users (with a wide range of water needs) versus recovering revenue from five utilities that are in the same business of providing water service to others.

The following describes the allocation of costs shown in Table 7.

- 1) **Variable costs** are allocated based on actual water deliveries to the member agencies. For the purpose of this Study, variable costs are defined as those costs that change as a *direct result of increased or decreased water deliveries*. These costs include energy (electricity & fuel), chemicals, water purchase costs and some variable maintenance expenses. These costs will ultimately be paid by member agencies based on actual water usage during a given payment period. For the purpose of this Study, it was assumed that the projected water delivery totals for CY 2025 represent an average year for the next five years (note that the relative amount used by each respective member agency during 2025 does not affect the calculations).
- 2) **Most fixed costs** (hereafter “District fixed costs”) are proposed to be allocated to the respective member agencies based on their respective *peak annual water deliveries* over the past 10 years. These fixed costs include most labor, benefits, administration, maintenance, Board expenses, and debt service. The 2017 Wholesale Rate Study allocated such costs based on *average annual water usage* over the 5-year period that immediately preceded the study, while current District practice is to allocate such costs based on the most *recent five-year average water usage (otherwise known as a rolling five-year average)*. It is recommended that the District allocate these fixed costs based on their peak water deliveries from a relatively long time period because peak water usage is an accepted industry standard for measuring the amount of infrastructure that is needed to serve customers. The size (and therefore costs) of the District’s water infrastructure, and operations as a whole, is predominantly driven by the District’s peak water demands. This concept is identical to the commonly used and standard approach for retail water rate setting, which allocates fixed costs to retail customers based on the (peak) capacity of their meter (regardless of how often that full capacity is actually used by the customer). Consistent with the previous discussion regarding fixed versus variable revenue, it is important to understand that the use of a variable metric to allocate fixed costs (such as using the most recent five-years of actual water usage, as has been the District’s recent practice) is both inequitable (because recent actual water usage does not affect the District’s fixed costs) and it creates financial uncertainty and rate volatility for the member agencies. To further underline this last point, the exercise of allocating fixed costs to member agencies is a “zero sum game,” meaning that if one member agency pays less than the other must pay more because the fixed costs need to come from somewhere. Under

the current practice, when one member agency uses relatively less water, more fixed costs are allocated to the other agencies even if their water usage did not change. This creates both financial uncertainty for the member agencies and an arguable inequity (since recent water usage does not actually affect the District's fixed costs). It is worth noting that the peak demands for all five member agencies occurred in the same year (2013, see Table 1).

A final point in support of the use of the (static) peak water usage metric to allocate fixed costs is eliminating the need to recalculate rates every year (as is the current practice), which currently creates additional administrative effort for the District and creates financial uncertainty for the member agencies.

- 3) **Some specific customer-related fixed costs** are allocated to the respective member agencies based on their respective number of retail customers. This is limited to costs that are driven by the number of individual retail customers that are served. These costs are limited to conservation and outreach costs.

Table 6 presents the metrics that are used for allocating costs to the member agencies. These include projected water demands (from FY 2025 as previously explained), peak water usage over the past 10 years, and number of retail accounts.

Table 6: Cost Allocation Metrics

Wholesale Customer	Annual Water Use		Number of Customers (Accounts)
	Variable Costs	Fixed Costs	
	Projection for CY 2025 (AF)	10-Year Peak (AF)	
San Juan WD - RSA	11,300	14,618	10,967
Citrus Heights WD	10,949	14,526	19,845
Fair Oaks WD	7,372	10,740	14,174
Orange Vale WC	3,200	4,991	5,621
City of Folsom	1,123	1,507	1,076
Totals	33,944	46,382	51,684

Table 7 show the departmental costs being allocated to one of the three types of costs described above (Variable, District fixed, or Customer-related fixed). Miscellaneous revenues are credited to the three categories using the indirect allocation method and the use of reserves is credited entirely to the District-fixed costs category.

The lower portion of Table 7 shows how the costs in each category are summed and then expressed as unit costs by dividing the sum total by the applicable metric. For example, the total variable costs are \$960,000 and the unit costs is \$28.28 per AF after dividing those costs by 33,944 AF.

Table 7: Cost Allocation Steps

Cost Category	Total Cost	District Variable Costs	District Fixed Costs	Customer-Related Fixed Costs
		<u>Units of Service</u>		
		33,944 AF	46,382 AF	51,684 Accounts
Source of Supply	\$906,600	\$279,700	\$626,900	
Water Treatment & Operations	\$3,771,000	\$901,000	\$2,870,000	
Executive & Board of Directors	\$708,000		\$708,000	
Administration & Info. Tech.	\$980,000		\$980,000	
Finance & Purchasing	\$528,000		\$528,000	
Human Resources	\$689,000		\$689,000	
Engineering	\$421,000		\$421,000	
Conservation & Outreach	\$203,000			\$203,000
Existing Debt Service	\$1,518,200		\$1,518,200	
Hinkle Reservoir Debt Service	\$922,000		\$922,000	
Capital Outlay	\$3,909,000		\$3,909,000	
Offsetting Miscellaneous Revenues	-\$1,817,800	-\$220,700	-\$1,559,200	-\$37,900
Use of Cash Reserves	-\$2,689,500		-\$2,689,500	
Total Revenue Requirement	\$10,048,500	\$960,000	\$8,923,400	\$165,100
Unit Costs of Service		\$28.28 per actual AF	\$192.39 per peak AF	\$3.19 per account

Table 8 summarizes the proposed rate for the member agencies based on the unit rates shown at the bottom of **Table 9** and the peaking values assigned to each respective member agency. The Quarterly O, M, R, & D Service Charge (operation, maintenance, replacement, and debt) includes both the District fixed costs and the Customer-base fixed costs. Note that Table 8 separates the 2019 Hinkle Debt Service Charge from the O, M, R, & D Service Charge for demonstration purposes only. Going forward the District will combine the two charges (as shown in Schedule 3).

Table 8: Proposed Rates for CY 2024

Member Agencies	Quarterly Charges		
	O, M, R, & D Service Charges	Hinkle Debt Charges	Total Quarterly Charges
San Juan Water District	\$639,200	\$72,650	\$711,850
Citrus Heights Water District	\$642,300	\$72,175	\$714,475
Fair Oaks Water District	\$474,500	\$53,375	\$527,875
Orange Vale Water Company	\$219,725	\$24,800	\$244,525
City of Folsom	\$65,850	\$7,500	\$73,350

Notes:

2023 Hinkle Debt Service Charge is shown separately for transparency only, the adopted rate schedule will include all debt in the the O, M, R, & D Service Charge. Capital facilities charges are not shown. City of Folsom is also subject to a pumping surcharge and an additional debt service charge.

Table 9 has been provided as an *estimate* of the total costs to each member agency in CY 2024. Only an estimate can be provided since the actual Usage charge will depend on actual usage by each respective member agency. As with Table 8, the 2019 Hinkle Debt Service Charge has been broken out from the O, M, R, & D Service Charge for demonstration purposes only.

Table 9: Estimated Total Costs to Member Agencies for CY 2024¹

Wholesale Customers	Usage Rates	District Fixed Cost Charge	Customer-Related Fixed Charge	2023 Hinkle Debt Service Fixed Charge	Total Estimated Annual Costs (\$)	Total Estimated Annual Costs (%)
Unit Costs of Service -->	\$28.28 per actual AF	\$172.51 per peak AF	\$3.19 per account	\$19.88 per peak AF		
San Juan Water District (Retail)						
Units of Service	11,300	14,618	10,967	14,618		
Allocation of Costs	\$319,600	\$2,521,800	\$35,000	\$290,600	\$3,167,000	31.5%
Citrus Heights Water District						
Units of Service	10,949	14,526	19,845	14,526		
Allocation of Costs	\$309,600	\$2,505,900	\$63,300	\$288,700	\$3,167,500	31.5%
Fair Oaks Water District						
Units of Service	7,372	10,740	14,174	10,740		
Allocation of Costs	\$208,500	\$1,852,800	\$45,200	\$213,500	\$2,320,000	23.1%
Orange Vale Water Company						
Units of Service	3,200	4,991	5,621	4,991		
Allocation of Costs	\$90,500	\$861,000	\$17,900	\$99,200	\$1,068,600	10.6%
City of Folsom						
Units of Service	1,123	1,507	1,076	1,507		
Allocation of Costs	\$31,800	\$260,000	\$3,400	\$30,000	\$325,200	3.2%
Totals:	\$960,000	\$8,001,500	\$164,800	\$922,000	\$10,048,300	100%

¹The costs in this table are only estimated because the variable costs assume the water usage as projected for CY 2025. Actual variable costs for each member agency will depend on actual water usage. The fixed costs are accurate for CY 2024.

Section 4. CAPITAL FACILITY CHARGES

In 2015, the District adopted a system of capital facilities charges related to a small number of planned wholesale capital improvement projects that benefit some, but not all, of the wholesale customers. The charges help to ensure equitable and timely cost recovery for these projects and recover the costs for projects with unique cost sharing attributes. The capital facilities charges recover costs through fixed quarterly charges over a five-year period, beginning 18 months prior to the year of construction of affected projects.

The capital facility charges adopted in 2017 have all been paid off. Going forward, the only new project that is a candidate for a capital facility charge is the Hazel Ave 12-inch transmission main replacement project, of which this Study assumes that Orangevale Water Company will be responsible for \$330,000. **Table 10** presents an updated capital facilities charges schedule reflecting the timing of the above charges.

Table 10: Capital Facility Charge Schedule for Orangevale Water Company

CY 2024	\$66,000
CY 2025	\$66,000
CY 2026	\$66,000
CY 2027	\$66,000
CY 2028	\$66,000

Section 5. TREAT AND WHEEL RATES

In October 1994, the District amended an agreement with the Northridge Water District (now Sacramento Suburban Water District, or SSWD) concerning the diversion, treatment, and conveyance of water. Under this agreement, the District agreed to use available surplus capacity to treat and wheel surface water through the wholesale water system to SSWD, upon SSWD's request. The agreement contemplates the delivery of SSWD's own water (or water obtained by SSWD), herein referred to as "SSWD water," or surplus District water, as conditions and circumstances may dictate. Such conditions may include (but are not limited to) Water Forum Agreement conditions. At present, it is generally SSWD water that is moved through the District's wholesale water facilities for delivery to SSWD at the westerly terminus of the cooperative transmission pipeline at C-Bar-C Park.

The relevant section of the 1994 agreement provides the following language for charging SSWD for water deliveries:

4. Payment for Use of Surplus Capacity or Surplus Water. San Juan's charge to Northridge for use of Surplus Capacity in San Juan's Facilities to deliver Surplus Water or Northridge Water shall be at the same average wholesale water rate it charges to San Juan's Member Districts, plus a charge to cover the pro rata cost of treating water to be delivered to Northridge to the extent treatment costs are not included in the wholesale water rate. The charge for using Surplus Capacity to divert, treat, and deliver Northridge Water shall not include the cost-of-water component of San Juan's wholesale water rate, but may include the cost to San Juan to obtain Surplus Water specifically for the purpose of making it available for delivery to Northridge.

While the language from the 1994 agreement has some room for interpretation, the following calculation methodology for determining an appropriate treat and wheel water rate for SSWD was adopted based on the recommendations of the 2017 Wholesale Rate Study.

$$\text{SSWD Rate} = \frac{\text{SJWD Wholesale Revenue Requirements} - \text{Source of Supply costs}}{\text{Estimated Annual SJWD Water Deliveries}}$$

Below the rate has been updated with information reflected in the wholesale financial plan presented in this report, including cost data and water usage assumptions found in Section 3.2.

$$\text{SSWD Rate} = \frac{\$10,048,500 - \$906,600}{33,944} = \$268.88 / AF$$

The proposed rate is lower than the effective per-acre-foot rates paid by wholesale customers.

Based on the proposed overall wholesale water rate increases for 2024 through 2028 from the financial plan model, future SSWD treat and wheel water rates would increase as shown in **Table 11**.

Table 11: Recommended Water Rate Revenue Increase

Calendar Year	Rate per AF
2024	\$268.88
2025	\$282.32
2026	\$296.44
2027	\$308.30
2028	\$320.63

Occasionally the District delivers District-owned water to SSWD, rather than SSWD water. In such situations, there is a separate negotiated rate that may or may not incorporate this treat and wheel rate. Calculating that particular rate is done by the District on an annual basis and is outside of the scope of this study.

Section 6. HINKLE PUMPING SURCHARGE

The Hinkle Booster Pump Station is used to deliver water to the City of Folsom, as well as to distribute water within the San Juan Water District Retail service area. Because this pumping, and related costs, does not affect other member agencies, the District accounts for the pumping costs to ensure that those costs are recovered from San Juan Water District Retail water system as well as an equitable amount from the City of Folsom. The City of Folsom pays these costs through a surcharge on its delivered water. The current surcharge is \$102.00 per AF.

The costs associated with the pump station include labor, electricity, materials, and depreciation expenses. As part of the current update, an annual depreciation expense of \$175,600 was calculated based on an original construction cost of \$3.55 million and an estimated useful life of 40 years. About half of the water through the Hinkle Pump Station is delivered to the City of Folsom, while the other half goes to the SJWD Retail service area. As such, the costs are split evenly between Folsom and SJWD. The surcharge is calculated by dividing Folsom's share of the costs by the typical volume of water delivered to the City of Folsom, as summarized in **Table 12**.

Table 12: Hinkle Pumping Surcharge Calculations

	Annual Costs	Retail Share	Folsom Share
Employee Costs:	\$41,100	\$20,550	\$20,550
Electricity Costs:	\$39,300	\$19,650	\$19,650
Material Costs	\$6,500	\$3,250	\$3,250
Depreciation Expense:	\$175,600	\$87,800	\$87,800
Total:	\$262,500	\$131,250	\$131,250

Estimated Annual Water Deliveries to Folsom: **1110 AF**

Pumping Surcharge: \$79.10 per AF

Given that the costs of the Hinkle Booster Pump Station are borne by the SJWD Retail water system, the pumping surcharge revenue collected from the City of Folsom goes to the benefit of Fund 50 (Retail Operating Fund).

The Hinkle Pumping Surcharge should be adjusted annually based on inflation, and periodically reviewed and/or updated to ensure that the surcharge continues to reasonably reflect costs associated with this service to the City.

Section 7. CONCLUSION

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by AWWA and all applicable laws. The proposed annual adjustments to the water rates are expected to enable the District to continue to provide reliable service to member agencies.

The District is required to give its member agencies a 150-day noticing period prior to implementing new rates.

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, capital project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the wholesale water system may warrant closer review and/or an earlier update. The need for and magnitude of annual water rate increases may also be affected by differences between assumed and actual conditions.

SCHEDULES

SCHEDULE 1 – CASH FLOW PRO FORMA (OPERATING FUND AND CAPITAL FUND)

SCHEDULE 2 - CAPITAL SPENDING PLAN

SCHEDULE 3 - 5-YEAR SCHEDULE OF PROPOSED WATER RATES

SCHEDULE 1 – 10-YEAR CASH FLOW PROFORMA (1 OF 2)

Operating Fund (Fund 10)

	Budget FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031	Projected FY 2032	Projected FY 2033	
1	Overall Rate Revenue Increases -->	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%	
2	Beginning Balance	2,054,000	2,380,000	3,043,400	1,711,000	1,388,400	1,257,700	1,284,000	1,474,700	1,837,400	2,075,000	2,143,000
SOURCE OF FUNDS												
	Rate Revenue											
3	OMR&D Fixed Charges	6,900,984	8,916,000	9,367,000	9,836,000	10,277,000	10,688,000	11,116,000	11,560,000	12,023,000	12,504,000	13,004,000
4	Water Usage Charges	2,669,016	893,000	938,000	985,000	1,029,000	1,071,000	1,113,000	1,158,000	1,204,000	1,252,000	1,302,000
5	Total Rate Revenue	9,570,000	9,809,000	10,305,000	10,821,000	11,306,000	11,759,000	12,229,000	12,718,000	13,227,000	13,756,000	14,306,000
	Miscellaneous Revenue											
6	Non-Service Area Sales	1,421,300	1,383,000	-	-	-	-	-	-	-	-	
7	Granite Bay Golf Course	12,600	13,200	13,900	14,600	15,200	15,800	16,400	17,100	17,800	18,500	19,200
8	Misc. Operating Revenue	78,100	83,000	86,000	89,000	92,000	95,000	98,000	101,000	104,000	107,000	110,000
9	Interest Earnings	35,000	22,000	27,000	24,000	15,000	13,000	13,000	14,000	17,000	20,000	21,000
10	Total Sources of Funds	11,117,000	11,310,200	10,431,900	10,948,600	11,428,200	11,882,800	12,356,400	12,850,100	13,365,800	13,901,500	14,456,200
	USE OF FUNDS											
11	Source of Supply	1,906,600	906,600	943,000	971,000	1,000,000	1,030,000	1,061,000	1,093,000	1,126,000	1,160,000	1,195,000
12	Water Treatment & Operations	2,691,500	2,870,000	2,985,000	3,075,000	3,167,000	3,262,000	3,360,000	3,461,000	3,565,000	3,672,000	3,782,000
13	Energy, Chemicals, Variable Maintenance	833,700	901,000	957,000	1,007,000	1,061,000	1,118,000	1,178,000	1,241,000	1,305,000	1,372,000	1,443,000
14	Executive & Board of Directors	685,700	708,000	736,000	758,000	781,000	804,000	828,000	853,000	879,000	905,000	932,000
15	Administration & Information Technology	923,050	978,000	1,017,000	1,048,000	1,079,000	1,111,000	1,144,000	1,178,000	1,213,000	1,249,000	1,286,000
16	Finance	498,000	528,000	549,000	565,000	582,000	599,000	617,000	636,000	655,000	675,000	695,000
17	Human Resources	569,600	689,000	717,000	739,000	761,000	784,000	808,000	832,000	857,000	883,000	909,000
18	Engineering	434,200	421,000	438,000	451,000	465,000	479,000	493,000	508,000	523,000	539,000	555,000
19	Conservation & Outreach	191,100	203,000	211,000	217,000	224,000	231,000	238,000	245,000	252,000	260,000	268,000
20	Non-Operating Expenses	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
21	Debt Service											
22	2017 Refunded COPs (was 2009)	938,700	937,200	934,400	933,600	934,800	934,700	933,500	936,900	933,000	933,700	938,200
23	2022 Refunding Bonds (was 2012)	544,500	581,000	582,000	582,600	580,100	579,800	581,200	578,500	580,600	581,200	-
24	Hinkle Reservoir Debt		922,000	923,000	922,000	922,000	922,000	922,000	923,000	922,000	922,000	922,000
25	Transfer Out to Capital Fund*	573,200	-	769,900	-	-	-	-	315,600	679,600	1,459,000	
26	Total Uses of Funds	10,791,350	10,646,800	11,764,300	11,271,200	11,558,900	11,856,500	12,165,700	12,487,400	13,128,200	13,833,500	14,386,200
27	Change in Fund Balance	325,650	663,400	(1,332,400)	(322,600)	(130,700)	26,300	190,700	362,700	237,600	68,000	70,000
28	Ending Balance	2,379,650	3,043,400	1,711,000	1,388,400	1,257,700	1,284,000	1,474,700	1,837,400	2,075,000	2,143,000	2,213,000
29	Operating Reserve Target (20%)	1,747,000	1,641,000	1,711,000	1,767,000	1,824,000	1,884,000	1,946,000	2,010,000	2,075,000	2,143,000	2,213,000
30	Debt Service Reserve	-	922,000	923,000	922,000	922,000	922,000	922,000	923,000	922,000	922,000	922,000

* These transfers to Fund 11 are only hypothetical in order to maintain Fund 10 at the Operating Reserve Target. Actual transfers may differ materially.

SCHEDULE 1 – 10-YEAR CASH FLOW PROFORMA (2 OF 2)

Capital Fund (Fund 11)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
31 Beginning Balance	18,784,000	18,759,000	16,549,600	15,440,500	11,845,900	10,737,400	7,518,800	5,480,000	4,780,800	4,654,200	4,447,300
Sources of Funds											
31 Transfer In from Operations	573,200	-	769,900	-	-	-	-	-	315,600	679,600	1,459,000
31 Capital Facilities Charges	-	33,000	66,000	66,000	66,000	66,000	33,000	-	-	-	-
31 Property Taxes	1,273,000	1,298,000	1,324,000	1,350,000	1,377,000	1,405,000	1,433,000	1,462,000	1,491,000	1,521,000	1,551,000
31 Wholesale Connection Fees	200,000	181,000	188,000	324,000	334,000	344,000	355,000	365,000	505,000	520,000	-
31 CSI Solar Rebate	-	-	-	-	-	-	-	-	-	-	-
31 Interest Earnings	126,000	187,600	165,500	154,400	118,500	107,400	75,200	54,800	47,800	46,500	-
31 Debt Proceeds	23,120,600	-	-	-	-	-	-	-	-	-	-
31 Total Sources of Funds	2,172,200	1,699,600	2,513,400	1,894,400	1,895,500	1,922,400	1,896,200	1,881,800	2,359,400	2,767,100	3,010,000
Uses of Funds											
31 Capital Outlay	2,176,100	3,909,000	3,622,500	5,489,000	3,004,000	5,141,000	3,935,000	2,581,000	2,486,000	2,974,000	2,349,000
31 Total Uses of Funds	2,176,100	3,909,000	3,622,500	5,489,000	3,004,000	5,141,000	3,935,000	2,581,000	2,486,000	2,974,000	2,349,000
31 Change of Fund Balance	(3,900)	(2,209,400)	(1,109,100)	(3,594,600)	(1,108,500)	(3,218,600)	(2,038,800)	(699,200)	(126,600)	(206,900)	661,000
31 Ending Balance	18,780,100	16,549,600	15,440,500	11,845,900	10,737,400	7,518,800	5,480,000	4,780,800	4,654,200	4,447,300	5,108,300
31 CIP Reserve Target	3,549,000	3,549,000	3,655,000	3,874,000	4,029,000	4,150,000	4,275,000	4,403,000	4,535,000	4,671,000	4,811,000
31 Hinkle Reservoir Reserve	-	-	-	-	-	-	-	-	-	-	-
31 Total Target	-	3,549,000	3,655,000	3,874,000	4,029,000	4,150,000	4,275,000	4,403,000	4,535,000	4,671,000	4,811,000
31 Debt Service Coverage Ratio *	3.11	2.14	2.34	2.62	2.85	3.10	3.27	3.37	3.54	3.66	2.66

* This debt service coverage ratio is the combined ratio for both the Retail enterprise and Wholesale enterprise

SCHEDULE 2 – CAPITAL SPENDING PROJECTIONS

Capital Spending Plan (1 of 3)

Schedule 2

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Vehicles										
1 Pool - Vehicle #32 - Wholesale Share (Ford Edge) - 50/50 split W/R								\$15,000		
2 Engineering - Vehicle #41 (2022 F-150 SuperCrew; 4x4, 50/50 W/R share)										
3 Engineering - Vehicle #33 (2016 F-150 SuperCab, 25/75 split W/R)		\$16,000								
4 Conservation - Vehicle #34 (2016 Chevy Colorado)										\$11,000
5 WTP - Vehicle #3 (1991 Ford F-800 Dump)		\$125,000								
6 WTP - Vehicle #7 (2010 Ford F150)		\$50,000								
7 WTP - Vehicle #25 (2009 F650 W/Dump Bed)		\$125,000								
8 WTP - Vehicle #29 (2000 Dodge Dakota SLT Xtra Cab)		\$31,000								
9 WTP - Vehicle #40 (2021 Dodge Promaster 2500)										
10 WTP - Vehicle #45 (2022 Ford F450 Reg Cab Chassis w/ Crane Body)	\$86,000									
11 GEM (Electric two-seater w/ Utility Bed)										
Pre-Treatment										
12 SWC Resurface, Joint Repair, and Caulk					\$273,000					
13 Powdered Activated Carbon System		\$311,000		\$1,282,000						
14 Launderer & Settling Tube Evaluation and Replacement								\$119,000		
Filters										
15 Backwash Hood Rehabilitation	\$150,000	\$425,000	\$438,000							
16 NW and SW Surface Wash Pump Rehabilitations		\$16,000	\$16,500							
17 Tag Line Replacement for BW Hoods		\$15,000	\$15,500							
18 Backwash Hood Track and Rail Replacement		\$32,500	\$33,500							
19 Filter Valve Actuators Replacements										
20 Isolation Valves on Filter Effluent Piping (Filter Gallery)								\$860,000		
21 Filter Effluent Pipe Thickness Testing		\$75,000								
22 Filter Channel Lining/Underdrain Inspection					\$724,000		\$2,983,000			
23 Filter Influent/Effluent Valve Replacement					\$699,000					
Chemical Feed Systems										
24 CL2 Piping Replacement Project			\$82,000							
25 Lime Feeder Replacement										
26 Lime Tower Assmt/Design & Replm't	\$225,000		\$200,000							
27 Chlorinator Replacement (6)				\$74,000						
28 ProMinet Cl2 Sensors and Cabinets (4)										
29 Update Depolox Analyzers				\$32,000						
30 Turbidimeters Replacement	\$47,800									
31 Dry Polymer Conversion					\$216,000					
32 Streaming Current Controllers (2)							\$56,000			
Solids Handling Facilities										
33 Clarifier (Thickener) Access Ladders	\$50,000		\$150,000							
34 Sludge Feed Pump Replacement (3 pumps)										\$63,000
35 Solids Handling Improvements										\$261,000
36 Drying Beds Improvements					\$1,270,000					\$1,074,000

Capital Spending Plan (2 of 3)

Schedule 2

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Hinkle/Baldwin Reservoir										
37 Hinkle Res. Monitoring Wells Level Probes										\$74,000
38 Baldwin Channel Culvert Replacement (at Solar Site Access Road)	\$342,500									
39 Hinkle Overflow Channel Lining (East of AFR)	\$342,500									
40 Hinkle Reservoir Cover & Liner Replacement (CASH)	\$774,800									
41 Hinkle Res. Outlet Actuator (Equip & Power)										
42 Rehab Hinkle Reservoir Inlet Structure										
43 Hinkle Res. Temporary Tanks, Piping, & Elec. (SSWD Imp. Inc'd)	\$100,000									
44 Baldwin Road and Fence Improvements (includes bank stabilization)							\$437,000			
45 Hinkle Reservoir Cover & Liner Replacement										
Plant Piping										
46 Reline 60" Pipe from Filters to Inlet Structure	\$180,000						\$1,773,000			
47 TW1 60-in Valve Replacement	\$77,000									
48 New Influent Valve Actuators (Headworks)			\$64,000							
49 48-in Bypass Valves Rehabilitation	\$76,000									
50 Replace North/South Influent Meters (Mag meters)	\$335,000									
Transmission Pipelines										
51 HTB 72-in T-main Joint Seals (WECO Seals, Hinkle to Bacon)	\$762,000									
52 Hazel Ave 12-in T-main Eden Oaks to OVWC Replacement	\$32,000	\$298,000								
53 Twin 34-in T-mains and BFV Actuators Rehab/Repairs	\$200,000									
54 Penstock Manifold and BFV Actuators Rehab/Repair	\$150,000									
55 Corrosion Control Bench Testing	\$52,000									
56 Transmission Main Detailed Condition Assessment Plan	\$100,000									
57 High Priority RCP Pipe Inspection			\$908,000							
58 Medium Priority RCP/CLMS/SP Pipe Inspection							\$551,000	\$567,000	\$584,000	\$602,000
59 54-in and 72-in RCP Joint Rehabilitation										\$368,000
60 Condition Assessment Plan Update										
61 Low Priority RCP/CLMS/SP Pipe Inspection										
Water Supply Reliability Projects										
62 Supply Reliability Improvements	\$424,000									

Capital Spending Plan (3 of 3)

Schedule 2

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Miscellaneous CIP Items										
63 SBW Pump Station Rehab (& BW EQ Basin)		\$175,000								
64 WTP Generator Replacement										
65 WTP Electrical Panel Relocation			\$201,000	\$1,769,000						
66 Admin/FO/Engr Building Imprmt/Repm't (Whls Share)			\$221,000				\$3,028,000			
67 Security Improvements (WTP)		\$45,000	\$108,000							
68 Corp Site Perimeter Fencing Replacements					\$153,000					
69 Corp Site Paving, Slurry Seal & Re-Stripe				\$206,000						
70 Unspecified Rehab/Upgrade Projects		\$293,000	\$301,000	\$310,000	\$320,000	\$329,000	\$339,000	\$1,009,000	\$1,199,000	\$1,235,000
71 Admin PG&E Electrical Service Upgrade (50/50 split W/R)	\$225,000									
72 SCADA Comm Impv'ts - North Phase (Whsl Share,; Replm't Radios, Fiber, etc.)										
73 Security Fence West End of WTP at WEL Garden					\$33,000					
74 Solar Panel Replacement										
75 WTP Lab Remodel		\$15,000								
76 WTP Carpet Replacement					\$7,000					
77 Wholesale Delivery Mag Meter Replacements (Billing Meters)										
78 SHB - Failing Slumpstone Facing Restoration				\$6,000						
79 Replace and Relocate Electric Panel near sink										
80 Fluke Pressure Calibrator										
81 HVAC Replacements		\$90,000								
82 HVAC Replacement - Admin Bldg (50/50 split W/R)		\$50,000								
83 Power Monitors (Total 11 sites W/R; 2 site Whsl Share)		\$63,000								
84 Land Acquisition (Property Boundary adjustment south of Hinkle Res.)		\$25,000								
85 New Gate for WTP		\$35,000								
86 Corp Site Sewer Evaluation (50/50 split W/R)		\$25,000								
87 Hach pH/DO Lab Meter		\$5,500								
88 In-Plant-Pumps SCADA Integration		\$20,000								
89 Clean Fleet Study and Improvements-CARB (25/75 split W/R)		\$70,000								
90 SCADA Cyber Security Study & Improvements		\$70,000								
91 Flagpole Replacement (50/50 split W/R)		\$5,000								
92 ADA Plan Compliance - Administration Bldg Men's Restroom (50/50 split W/R)		\$7,500								
93 Whsl Meter Terminal Replacements (33 meters total)		\$66,000	\$68,000	\$70,000						
Information Technology										
94 New Servers					\$87,000					
95 New Firewall							\$17,000			
96 New Appliances										
97 Fiber Optic Cabling to Solids Handling Bldg			\$27,000							
98 173Hz Radios (MQTT) - South Phase										
99 Tyler Content Management and Output Director (50/50 split W/R)		\$12,000								
100 Tyler System Upgrades					\$21,000					
Large Non-Capital Projects										
101 Medium Voltage Electrical Service Study					\$55,000					
102 Total Capitals Spending	\$2,176,100	\$3,909,000	\$3,622,500	\$5,489,000	\$3,004,000	\$5,141,000	\$3,935,000	\$2,581,000	\$2,486,000	\$2,974,000

SCHEDULE 3 – FIVE-YEAR COMPREHENSIVE WATER RATE SCHEDULE

	Current Rates	Proposed Rates (effective January 1st)				
		CY 2024	CY 2025	CY 2026	CY 2026	CY 2027
San Juan Water District - Retail						
Water Usage Rate (\$/AF)	\$81.14	\$28.28	\$29.69	\$31.17	\$32.42	\$33.72
Quarterly O, M, R, & D Service Charges	\$578,808.35	\$639,200.00	\$747,442.50	\$784,814.63	\$816,207.22	\$848,855.51
Hinkle Reservoir Debt Charge ¹	\$133,920.00	\$72,650.00	----- (see footnote 1)	-----	-----	-----
Citrus Heights Water District						
Water Usage Rate (\$/AF)	\$81.14	\$28.28	\$29.69	\$31.17	\$32.42	\$33.72
Quarterly O, M, R, & D Service Charges	\$533,570.81	\$642,300.00	\$750,198.75	\$787,708.69	\$819,217.04	\$851,985.72
Hinkle Reservoir Debt Charge ¹	\$125,550.00	\$72,175.00	----- (see footnote 1)	-----	-----	-----
Fair Oaks Water District						
Water Usage Rate (\$/AF)	\$81.14	\$28.28	\$29.69	\$31.17	\$32.42	\$33.72
Quarterly O, M, R, & D Service Charges	\$366,991.51	\$474,500.00	\$554,268.75	\$581,982.19	\$605,261.48	\$629,471.94
Hinkle Reservoir Debt Charge ¹	\$96,255.00	\$53,375.00	----- (see footnote 1)	-----	-----	-----
Orange Vale Water Company						
Water Usage Rate (\$/AF)	\$81.14	\$28.28	\$29.69	\$31.17	\$32.42	\$33.72
Quarterly O, M, R, & D Service Charges	\$189,735.00	\$219,725.00	\$256,751.25	\$269,588.81	\$280,372.36	\$291,587.26
Quarterly Hinkle Reservoir Debt Charge ¹	\$46,035.00	\$24,800.00	----- (see footnote 1)	-----	-----	-----
Quarterly Capital Facilities Charge ²	\$0.00	\$66,000.00	\$66,000.00	\$66,000.00	\$66,000.00	\$66,000.00
City of Folsom						
Water Usage Rate (\$/AF)	\$81.14	\$28.28	\$29.69	\$31.17	\$32.42	\$33.72
Hinkle Pump Station Surcharge (\$/AF) ⁴	\$102.00	\$79.10	----- (to be determined ⁵)	-----	-----	-----
Quarterly O, M, R, & D Service Charges	\$56,139.74	\$65,850.00	\$77,017.50	\$80,868.38	\$84,103.12	\$87,467.24
Quarterly Hinkle Reservoir Debt Charge ¹	\$12,555.00	\$7,500.00	----- (see footnote 1)	-----	-----	-----
Direct Portion of 2022 Debt ³	\$18,476.96	\$19,725.00	\$19,750.00	\$19,775.00	\$19,700.00	\$19,675.00
Sacramento Suburban Water District						
Treat and Wheel Rate (\$/AF) ⁴	\$220.16	\$268.88	\$282.32	\$296.44	\$308.30	\$320.63

Notes:

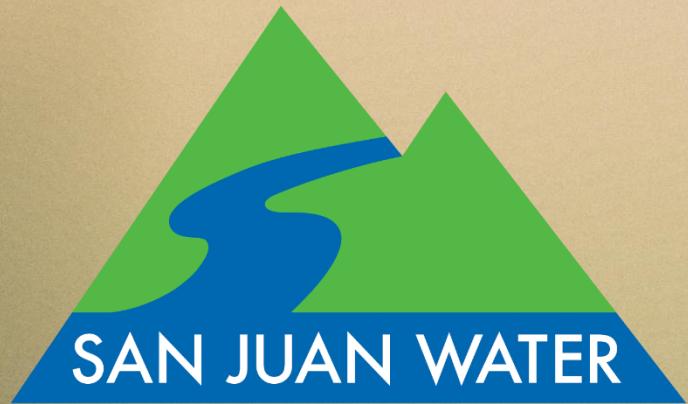
¹ The existing charge associated with the debt service for the Hinkle Reservoir Rehabilitation Project has not yet been assessed to Member Agencies. For illustrative purposes, the revised debt charge has been shown separately for CY 2024. Starting in CY 2025, the Hinkle Reservoir Debt Charge is combined with the Quarterly Fixed Charge.

² This charge only applies to Orange Vale Water Company for the Hazel Ave. 12 inch transmission main replacement.

³ Unique charge to City of Folsom for debt that was formerly the 2012 bond.

⁴ Per negotiated agreements.

⁵ The District may elect to increase the Hinkle Pump Station Surcharge based on inflation indices.



2023 Wholesale Water Rate Study

June 28, 2023



Agenda

1. Wholesale Enterprise Financial Plan
2. Cost of Service Topics
3. Comparison of Costs
4. Capital Facility Charges
5. Treat and Wheel Rates
6. Hinkle Pumping Surcharge
7. Project Schedule

Reserve Balances

Fiscal Year beginning July 1, 2022

Operating Fund \$2,054,000

Capital Fund \$18,784,000

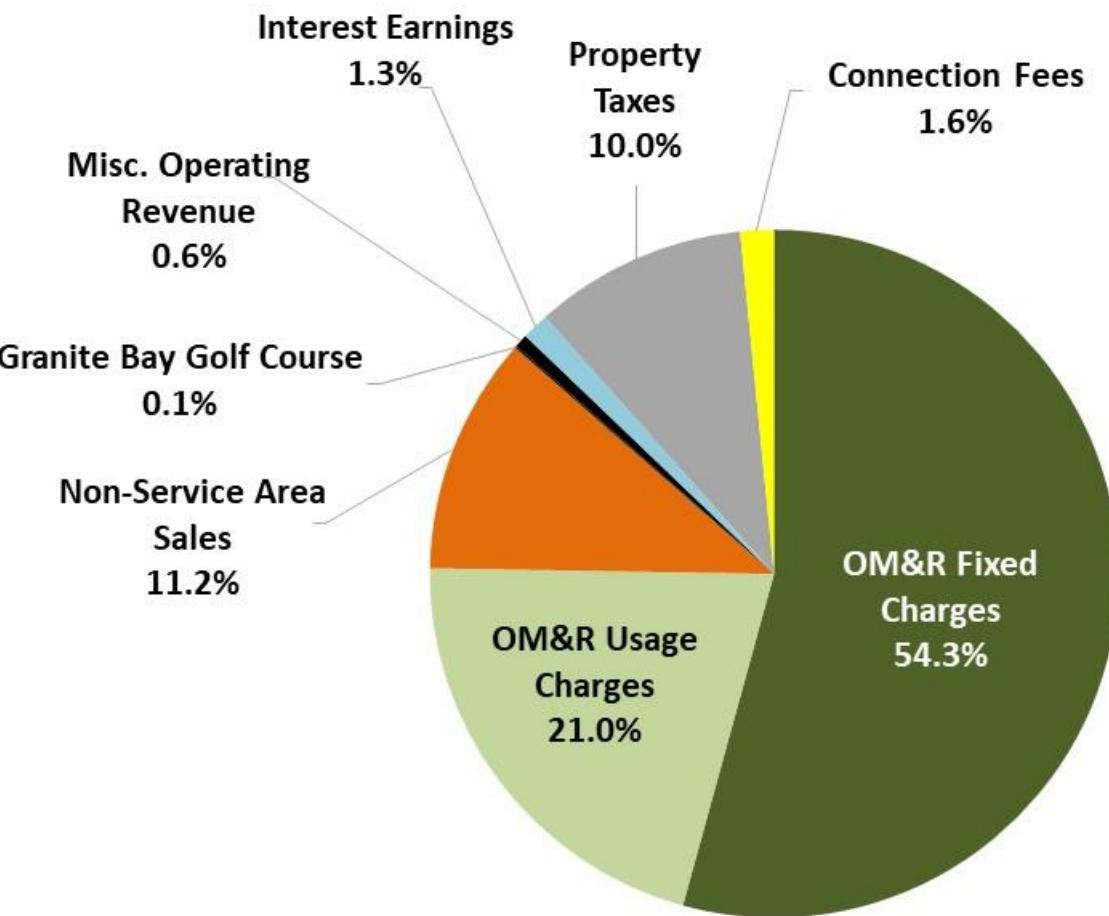
Combined Total: \$20,838,000

Revenue

FY2022/23 Budget

OM&R Fixed Charges	\$6,900,984
OM&R Usage Charges	\$2,669,016
Non-Rate Revenue	
Non-Service Area Sales	\$1,421,300
Granite Bay Golf Course	\$12,600
Misc. Operating Revenue	\$78,100
Interest Earnings	\$161,000
Property Taxes	\$1,273,000
Connection Fees	\$200,000

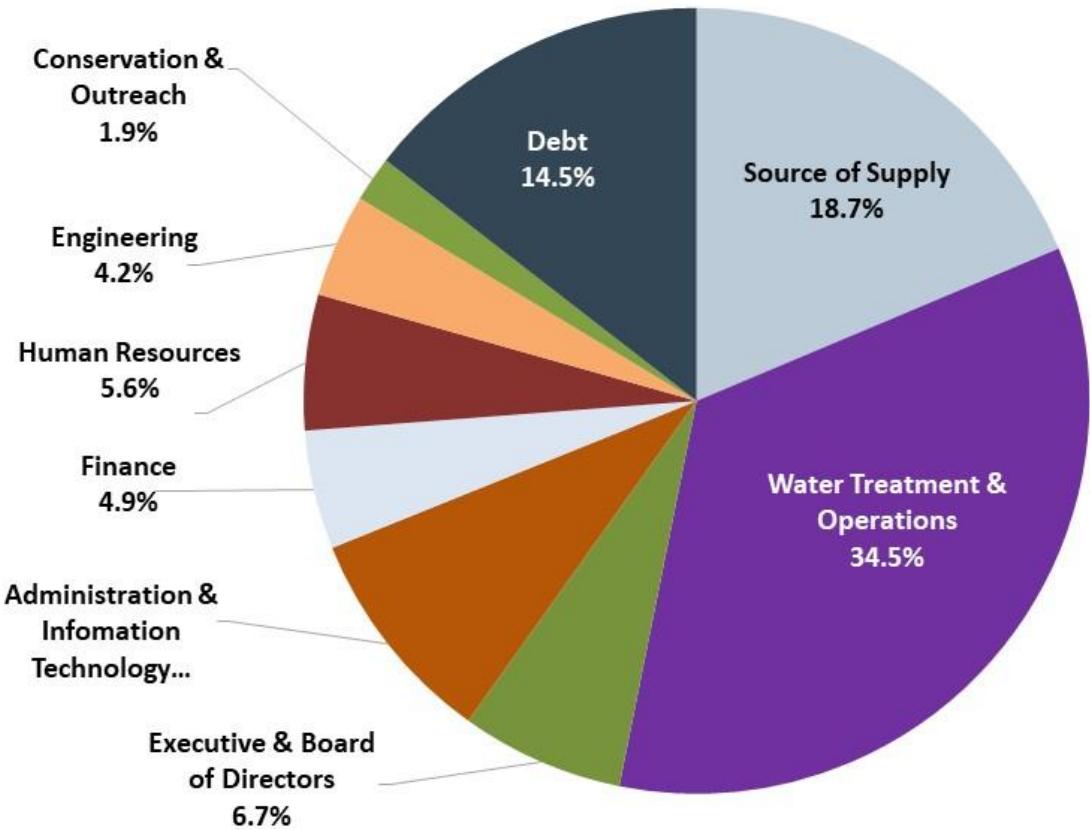
Total: \$12,716,000



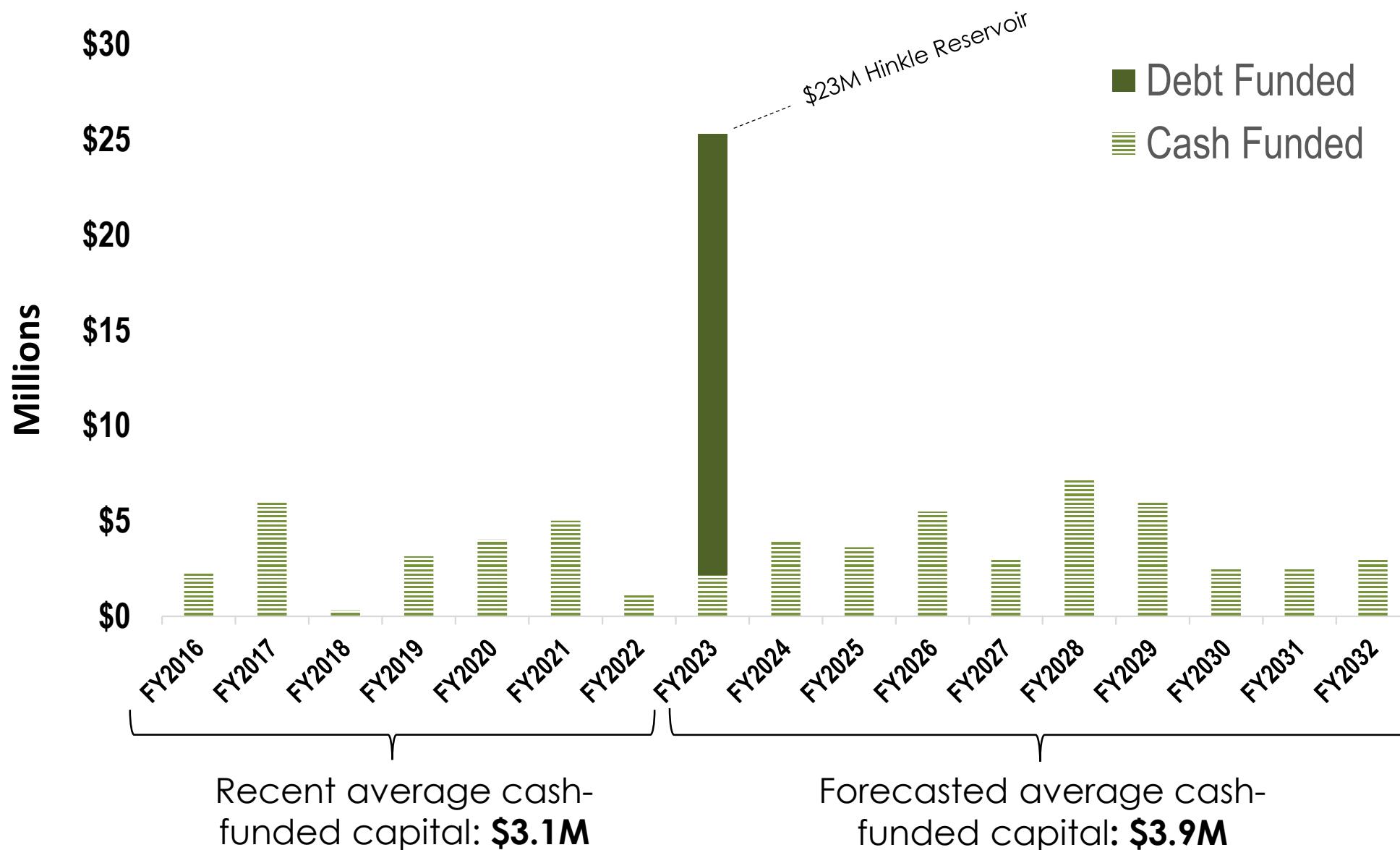
Operating Expenses

FY2022/23 Budget

Source of Supply	\$1,907,000
Water Treatment & Operations	\$3,525,000
Executive & Board of Directors	\$686,000
Administration & Infomation Technology	\$923,000
Finance	\$500,000
Human Resources	\$570,000
Engineering	\$434,000
Conservation & Outreach	\$191,000
Debt	\$1,483,200
Total Budget: \$10,219,200	



Projected Capital Spending



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 Reserves"

Operating Reserve: 20% of O&M budget (\$1.6 million)

Hinkle Debt Reserve: One year of debt service (\$922 thousand)

Capital Reserve:

- Existing policy requires total revenue in the Capital Fund to be at least equal to the amount of annual depreciation for Wholesale's fixed assets, and the reserve should maintain a minimum balance sufficient to pay for the current and next year's CIP
- Recommendation: Consider targeting a reserve level to be equal to 100% of average annual cash-funded capital spending (\$3.9M) in order to support PayGo capital funding

"Target Reserves"

Financial Plan Assumptions

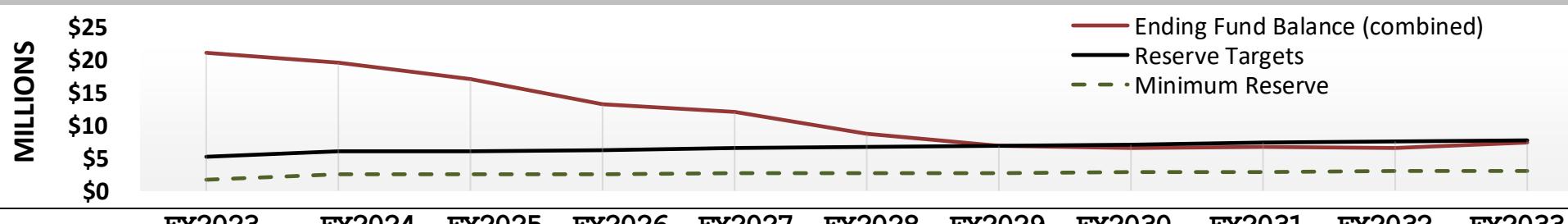
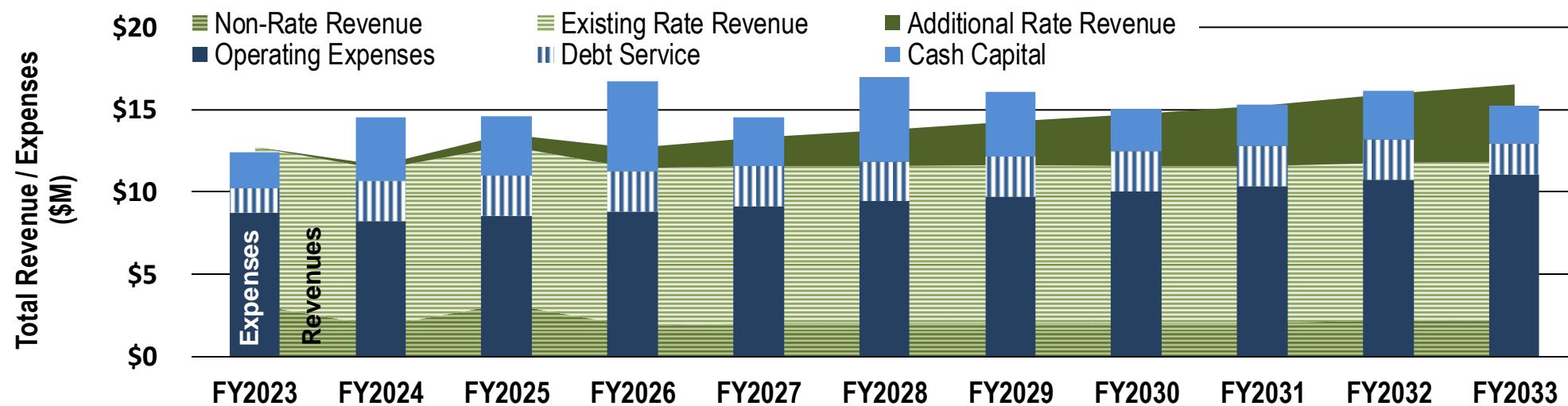
Inflation

- General inflation will be:
 - 6% in FY23/24
 - 5% in FY24/25
 - 4% thereafter
- Utilities and chemical costs will inflate at 5% per year
- Property tax revenue will increase by 2% per year

SSWD Treat and Wheel deliveries

- Given the historic volatility of SSWD water sales (some years see no revenue), this financial plan does not rely on this as a source of revenue (consistent past Wholesale financial plans)

Financial Forecast



	Proposed						Estimates					
Proposed Rate Revenue Increase:	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Debt Coverage Ratio*	3.11	2.14	2.14	2.34	2.62	2.85	3.10	3.27	3.37	3.54	3.66	
Net Debt Proceeds	\$23.1M											

* Combined ratio for Funds 10, 11, 50 and 55

Fixed and Variable Revenue

Over **88%** of the District's costs are fixed.

The 2017 study moved the District towards recovering more of its revenue through fixed charges.

Currently, Wholesale rate revenue is **72%** fixed (up from 63% prior to the 2017 study)

This Study proposed to complete the alignment of the District's costs with its rates.

Reasons

- Given the financial relationship between San Juan Wholesale and its member agencies, it makes sense that any fixed cost for San Juan should be a fixed costs for the member agencies.
- Any disparity between the District's fixed costs and its fixed revenues creates financial uncertainty that can be harmful to both SJWD and the member agencies.

Cost of Service

Variable Costs – Allocated to each member agency based on actual water usage

- All costs that vary in proportion to water delivery volumes (energy, chemical, water purchases, etc)

“District” Fixed Costs – Allocated to each member agency based on peak historic water usage (see next slide)

- All fixed costs aside from those below

Customer-related Fixed Costs – Allocated to each member agency based on number of retail accounts

- Conservation and outreach costs

Using Peak Water Usage to Allocate Fixed Costs

- 2017 Rate Study allocated fixed costs based on average annual water usage (over a 5-year period)
- Current District practice policy is to allocate fixed costs based on the most recent annual water usage
- This Study recommends allocating fixed costs based on *relative peak water deliveries* over the past 10 years

Discussion:

- Peak water usage is an accepted industry standard for allocating infrastructure costs to customers. This is because the size (and therefore costs) of the District's water infrastructure, and operations as a whole, is predominantly driven by the District's peak water demands.
- The concept is comparable to using meter size to determine retail customer fixed rates.
- Using a variable metric to allocate fixed costs (such as last year's water usage) is both inequitable and creates financial uncertainty for all agencies.
- It's important to understand that allocating fixed costs to member agencies is a "zero sum game," meaning that if one member agency pays less than the other must pay more. This accentuates the revenue uncertainty for member agencies.

Proposed Rate Schedule

CY 2024

Water Usage Rate (\$/AF)

All Water Deliveries	\$28.28
----------------------	---------

Quarterly O, M, R, & D Service Charges

San Juan Water District	\$639,200
Citrus Heights Water District	\$642,300
Fair Oaks Water District	\$474,500
Orange Vale Water Company	\$219,725
City of Folsom	\$65,850

Quarterly 2023 Hinkle Debt Service Charges

San Juan Water District	\$72,650
Citrus Heights Water District	\$72,175
Fair Oaks Water District	\$53,375
Orange Vale Water Company	\$24,800
City of Folsom	\$7,500

Notes:

2023 Hinkle Debt Service Charge is shown separately for transparency only, the adopted rate schedule will include all debt in the the O, M, R, & D Service Charge. Capital facilities charges are not shown. City of Folsom is also subject to a pumping surcharge and an additional debt service charge.

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028
Water Usage Rate (\$/AF)					
All Water Deliveries	\$28.28	\$29.69	\$31.17	\$32.42	\$33.72
Hinkle PS Surcharge	\$79.10	(TBD, pending inflationary adjustments)			
Quarterly O, M, R, & D Service Charges ¹					
San Juan Water District	\$711,850	\$747,443	\$784,815	\$816,207	\$848,856
Citrus Heights Water District	\$714,475	\$750,199	\$787,709	\$819,217	\$851,986
Fair Oaks Water District	\$527,875	\$554,269	\$581,982	\$605,261	\$629,472
Orange Vale Water Company	\$244,525	\$256,751	\$269,589	\$280,372	\$291,587
City of Folsom	\$73,350	\$77,018	\$80,868	\$84,103	\$87,467
Other Charges (Annual)					
Folsom Direct Portion of 2022 Loan	\$19,725	\$19,750	\$19,775	\$19,700	\$19,675
Orange Vale Capital Facility Charge	\$66,000	\$66,000	\$66,000	\$66,000	\$66,000

¹ Includes 2023 Hinkle Debt Service Charge

Comparison of Total Estimated Costs by Agency

With CURRENT rates¹

	SJWD	CHWD	FOWD	OVWC	Folsom
2022 Water Deliveries (AF)²	11,920	10,196	7,753	3,880	1,090
Estimated Water Service Costs					
Water Usage Charge ³	\$967,200	\$827,300	\$629,100	\$314,800	\$199,600
O,M,R & D Service Charge ⁴	\$2,315,233	\$2,134,283	\$1,467,966	\$758,942	\$298,467
Hinkle Reservoir Debt (2023)	\$535,680	\$502,200	\$385,020	\$184,140	\$50,220
Total Water Service Costs	\$3,818,113	\$3,463,783	\$2,482,086	\$1,257,882	\$548,287

With PROPOSED CY 2024 rates¹

	SJWD	CHWD	FOWD	OVWC	Folsom
2022 Water Deliveries (AF)²	11,920	10,196	7,753	3,880	1,090
Estimated Water Service Costs					
Water Usage Charge ³	\$337,100	\$288,300	\$219,300	\$109,700	\$117,000
O,M,R & D Service Charge ⁴	\$2,556,800	\$2,569,200	\$1,898,000	\$878,900	\$342,300
Hinkle Reservoir Debt (2023)	\$290,600	\$288,700	\$213,500	\$99,200	\$30,000
Total Water Service Costs	\$3,184,500	\$3,146,200	\$2,330,800	\$1,087,800	\$489,300

	SJWD	CHWD	FOWD	OVWC	Folsom	Overall ⁵
Percent change in total costs	-16.6%	-9.2%	-6.1%	-13.5%	-10.8%	-11.5%

Notes:

¹ Capital facilities charges are not included in this exhibit.

² Using actual water usage from 2022 for sake of comparison

³ City of Folsom is also subject to a pumping surcharge, which is included herein.

⁴ City of Folsom is also subject to an additional debt service charge (direct debt), which is included herein.

⁵ Overall increase does not match the 4% rate revenue increase in FY 2023/24 because of differences in water usage assumptions.

Capital Facility Charges

The District assesses capital facilities charges to specific member agencies when there are specific capital improvement projects that benefit some, but not all, wholesale member agencies.

The capital facility charges help to ensure equitable and timely cost recovery for these specific projects by recovering costs through fixed quarterly charges over a five-year period, beginning 18 months prior to the year of construction of affected projects.

Proposed new capital facility charge:

Project: Hazel Ave 12-inch transmission main replacement project

Benefactor/Payor: Orangevale Water Company

Payment schedule:

CY 2024	\$66,000
CY 2025	\$66,000
CY 2026	\$66,000
CY 2027	\$66,000
CY 2028	\$66,000
Total:	\$330,000

Sacramento Suburban Water District

Treat and Wheel Rate

1994 Agreement stipulates that the rate shall not include the cost-of-water (source of supply)

Total Annual Revenue Requirement	\$10.05 million
<u>minus Source of Supply Costs</u>	<u>-\$906 thousand</u>
Total	\$9.14 million

Divided by total water sales 33,944 AF *

Proposed Rate: \$268.88 / AF **

Current Rate: \$220.16 / AF (22.1 percent increase)

* The District's total water sales during the last update of this rate was about 40,000

** In subsequent years, this rate will be increased at the same rate as other rate revenue.

Hinkle Pumping Surcharge

	Annual Costs	Retail Share	Folsom Share
Employee Costs:	\$41,100	\$20,550	\$20,550
Electricity Costs:	\$39,300	\$19,650	\$19,650
Material Costs	\$6,500	\$3,250	\$3,250
Depreciation Expense:	\$175,600	\$87,800	\$87,800
Total:	\$262,500	\$131,250	\$131,250

Estimated Annual Water Deliveries to Folsom: **1110 AF**

Pumping Surcharge: \$79.10 per AF

Current Surch \$102.00 per AF

Change: -22.5%

Next Steps

- 1. Mail 150-Day Notice of Proposed Changes in Rates (prior to July 16)**
- 2. December 13 - Board reviews comments from customers and considers approval of 5-year rate schedule**
- 3. January 1, 2024 - Implement Rates**

CHWD COMMENTS ON SJWD WHOLESALE WATER RATE STUDY

- The proposed plan seems to purposely benefit SJWD's retail area at the expense of CHWD and other non-retail wholesale service area ratepayers.
- For example, under the proposed plan, CHWD's total water supply cost for surface water purchased from SJWD will be more than the cost charged to SJWD's retail customers, even though SJWD retail customers purchase more water and use more water per household than wholesale service area customers.

Currently, SJWD retail pays \$89,000 more than CHWD for total SJWD water supply cost. The impact to CHWD under the proposed plan is a \$116,000 increase per year. Next year SJWD retail will pay \$17,000 less than current, with increased savings for SJWD retail in future years.

- The proposed plan applies a fixed charge of 88% based upon peak surface demand of each WCA over the previous 10-year period (based on the highest year of usage, 2013) that does not reflect current usage trends, water efficiency standards, or the development of local water supplies. We should look at the five-year average instead.

Time Period	Usage (AF)	Usage (AF)	Decrease from 2013 (%)
2013 vs. 2020-2022 (avg.)	14,881	12,044	-19%
Jan-May 2013 vs. Jan-May 2023	4,661	3,176	-32%

- The proposed plan also reinstates an additional charge per service connection that further subsidizes the SJWD retail area which has higher water usage per capita and in total acre-footage than the remainder of the wholesale service area.

For example, every time CHWD pumps an acre foot of groundwater, they would be required to pay the cost of producing the groundwater plus 88% of the cost of purchasing an acre foot of surface water.

- This wholesale rate structure creates an extreme financial disincentive for our agencies to pump groundwater at all, and effectively strands our groundwater assets relative to capital recovery.
- The amount to be charged by SJWD to the WCAs, without an offset for groundwater pumped, would be far beyond SJWD's reasonable cost of service for providing surface water.
- The proposed wholesale rates, which significantly subsidize the retail area, are entirely unsupportable from policy and legal perspectives.

STAFF REPORT

AGENDA ITEM VI-1

To: Board of Directors
From: Devon Barrett, Customer Service Manager
Date: June 28, 2023
Subject: FY 2023-24 Public Information Service Agreement

RECOMMENDED ACTION

Recommendation for a Board motion to approve entering into a Professional Services Agreement with Prosio Communications for Communications and Marketing Support and Graphic Design Services. Services shall not exceed the proposed budgeted amount of \$100,000 for FY 2023-24. The staff recommendation was reviewed by the Public Information Committee, which recommends approval by the Board of Directors.

BACKGROUND

The scope of work entails activities for both Retail and Wholesale. Retail work shall include assistance with the WaterGram, development and posting of electronic media, assistance with outreach materials, team meeting participation and project management. Services shall not exceed \$70,000. Wholesale work shall include assistance with the consumer confidence report production, development and posting of electronic media, assistance with media relations, and project management. Services shall not exceed \$30,000.

STATUS

On May 8, 2023, the District issued an RFP to qualified public relations firms requesting proposals for the communication and marketing support work needed for fiscal year 2023-24. The proposal was posted on the District's website and the information was emailed to four firms that were recommended by neighboring agencies. Two firms reached out with follow up questions and three total proposals were received via the USPS by the cutoff of 3:00p.m. on June 8, 2023.

The proposals were reviewed and scored independently by General Manager Paul Helliker, Director of Operations Tony Barela, and Customer Service Manager Devon Barrett, and scored in five categories related to the RFP guidelines, on a scale from 1 to 5. The following table summarizes the total scores for each firm. Total possible points was 75.

Consulting Firm	Total Score
Prosio Communication	74
Rising Tide Partners	68
We The Creative	47

All three staff members scored Prosio Communications as the winning firm.

While considered, cost was not heavily weighted in the scoring as these services are billed on an as needed and hourly basis, thus making it difficult to compare the three proposals.

BUDGET IMPACT

These services were included in the District's proposed Wholesale and Retail budget for Fiscal Year 2023-2024.

AGENDA ITEM VI-2

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: June 28, 2023
Subject: Approval of Interagency Cost-Sharing Agreement for Water Forum FY 23-24 Expenses for Update of the Water Forum Agreement

RECOMMENDED ACTION

Authorize General Manager to sign an Interagency Cost-Sharing Agreement for Water Forum FY 23-24 Expenses for Update of the Water Forum Agreement.

BACKGROUND

San Juan has been providing an annual contribution to the Water Forum to pay for its share of the Water Forum Successor Effort expenses, in the amount of approximately \$12,000 per year. The total budget for the Successor Effort is approximately \$1 million, of which the City of Sacramento and Sacramento County pay \$763,000. Those two agencies also pay for the full cost of the Habitat Management Element of the Water Forum, which runs about \$750,000 per year.

For the past three years, the Water Forum signatories have been working on an update of the Water Forum agreement. The cost associated with this effort (facilitation and technical support) has been funded from Water Forum reserves and from contributions from various participants. For the Agreement update work in FY 23-24, a different funding formula has been developed to cover this cost, which is estimated to be \$570,000, as shown in Table 1 of the attached funding agreement. The allocation of the contributions to fund this amount is based on tiers of agency sizes, which are defined by the number of retail connections. Because the Water Forum effort has been funded from San Juan's wholesale budget, we agreed with our wholesale customer agencies that San Juan Wholesale would pay for all of their respective contributions, as shown in Table 3.

Some of the participants have agreed to provide a continuation of funding in FY 24-25, as shown in Table 2. San Juan and its wholesale customer agencies are only committing to funding in FY 23-24, in part because we do not have approval by our Boards and Councils of budgets for FY 24-25, but more importantly because we will be pushing hard to complete the project by June 30, 2024.

Staff requests authorization to approve this funding agreement. Funds for this expenditure have been included in the FY 23-24 San Juan budget.

Interagency Agreement
For Cost-Sharing the Fiscal Year (FY) 2023-24 and FY 2024-25
Water Forum 2.0 Agreement for the City of Sacramento, on behalf of the
Sacramento City-County Office of Metropolitan Water Planning

THIS AGREEMENT is made and entered into on July 1, 2023, by the City of Sacramento (on behalf of the Sacramento City-County Office of Metropolitan Water Planning (CCOWMP), as known as the “Water Forum”); and among the agencies listed below in **Table 2** and **Table 3**.

Table 1 provides the total potential contribution to the Water Forum 2.0 Project from funding sources outside of the Water Forum’s annual operating budget. The costs have been distributed by the partners based on a negotiated amount. Several parties, as noted, are providing funding as shown in **Table 2** for FY 23-24 and FY 24-25; and for FY 23-24 only as shown in **Table 3**. In addition, several agencies are listed in **Table 1** that are not party to this agreement, but that are contributing to the Water Forum 2.0 Project and are covered under separate agreements (**Section III**). Please see **Attachment 1** for information on the Water Forum 2.0 Project scope and budget.

Table 1. Water Forum 2.0 Project Contributions By Agency Per Fiscal Year

Agency	Amount		
	FY 23-24	FY 24-25	Total
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
Citrus Heights Water District ²	\$28,629	\$28,629	\$57,258
City of Folsom	\$32,124	\$32,124	\$64,248
City of Folsom (Ashland) ²	\$1,455	\$1,455	\$2,910
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
East Bay Municipal District (EBMUD) ¹	\$12,000	\$12,000	\$24,000
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Fair Oaks Water District ²	\$20,289	\$20,289	\$40,578
Golden State Water Company	\$24,217	\$24,217	\$48,434
Orange Vale Water Company ²	\$6,124	\$6,124	\$12,248
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento Area Flood Control District (SAFCA) ¹	\$20,000	\$20,000	\$40,000
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
San Juan Water District (in Sacramento County) ²	\$15,246	\$15,246	\$30,491
Total	\$570,500	\$570,500	\$1,141,000

¹EBMUD and SAFCA are not parties to this agreement. Funding will be provided under a separate agreement. Please see **Section III** for additional information.

²The parties have committed to fund the Water Forum 2.0 Project for FY 23-24 only and will consider FY 24-25 funding in June 2024 consistent with **Table 1**.

Section I.

Funding Commitment: The following parties have committed to fund the Water Forum 2.0 Project for FY 23-24 and FY 24-25 (**Table 2**).

Table 2. Water Forum 2.0 Project Contributions for FY 23-25			
Agency	Amount		
	FY 23-24	FY 24-25	Total
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
City of Folsom	\$32,124	\$32,124	\$64,248
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Golden State Water Company	\$24,217	\$24,217	\$48,434
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
Total	\$466,758	\$466,758	\$933,516

The following parties have committed to fund the Water Forum 2.0 Project for FY 23-24 only (**Table 3**) and will consider FY 24-25 funding in June 2024, consistent with **Table 1**.

Table 3. Water Forum 2.0 Project Contributions for FY 23-24 only		
Agency	Amount	
	FY 23-24	FY 23-25
San Juan Water District Consortium¹		
City of Folsom (Ashland)		\$1,455
Citrus Heights Water District		\$28,629
Fair Oaks Water District		\$20,289
Orange Vale Water Company		\$6,124
San Juan Water District (in Sacramento County)		\$15,246
Total		\$71,743

¹San Juan Water District Consortium includes San Juan Water District, Citrus Heights Water District, Fair Oaks Water District, and Orange Vale Water Company, and the City of Folsom (Ashland).

Section II.

Reimbursement: The City of Sacramento, on behalf of the CCOWMP, shall administer all consultant agreements and other expenses incurred during FY23-24 and FY 24-25 for the Water Forum 2.0 Project. The parties agree to reimburse the CCOMWP for their share of such costs, up to the amount set forth for each party in Section I, above, within 30 days after receipt of invoices.

The City of Sacramento Finance Department, on behalf of the CCOMWP, will invoice each cost-sharing partner at the beginning of each fiscal year, except in those instances where the cost-sharing partners have mutually agreed to be invoiced in another time period (i.e., quarterly invoices). It is understood and agreed that although this agreement only pertains to reimbursement for costs incurred during the period from July 1, 2023 to June 30, 2025, the Water Forum 2.0 Project could extend past June 30, 2025. Any reimbursement of costs incurred by CCOMWP after June 30, 2025 would be governed by a new or amended cost-sharing agreement.

Section III.

Separate Agreements: Sacramento Area Flood Control Agency (SAFCA) and East Bay Municipal District (EBMUD) are not parties to this agreement and have entered into separate agreements with the City of Sacramento, on behalf of the CCOMWP, to pay their share of the costs identified in **Table 1**.

Section IV.

Changes in Terms: Any changes in the terms of this agreement shall be approved by all parties and shall be effective when reduced to writing and signed by all parties.

Section V.

Indemnity: Each party shall, to the fullest extent allowed by law, indemnify, hold harmless and defend the other party or parties, its officers and employees from any actions, liability or other expenses (including reasonable attorney fees) for any damages or injury to persons or property, occurring by reason of any negligent or wrongful act or omission by the indemnifying party, its officers or employees under this agreement.

Section VI.

Independent Contractors: All contractors employed during any phase of the Water Forum 2.0 Project are independent contractors. Contractor employees assigned to perform contract work related to the Water Forum 2.0 Project are and will remain employees of the contractor and will not be considered employees of any of the signatory agencies for any reason.

Section VII.

Additional Terms and Conditions: The following additional terms and conditions were agreed to by the parties to be incorporated into this funding agreement specifically for the Water Forum 2.0 Project:

1. Water Forum annual priorities, as described in the Water Forum Business Strategy (approved July 2022) will continue to include the Water Forum 2.0 Project as a top priority for the FY 23-24 and FY 24-25. Annual progress on the Business Strategy is reviewed by the Coordinating Committee and approved by the Water Forum Plenary each year by September 1st.
2. The Coordinating Committee includes two members of each caucus and meets with the Executive Director on a monthly basis to provide direction on Water Forum Successor Effort operations, including communications and implementation of the business strategy; and to approve the annual budget and work plan. In addition, the Coordinating Committee, and the City of Sacramento City

Manager or designee, will provide project oversight and approve an annual scope of work for the Water Forum 2.0 Project, which includes schedule and budget, that supports the established priorities will be submitted to the Coordinating Committee. The budget will also include look-ahead estimates for the second year.

3. The Water Forum 2.0 Project annual scope of work must be approved by the Coordinating Committee and the City of Sacramento City Manager, or designee, ahead of preparing the next fiscal year budget by March 1st each year.
4. The Coordinating Committee shall review the progress on the approved work at its regular meetings.
5. Any out-of-scope requests or technical studies are to be approved by the Coordinating Committee prior to commencement of any work and subject to adequate funding within the current budget.
6. A mid-year progress report on or before January 1st each year covering work completed and work not completed, and budget status are to be presented to the Coordinating Committee and the City Manager, or designee. Both will be presented alongside the approved annual schedule and budget.
7. If progress is not on track with annual expectations at the mid-year report, a plan for correction is to be submitted to the Coordinating Committee and the City Manager, or designee, for approval. Work may be suspended if progress is severely off-track.
8. Subsequent year funding is subject to effective progress of the previous year and agreed upon annual priorities and scope of work for the coming year.

Water Forum 2.0 Scope and Budget

The Lower American River is one of the Sacramento region's greatest treasures. In 2000, 40 agencies and businesses came together to sign the landmark Water Forum Agreement, a visionary long-term plan created to balance two coequal objectives: Provide a reliable and safe water supply for the region's economic health and planned development through to the year 2030; and Preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River. And now, after 20+ years of successful implementation, the Water Forum members have come together to negotiate a successor agreement that can guide the Water Forum's efforts well into the future. The negotiating process is structured to foster an inclusive and transparent process that brings together affected parties in a collaborative and constructive dialogue. The process began in April 2020 and has been working diligently over the past several years to develop the framework for the negotiations. Water Forum members are now poised to dig into the negotiations and complete an agreement over the next two years.

Scope of Work

The following scope of work outlines the tasks required for the proposed process to develop and formalize a new Water Forum Agreement for the greater Sacramento Region. The tasks are organized based on expertise and services required beyond the existing Water Forum staff. All staff time spent on Water Forum 2.0 will be covered in the Water Forum's annual operating budget for fiscal years (FY) 23-24 and FY 24-25 and are not included in this scope.

Task 1. Facilitation Services and Agreement Development

An expert team of facilitators will be available to guide and support the negotiation process to develop a new Water Forum Agreement. Facilitators will specifically be integral in the Working Group meetings, Negotiating Steering Committee (NSC), and Caucus meetings.

Task 1.1 – Meeting Facilitation and Support: This task will include preparing meeting agendas and summaries, meeting material development, organization, and distribution, and active facilitation within the meetings. The facilitation team will be responsible for developing and maintaining the meeting framework for the negotiations including meeting objectives and outcomes, schedules, and roles and responsibilities.

- **Working Group Meeting Support:** The working groups (2-4 at a time) will meet once per month focused on key topics for negotiation and will be reviewing draft agreement language for consideration of the Water Forum Plenary. It is expected that these meeting will be less frequent in the second fiscal year (FY24-25) as the draft agreement is finalized.
- **NSC Meeting Support:** The NSC will meet once per month to review progress of working groups and offer guidance on the Water Forum 2.0 process and milestones.
- **Caucus Meeting Support:** The four caucuses meet on a monthly basis and will serve as venue for working group members to solicit feedback from their fellow caucus members.
- **Plenary Meeting Support:** The Plenary (all four caucuses) meet every other month to review progress on Water Forum 2.0 process and take action on major work products and at specific milestones.

Attachment 1. Water Forum 2.0 Project Scope and Budget

Task 1.2 – Agreement Development: The facilitation team, along with Water Forum staff and other consultants, will develop draft and final agreement language, including review and revisions based on feedback and input from Water Forum members during working group, NSC, and Caucus meetings. This includes development of individual sections, such as:

- Endorsed Solutions
- Metrics of Success
- Assurances and Caveats
- Implementing Agreements
- Purveyor Specific Agreements; and
- Funding Agreements.

Due to the iterative nature of the process, this is subject to change based on level of revisions from the caucuses. Water Forum staff and consultants will take the lead on drafting and revising to all documents.

Task 1.3 – Strategic Planning and Coordination: This task will allow for the facilitation team to coordinate with Water Forum staff and consultants on strategic planning for the Water Forum 2.0 process.

Deliverables: 1) Meeting agendas and summaries; 2) Meeting framework for negotiations; 3) Draft Elements of Agreement, Draft and Final Agreement Package

Task 2. Technical Services

The Water Forum 2.0 process is expected require support from technical experts to inform negotiators as to the potential benefits and costs of solution sets. The topics of needed expertise include hydrology, river hydraulics, fisheries biology, river ecology, CalSim modeling, temperature modeling, climate resiliency, state and federal regulatory process, and others. The technical experts will participate in working group meetings and provide valuable analysis as requested.

Task 2.1 – Meetings and Coordination: Key technical consultants will participate in working group meetings to serve as resources to support the discussions and to facilitate shared understanding of topics and solutions.

Task 2.1 – Analysis and Documentation: Technical staff will prepare analysis and related documentation, as needed for the negotiations. The extent of the technical analysis will be dependent on the discussions and needs of the working groups. However, the level of effort needed in the early phases of pre-negotiation and problem definition within the Water Forum 2.0 process provide a helpful guide in estimating the needs of the negotiations phase. The types of analysis anticipated include CalSim modeling, temperature modeling, analytical reviews of historical data, and others.

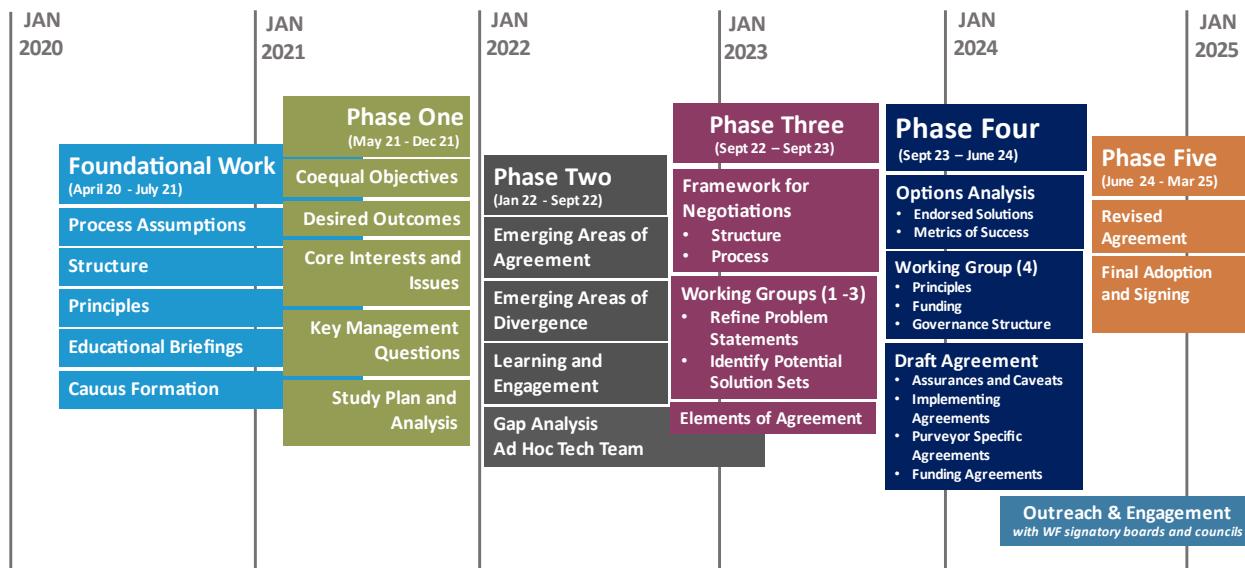
Deliverables: 1) Summary materials of analysis; 2) Technical Documentation (for all analyses completed)

Attachment 1. Water Forum 2.0 Project Scope and Budget

Schedule

The scope of work to be completed for the Water Forum 2.0 process will be organized across two fiscal years from July 2023 through June 2025. The phases of activities are illustrated below and include: an initial phase focused on the identification of solution sets based on the identified problems, a phase focused on the evaluation and selection of the preferred alternatives (which will form the basis for the Draft agreement), and finally the finalization of the agreement.

Water Forum 2.0 | Phase Four



Budget

The budget below summarizes the expected costs for each of the activities outlined in this scope of work.

Water Forum 2.0 Project Budget	Annual Costs		
	FY 23-24	FY 24-25	TOTAL
Task 1: Facilitation Services	\$ 425,000	\$ 352,500	\$ 777,500
1.1 Meeting Facilitation	\$ 237,000	\$ 211,500	\$ 448,500
1.2 Agreement Development	\$ 51,625	\$ 38,719	\$ 90,344
1.3 Strategic Planning and Coordination	\$ 136,375	\$ 102,281	\$ 238,656
Task 2: Technical Services	\$ 218,000	\$ 218,000	\$ 436,000
2.1 Meetings and Coordination	\$ 133,500	\$ 133,500	\$ 267,000
2.2 Analysis and Documentation	\$ 84,500	\$ 84,500	\$ 169,000
TOTAL	\$ 643,000	\$ 570,500	\$ 1,213,500
Allocated from WFSE FY 23-24 budget	\$ 72,500	\$ -	\$ 100,000
Total Funding Request	\$ 570,500	\$ 570,500	\$ 1,113,500

STAFF REPORT

AGENDA ITEM VII-1.1

To: Board of Directors
From: Paul Helliker, General Manager
Date: June 28, 2023
Subject: General Manager's Monthly Report (May)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production

Item	2023	2022	Difference
Monthly Production AF	4,358.18	4,035.92	8.0%
Daily Average MG	45.81	42.42	8.0%
Annual Production AF	10,588.54	13,402.94	-21.0%

Water Turbidity

Item	April 2023	March 2023	Difference
Raw Water Turbidity NTU	1.96	5.74	-66%
Treated Water Turbidity NTU	0.015	0.017	-12%
Monthly Turbidity Percentage Reduction	99.22%	99.70%	

*Folsom Lake Reservoir Storage Level AF**

Item	2023	2022	Difference
Lake Volume AF	898,408	864,156	4%

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

* Total Reservoir Capacity: 977,000 AF

Other Items of Interest:

- Receive filter anthracite for replenishment
- Complete and Certify 2022 CCR

SYSTEM OPERATIONS

Distribution Operations:

Item	May 2023	April 2023	Difference
Leaks and Repairs	11	0	+11
Mains Flushed	2	166	-164
Valves Exercised	188	0	+188
Hydrants Maintenance	74	0	+74
Back Flows Tested	0	94	-94
Customer Service Calls	50	35	+15

Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
53 Lab 32 In-House	2	Procedures were followed and additional samples were taken. All additional samples came back negative.

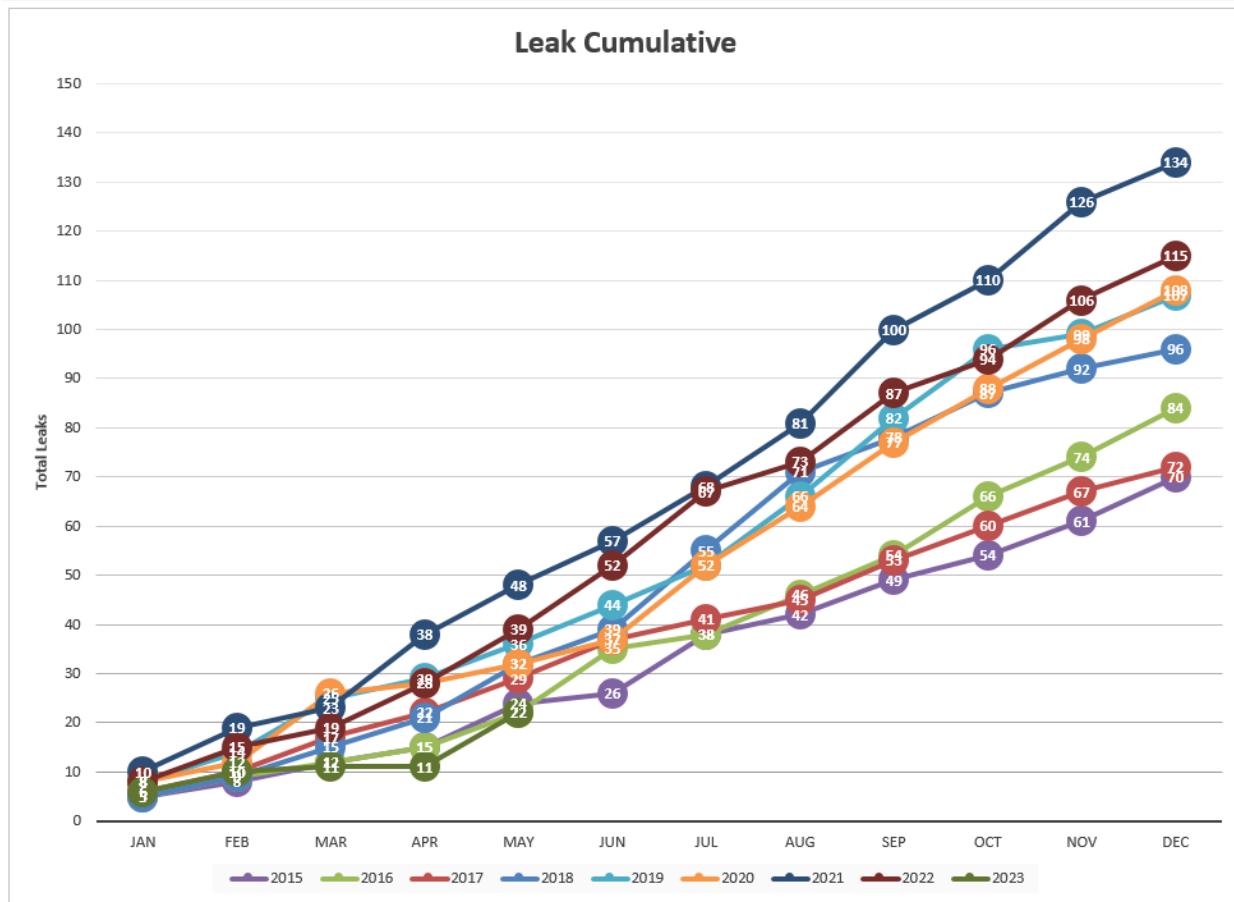


Figure 1: Annual Distribution System Leaks

Other Items of Interest:

- None

CUSTOMER SERVICE ACTIVITIES

Billing Information for Month of May

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
5417	496	186	14

Water Efficiency Activities for May

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
9	131	5	37

Other Activities

- We joined with PCWA to put on our annual Mulch Mayhem event on 5/6. Hundreds of customers came through to pick up one free yard of mulch. Three District staff members were there early to assist with setup, loading, and cleanup. We received great feedback from grateful mulch recipients.

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 2022
Premier Soleil (formerly Granite Bay Townhomes)	52-Lot Subdivision (Douglas, east of Auburn Folsom)	Construction complete	In project close-out
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)	Construction complete	In project close-out
Granite Bay Assisted Living and Memory Care (formerly Pond View)	Assisted Living and Memory Care facility (5620 5630 5640 5650 Douglas Blvd)	In Planning	Developer to submit improvement plans in 2023.
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	In Construction	Construction started June 2022
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	Project on hold
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 nd connection

STAFF REPORT
General Manager's Monthly Report
Paul Helliker

Project Title	Description	Status	Issues / Notes
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	Construction complete	In project close-out
Rancho Del Oro Estates	89-Lot Subdivision (Olive Ranch Rd, east of Cavitt Stallman)	Construction complete	In project close-out
Canyon Terrace Apartments	Apartment Complex (7 new buildings; 1600 Canyon Terrace Lane)	In Construction	Construction started November 2022
Sierra College Self Storage (8455 Sierra College Blvd)	New 4-building self-storage facility	In Construction	Construction started August 2022

ENGINEERING - CAPITAL PROJECTS

Status Update for Current Retail Projects

Project Title	Description	Status	Issues / Notes
Eureka Rd Transmission Main Replacement	Replace approximately 3,925 LF of aged steel transmission pipeline	In Construction	Construction started February 2023
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design	Construction in FY 24/25
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank	In Design	Applying for SRF funding. Construction in FY 23/24
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 23/24
Bacon Pump Station Generator Replacement	Replacing generators at Bacon Pump Station	In Construction	Project delayed due to material lead time. Anticipate to start construction in December 2023.
Field Services 3-sided Parts Shelter	Construction of a 3-sided material storage shelter	On hold	Planning to rebid project in FY23/24
Service Line Replacement Projects (85/year)	Yearly program to replace 85 services per year as identified in the 2020 Retail Master Plan	In Design	Hidden Oaks (referred to as Shelborne) identified for replacement in FY22/23
Air Release Valve Replacements (45/year for next 20 years)	Replacement of 45 Air Release Valves per year for the next 20 years as identified in the 2020 Retail Master Plan	In Construction	Construction to start in June 2023

STAFF REPORT

General Manager's Monthly Report

Paul Helliker

Project Title	Description	Status	Issues / Notes
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY23/24

Status Update for Current Wholesale Projects

Project Title	Description	Status (% Complete)	Issues/ Notes
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner	In Construction	Applying for SRF funding. Construction in FY 22/23
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Design	
Backwash Hood Rehabilitation and Rail Track Improvements	Rehabilitate or replace the two oldest Filter Backwash Hoods in the North and South basins, and replacement of the Rail Track.	In Design	
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	In Construction	Construction of Solar Field Culvert underway. Construction of lining postponed until after Hinkle Reservoir is completed.
Wholesale Master Plan	Update of the 2005/07 Wholesale Master Plan	In Design	WCA comments to be sent to consultant.
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY23/24

SAFETY & REGULATORY TRAINING – May 2023

Training Course	Staff
Heat and Stress Illness	Field Service & Treatment
Forklift Trainer	SRCC
Workplace Incident Investigations	SRCC

FINANCE/BUDGET

See attached



San Juan Water District, CA

Wholesale Operating Income Statement

Group Summary

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	11,003,900.00	11,003,900.00	0.00	10,842,815.32	161,084.68
43000 - Rebate	1,000.00	1,000.00	0.00	1,427.78	-427.78
45000 - Other Operating Revenue	0.00	0.00	2.20	275.46	-275.46
49000 - Other Non-Operating Revenue	112,100.00	112,100.00	1,847.97	157,593.37	-45,493.37
49900 - Investments in Fixed Assets	0.00	0.00	0.00	5,128.56	-5,128.56
Revenue Total:	11,117,000.00	11,117,000.00	1,850.17	11,007,240.49	109,759.51
Expense					
51000 - Salaries and Benefits	3,959,700.00	3,959,700.00	281,657.37	3,409,620.95	550,079.05
52000 - Debt Service Expense	686,300.00	686,300.00	0.00	364,716.24	321,583.76
53000 - Source of Supply	816,700.00	816,700.00	12,721.89	596,538.66	220,161.34
54000 - Professional Services	1,782,100.00	1,782,100.00	22,997.79	391,656.44	1,390,443.56
55000 - Maintenance	525,600.00	525,600.00	11,872.45	404,369.56	121,230.44
56000 - Utilities	205,000.00	205,000.00	2,733.89	213,535.45	-8,535.45
57000 - Materials and Supplies	788,500.00	788,500.00	119,186.53	694,515.35	93,984.65
58000 - Public Outreach	56,500.00	56,500.00	95.01	32,634.53	23,865.47
59000 - Other Operating Expenses	596,600.00	596,600.00	8,035.10	444,488.53	152,111.47
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	1,622.00	-122.00
69900 - Transfers Out	573,200.00	573,200.00	0.00	0.00	573,200.00
Expense Total:	9,991,700.00	9,991,700.00	459,300.03	6,553,697.71	3,438,002.29
Fund: 010 - WHOLESALE Surplus (Deficit):	1,125,300.00	1,125,300.00	-457,449.86	4,453,542.78	-3,328,242.78
Total Surplus (Deficit):	1,125,300.00	1,125,300.00	-457,449.86	4,453,542.78	

Wholesale Operating Income Statement

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	1,125,300.00	1,125,300.00	-457,449.86	4,453,542.78	-3,328,242.78
Total Surplus (Deficit):	1,125,300.00	1,125,300.00	-457,449.86	4,453,542.78	



San Juan Water District, CA

Wholesale Capital Income Statement

Group Summary

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,273,000.00	1,273,000.00	561,543.49	1,320,518.49	-47,518.49
44000 - Connection Fees	200,000.00	200,000.00	46,126.00	275,212.55	-75,212.55
49000 - Other Non-Operating Revenue	126,000.00	126,000.00	804.00	325,648.79	-199,648.79
49792 - Proceeds from Issuance of Debt	23,120,600.00	23,120,600.00	0.00	0.00	23,120,600.00
49990 - Transfer In	573,200.00	573,200.00	0.00	0.00	573,200.00
Revenue Total:	25,292,800.00	25,292,800.00	608,473.49	1,921,379.83	23,371,420.17
Expense					
55000 - Maintenance	70,000.00	70,000.00	0.00	53,327.76	16,672.24
61000 - Capital Outlay	25,361,900.00	25,361,900.00	21,400.37	20,724,980.60	4,636,919.40
Expense Total:	25,431,900.00	25,431,900.00	21,400.37	20,778,308.36	4,653,591.64
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):					
Total Surplus (Deficit):	-139,100.00	-139,100.00	587,073.12	-18,856,928.53	18,717,828.53

Wholesale Capital Income Statement

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outl...	-139,100.00	-139,100.00	587,073.12	-18,856,928.53	18,717,828.53
Total Surplus (Deficit):	-139,100.00	-139,100.00	587,073.12	-18,856,928.53	



San Juan Water District, CA

Retail Operating Income Statement

Group Summary

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	15,114,200.00	15,114,200.00	1,098,260.80	11,000,431.93	4,113,768.07
45000 - Other Operating Revenue	631,500.00	631,500.00	80,145.76	474,129.04	157,370.96
49000 - Other Non-Operating Revenue	149,000.00	149,000.00	1,847.96	206,376.98	-57,376.98
Revenue Total:	15,894,700.00	15,894,700.00	1,180,254.52	11,680,937.95	4,213,762.05
Expense					
41000 - Water Sales	0.00	0.00	-10.00	13,673.43	-13,673.43
51000 - Salaries and Benefits	5,730,600.00	5,730,600.00	419,359.99	4,935,317.28	795,282.72
52000 - Debt Service Expense	406,500.00	406,500.00	0.00	249,817.55	156,682.45
53000 - Source of Supply	3,134,800.00	3,134,800.00	0.00	2,961,889.48	172,910.52
54000 - Professional Services	1,514,600.00	1,514,600.00	67,922.81	590,160.04	924,439.96
55000 - Maintenance	376,500.00	376,500.00	24,889.60	278,158.71	98,341.29
56000 - Utilities	412,500.00	412,500.00	21,646.65	408,693.53	3,806.47
57000 - Materials and Supplies	640,400.00	640,400.00	42,703.45	499,700.01	140,699.99
58000 - Public Outreach	80,000.00	80,000.00	2,710.00	35,439.81	44,560.19
59000 - Other Operating Expenses	781,400.00	781,400.00	30,390.87	667,191.79	114,208.21
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	29,122.00	-27,622.00
69900 - Transfers Out	2,111,800.00	2,111,800.00	0.00	0.00	2,111,800.00
Expense Total:	15,190,600.00	15,190,600.00	609,613.37	10,669,163.63	4,521,436.37
Fund: 050 - RETAIL Surplus (Deficit):					
Total Surplus (Deficit):	704,100.00	704,100.00	570,641.15	1,011,774.32	-307,674.32

Retail Operating Income Statement

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	704,100.00	704,100.00	570,641.15	1,011,774.32	-307,674.32
Total Surplus (Deficit):	704,100.00	704,100.00	570,641.15	1,011,774.32	



San Juan Water District, CA

Retail Capital Income Statement

Group Summary

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,273,000.00	1,273,000.00	561,543.50	1,320,518.50	-47,518.50
44000 - Connection Fees	500,000.00	500,000.00	557,185.00	3,326,795.70	-2,826,795.70
49000 - Other Non-Operating Revenue	148,800.00	148,800.00	0.00	391,105.29	-242,305.29
49792 - Proceeds from Issuance of Debt	4,000,000.00	4,000,000.00	0.00	0.00	4,000,000.00
49990 - Transfer In	2,111,800.00	2,111,800.00	0.00	0.00	2,111,800.00
Revenue Total:	8,033,600.00	8,033,600.00	1,118,728.50	5,038,419.49	2,995,180.51
Expense					
54000 - Professional Services	210,000.00	210,000.00	0.00	0.00	210,000.00
61000 - Capital Outlay	13,472,100.00	13,472,100.00	874,824.64	4,538,731.42	8,933,368.58
Expense Total:	13,682,100.00	13,682,100.00	874,824.64	4,538,731.42	9,143,368.58
Fund: 055 - Retail Capital Outlay Surplus (Deficit):					
Total Surplus (Deficit):	-5,648,500.00	-5,648,500.00	243,903.86	499,688.07	-6,148,188.07

Retail Capital Income Statement

For Fiscal: 2022-2023 Period Ending: 05/31/2023

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-5,648,500.00	-5,648,500.00	243,903.86	499,688.07	-6,148,188.07
Total Surplus (Deficit):	-5,648,500.00	-5,648,500.00	243,903.86	499,688.07	

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
191235	Solar Site Access Culvert Replaceme	0.00	394,704.31	-394,704.31
191255	WTP Filter Basins Rehab Project	-28,605.18	31,451.99	-60,057.17
191280	Hinkle Reservoir Cover	842,148.05	20,061,085.75	-19,218,937.70
195255	Bacon Pump Station Security Improv	0.00	733.73	-733.73
195265	Douglas Booster Pump Station Electi	0.00	13,865.30	-13,865.30
201111	Hinkle Reservoir Overflow Channel L	0.00	2,221.57	-2,221.57
201117	Backwash Hood Rehabilitation (Two)	0.00	63,358.71	-63,358.71
201126	Lime Tower Design and Replacemen	0.00	76,139.55	-76,139.55
201144	Hinkle Reservoir Temporary Tanks ai	0.00	30,749.14	-30,749.14
201153	Thickener Access Ladders (3)	0.00	32,631.23	-32,631.23
205156	Field Services Sewer Lift Station	0.00	14,437.06	-14,437.06
211148	Admin Building Electrical Improvem	0.00	14,975.00	-14,975.00
215105	Eureka Road 18" T-main Design	105,676.60	2,921,747.04	-2,816,070.44
215114	Bacon Pump Station Generator Repl	3,875.00	129,101.00	-125,226.00
215117	Upper Granite Bay Pump Station Gei	-4,812.23	185,922.72	-190,734.95
215120	Kokila Reservoir (Replace Hypalon w	0.00	19,235.39	-19,235.39
221125	Admin PG&E Building Electrical Servi	0.00	2,500.00	-2,500.00
225147	Bacon PBS #3 and #4 - New Motors	0.00	7,320.86	-7,320.86
225166	Meter Replacement Program Route	0.00	63,183.27	-63,183.27
225170	Meter Replacement Program Route	0.00	89,711.14	-89,711.14
225174	Meter Replacement Program Route	0.00	86,360.29	-86,360.29
225178	Meter Replacement Program Route	0.00	53.63	-53.63
233104	ADA Plan Compliance - Admin Bldg N	0.00	46.85	-46.85
235100	Bacon PBS #5 - New VFD/Componen	0.00	12,218.96	-12,218.96
235104	FY 2022-23 Air/Vaccum Relief Valve	0.00	29,567.56	-29,567.56
235106	FY 2022-23 Service Lateral Replacem	0.00	241,018.28	-241,018.28
235116	Hydrant Replacements FY 2022-202:	0.00	164,202.53	-164,202.53
235118	Twin Rocks/Vogel Valley Probe Mete	0.00	4,718.49	-4,718.49
235120	FY 2022-23 Annual Blow Off Valve R	0.00	6,008.04	-6,008.04
Project Totals:		918,282.24	24,699,269.39	-23,780,987.15

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	918,282.24	24,669,857.33	-23,751,575.09
CIP - Asset Unplanned	0.00	29,412.06	-29,412.06
Group Totals:	918,282.24	24,699,269.39	-23,780,987.15

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Administration	0.00	17,521.85	-17,521.85
Engineering	104,739.37	3,752,299.26	-3,647,559.89
Field Services	0.00	442,206.23	-442,206.23
Water Treatment Plant	813,542.87	20,487,242.05	-19,673,699.18
Type Totals:	918,282.24	24,699,269.39	-23,780,987.15

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
010-030-57120	Maintenance - Facility	0.00	23.42	23.42
011-20030	Retentions Payable	-813,542.87	0.00	-813,542.87
011-700-61120	Capital Outlay - Improvemen...	0.00	394,704.31	394,704.31
011-700-61140	Capital Outlay - Buildings & I...	0.00	8,737.50	8,737.50
011-700-61145	Capital Outlay - WTP & Impro...	0.00	170,950.25	170,950.25
011-700-61155	Capital Outlay - Reservoirs & ...	0.00	20,094,056.46	20,094,056.46

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-700-61160	Capital Outlay - Equipment a...	0.00	32,631.23	32,631.23
050-030-57120	Maintenance - Facility	0.00	23.43	23.43
055-20030	Retentions Payable	-104,739.37	0.00	-104,739.37
055-700-61135	Capital Outlay - Pump Station...	0.00	349,162.57	349,162.57
055-700-61140	Capital Outlay - Buildings & I...	0.00	8,737.50	8,737.50
055-700-61150	Capital Outlay - Mains/Pipeli...	0.00	3,362,543.45	3,362,543.45
055-700-61153	Capital Outlay - Meters and E...	0.00	239,308.33	239,308.33
055-700-61155	Capital Outlay - Reservoirs & ...	0.00	19,235.39	19,235.39
055-700-61160	Capital Outlay - Equipment a...	0.00	19,155.55	19,155.55
GL Account Totals:		-918,282.24	24,699,269.39	23,780,987.15



San Juan Water District, CA

Balance Sheet

Account Summary

As Of 05/31/2023

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	6,608,580.02	2,248,382.66	3,848,298.44	17,237,198.53	29,942,459.65
10510 - Accounts Receivable	113,455.03	0.01	505,784.32	-0.01	619,239.35
11000 - Inventory	4,483.74	0.00	336,087.82	141,782.78	482,354.34
12000 - Prepaid Expense	59,154.35	0.00	6,520.94	0.00	65,675.29
12850 - Lease Receivable	266,068.85	0.00	216,725.65	0.00	482,794.50
14010 - Deferred Outflows	2,490,432.85	0.00	2,576,156.97	0.00	5,066,589.82
17010 - Capital Assets - Work in Progress	1,503,075.24	0.00	1,107,805.35	0.00	2,610,880.59
17150 - Capital Assets - Land Non-depreciable	120,712.00	0.00	166,272.00	0.00	286,984.00
17160 - Capital Assets - Improvements Other Than Buildings	831,038.09	0.00	100,903.30	0.00	931,941.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	6,817,987.72	0.00	13,865,165.72
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	41,943,155.93	0.00	16,000.00	0.00	41,959,155.93
17400 - Capital Assets - Mains/Pipelines & Improvements	28,130,034.95	0.00	49,102,548.79	0.00	77,232,583.74
17500 - Capital Assets - Reservoirs & Improvements	4,808,912.39	0.00	2,492,421.90	0.00	7,301,334.29
17700 - Capital Assets - Equipment & Furniture	13,757,726.59	0.00	1,153,254.13	0.00	14,910,980.72
17750 - Capital Assets - Vehicles	325,255.84	0.00	847,640.30	0.00	1,172,896.14
17800 - Capital Assets - Software	265,814.52	0.00	593,375.80	0.00	859,190.32
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-43,723,660.79	0.00	-31,677,772.98	0.00	-75,401,433.77
Total Type 1000 - Assets:	66,497,505.65	2,248,382.67	38,485,992.61	17,378,981.30	124,610,862.23
Total Asset:	66,497,505.65	2,248,382.67	38,485,992.61	17,378,981.30	124,610,862.23
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	119,490.26	0.00	119,490.26
Total Type 1000 - Assets:	0.00	0.00	119,490.26	0.00	119,490.26
Type: 2000 - Liabilities					
20010 - Accounts Payable	112,860.27	1,719,897.64	168,279.43	859,358.44	2,860,395.78
20100 - Retentions Payable	0.00	963,635.55	0.00	113,501.57	1,077,137.12
20150 - Customer Deposits	4,348.65	0.00	0.00	0.00	4,348.65
21200 - Salaries & Benefits Payable	36,940.82	0.00	69,236.82	0.00	106,177.64
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	425,156.74	0.00	514,876.55	0.00	940,033.29
21373 - Deferred Inflows of Resources - Leases	257,037.09	0.00	0.00	0.00	257,037.09

Balance Sheet

As Of 05/31/2023

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21500 - Premium on Issuance of Bonds Series 2017	1,114,154.56	0.00	626,711.94	0.00	1,740,866.50
21600 - OPEB Liability	1,473,961.49	0.00	1,875,297.61	0.00	3,349,259.10
21700 - Pension Liability	-1,149,020.76	0.00	-1,462,390.71	0.00	-2,611,411.47
22010 - Deferred Income	0.00	0.00	158,646.19	0.00	158,646.19
22050 - Deferred Inflows	3,188,589.36	0.00	4,107,615.00	0.00	7,296,204.36
23000 - Loans Payable	470,345.35	0.00	248,868.59	0.00	719,213.94
24250 - Bonds Payable 2017 Refunding	14,195,800.00	0.00	7,944,200.00	0.00	22,140,000.00
24300 - Loan - Refunding	4,825,313.63	0.00	2,620,009.05	0.00	7,445,322.68
Total Type 2000 - Liabilities:	24,955,487.21	2,683,533.19	16,871,350.46	972,860.01	45,483,230.87
Total Liability:	24,955,487.21	2,683,533.19	16,990,840.72	972,860.01	45,602,721.13
Equity					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	36,581,914.76	0.00	19,647,206.02	0.00	56,229,120.78
30500 - Designated Reserves	506,560.90	18,421,778.01	836,171.55	14,880,183.22	34,644,693.68
30600 - Restricted Fund Balance	0.00	0.00	0.00	1,026,250.00	1,026,250.00
Total Type 3000 - Equity:	37,088,475.66	18,421,778.01	20,483,377.57	15,906,433.22	91,900,064.46
Total Total Beginning Equity:	37,088,475.66	18,421,778.01	20,483,377.57	15,906,433.22	91,900,064.46
Total Revenue	11,007,240.49	1,921,379.83	11,680,937.95	5,038,419.49	29,647,977.76
Total Expense	6,553,697.71	20,778,308.36	10,669,163.63	4,538,731.42	42,539,901.12
Revenues Over/Under Expenses	4,453,542.78	-18,856,928.53	1,011,774.32	499,688.07	-12,891,923.36
Total Equity and Current Surplus (Deficit):	41,542,018.44	-435,150.52	21,495,151.89	16,406,121.29	79,008,141.10
Total Liabilities, Equity and Current Surplus (Deficit):	66,497,505.65	2,248,382.67	38,485,992.61	17,378,981.30	124,610,862.23



San Juan Water District, CA

Check Report

By Vendor Name

Date Range: 05/01/2023 - 05/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
	Void	05/16/2023	Regular	0.00	0.00	58997
	Void	05/23/2023	Regular	0.00	0.00	59011
	Void	05/23/2023	Regular	0.00	0.00	59015
01061	All Electric Motors, Inc.	05/30/2023	Regular	0.00	6,165.86	59023
03845	All Pro Backflow, Inc.	05/23/2023	Regular	0.00	1,500.00	59000
03406	Alpha Analytical Laboratories Inc.	05/03/2023	Regular	0.00	1,334.00	58966
03406	Alpha Analytical Laboratories Inc.	05/16/2023	Regular	0.00	804.50	58987
03406	Alpha Analytical Laboratories Inc.	05/23/2023	Regular	0.00	1,572.00	59001
03406	Alpha Analytical Laboratories Inc.	05/30/2023	Regular	0.00	900.00	59024
01039	American Family Life Assurance Company of Colu	05/26/2023	Bank Draft	0.00	298.71	Q386905-26-20:
01039	American Family Life Assurance Company of Colu	05/26/2023	Bank Draft	0.00	298.71	Q386905-26-20:
01026	American River Ace Hardware, Inc.	05/03/2023	Regular	0.00	965.20	58967
01026	American River Ace Hardware, Inc.	05/23/2023	Regular	0.00	37.79	59002
03838	Aria Service Group	05/03/2023	EFT	0.00	1,837.00	408578
03838	Aria Service Group	05/23/2023	EFT	0.00	2,790.00	408612
01328	Association of California Water Agencies / Joint P	05/03/2023	EFT	0.00	7,222.10	408579
01027	Association of California Water Agencies	05/09/2023	Regular	0.00	-495.00	58842
01164	Backflow Distributors Inc	05/23/2023	Regular	0.00	338.36	59003
03789	Banner Bank	05/23/2023	Regular	0.00	112,872.50	59004
02617	Barela, Tony	05/23/2023	Regular	0.00	389.22	59005
03758	Barry W. Leeder, Inc.	05/23/2023	EFT	0.00	156.20	408613
03514	Beckman Coulter, Inc.	05/30/2023	EFT	0.00	3,047.00	408625
03899	Bennett Engineering Services Inc	05/09/2023	EFT	0.00	5,621.00	408593
01282	California Independent System Operator Corporat	05/30/2023	EFT	0.00	145.80	408626
03080	California State Disbursement Unit	05/12/2023	Bank Draft	0.00	1,741.26	PAY000000000004
03080	California State Disbursement Unit	05/12/2023	Bank Draft	0.00	1.50	PAY000000000004
03080	California State Disbursement Unit	05/26/2023	Bank Draft	0.00	1,741.26	PAY000000000004
03080	California State Disbursement Unit	05/26/2023	Bank Draft	0.00	1.50	PAY000000000004
01437	California Utilities Emergency Association	05/09/2023	Regular	0.00	500.00	58981
03078	CalPERS Health	05/04/2023	Bank Draft	0.00	48,059.41	1002354741
03078	CalPERS Health	05/04/2023	Bank Draft	0.00	44,898.00	1002354741
03130	CalPERS Retirement	05/12/2023	Bank Draft	0.00	39,327.40	1002365428
03130	CalPERS Retirement	05/26/2023	Bank Draft	0.00	40,164.02	1002374750
03130	CalPERS Retirement	05/26/2023	Bank Draft	0.00	727.33	1002374754
03861	Calton, John C	05/09/2023	Regular	0.00	2,760.00	58982
03226	Capitol Sand & Gravel Co.	05/23/2023	Regular	0.00	2,239.98	59006
03221	Chemtrade Chemicals Corporation	05/03/2023	EFT	0.00	17,720.90	408580
03221	Chemtrade Chemicals Corporation	05/16/2023	EFT	0.00	9,030.60	408597
01366	Citistreet/CalPERS 457	05/12/2023	Bank Draft	0.00	7,933.04	1002365431
01366	Citistreet/CalPERS 457	05/26/2023	Bank Draft	0.00	7,967.45	1002374753
01372	City of Folsom	05/23/2023	Regular	0.00	47.42	59007
01378	Clark Pest Control of Stockton	05/03/2023	Regular	0.00	369.00	58968
02214	County of Placer Engineering & Surveying	05/23/2023	Regular	0.00	7,803.79	59008
01423	County of Sacramento	05/23/2023	Regular	0.00	68.00	59009
01433	Crusader Fence Co., Inc.	05/30/2023	Regular	0.00	3,500.00	59025
03890	Datalink Networks, Inc.	05/03/2023	EFT	0.00	1,400.00	408581
03890	Datalink Networks, Inc.	05/16/2023	EFT	0.00	213.00	408598
01521	DataProse, LLC	05/16/2023	EFT	0.00	8,294.77	408599
03935	Eagle Fence Company, Inc.	05/16/2023	Regular	0.00	1,029.00	58988
03163	Economic Development Department	05/12/2023	Bank Draft	0.00	9,955.83	1-255-749-088
03163	Economic Development Department	05/12/2023	Bank Draft	0.00	615.01	1-255-749-088
03163	Economic Development Department	05/26/2023	Bank Draft	0.00	4.58	1-342-156-256
03163	Economic Development Department	05/26/2023	Bank Draft	0.00	10,429.48	1-342-156-256

Check Report

Date Range: 05/01/2023 - 05/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03163	Economic Development Department	05/26/2023	Bank Draft	0.00	303.85	1-342-156-256
03749	Eide Bailly LLP	05/03/2023	EFT	0.00	1,200.00	408582
03749	Eide Bailly LLP	05/16/2023	EFT	0.00	1,400.00	408600
01554	Electrical Equipment Co	05/03/2023	Regular	0.00	1,582.87	58969
01569	Employee Relations, Inc.	05/16/2023	EFT	0.00	520.36	408601
01571	EN2 Resources, Inc.	05/03/2023	Regular	0.00	1,869.75	58970
01574	Endress + Hauser, Inc.	05/23/2023	EFT	0.00	1,600.00	408614
03702	Flowline Contractors, Inc.	05/16/2023	EFT	0.00	18,089.00	408602
03702	Flowline Contractors, Inc.	05/23/2023	EFT	0.00	521,115.99	408615
03702	Flowline Contractors, Inc.	05/30/2023	EFT	0.00	34,657.00	408627
01630	FM Graphics, Inc.	05/16/2023	Regular	0.00	913.03	58989
01644	Franchise Tax Board	05/16/2023	Regular	0.00	75.00	58990
01644	Franchise Tax Board	05/30/2023	Regular	0.00	75.00	59026
03389	Georgia Western, Inc.	05/03/2023	Regular	0.00	2,333.75	58971
03790	Global Machinery International West LLC	05/23/2023	EFT	0.00	682.35	408616
03937	GP Development	05/16/2023	Regular	0.00	984.32	58991
03091	Granite Bay Ace Hardware	05/03/2023	Regular	0.00	70.79	58972
03091	Granite Bay Ace Hardware	05/09/2023	Regular	0.00	30.85	58983
03091	Granite Bay Ace Hardware	05/16/2023	Regular	0.00	72.16	58992
03091	Granite Bay Ace Hardware	05/23/2023	Regular	0.00	1,453.58	59010
03091	Granite Bay Ace Hardware	05/30/2023	Regular	0.00	18.33	59027
01706	Graymont Western US Inc.	05/23/2023	EFT	0.00	6,087.78	408617
01721	Hach Company	05/16/2023	EFT	0.00	2,592.31	408603
01733	Harris Industrial Gases	05/30/2023	Regular	0.00	102.91	59028
01741	HDR Engineering, Inc.	05/03/2023	EFT	0.00	5,678.50	408583
01741	HDR Engineering, Inc.	05/16/2023	EFT	0.00	31,846.97	408604
03810	Hildebrand Consulting, LLC	05/16/2023	Regular	0.00	7,320.00	58993
01416	ICONIX Waterworks (US) Inc.	05/30/2023	EFT	0.00	958.55	408628
03938	IndustryUptime, Inc	05/30/2023	EFT	0.00	2,964.57	408629
03164	Internal Revenue Service	05/12/2023	Bank Draft	0.00	57,076.44	2703532652021
03164	Internal Revenue Service	05/12/2023	Bank Draft	0.00	2,852.30	2703532652021
03164	Internal Revenue Service	05/26/2023	Bank Draft	0.00	1,206.78	2703546847352
03164	Internal Revenue Service	05/26/2023	Bank Draft	0.00	185.46	2703546847352
03164	Internal Revenue Service	05/26/2023	Bank Draft	0.00	58,520.63	2703546847352
03884	JLR Environmental Consulting, LLC	05/16/2023	EFT	0.00	22,750.00	408605
03772	Larsson, Thomas	05/16/2023	Regular	0.00	2,960.00	58994
03934	Loewen, Mark V	05/30/2023	EFT	0.00	11,200.00	408630
03553	Mallory Safety and Supply LLC	05/03/2023	EFT	0.00	836.80	408584
02027	Mcmaster-Carr Supply Company	05/03/2023	EFT	0.00	2,473.69	408585
02027	Mcmaster-Carr Supply Company	05/30/2023	EFT	0.00	79.17	408631
01472	Mel Dawson, Inc.	05/23/2023	EFT	0.00	8,177.48	408618
02131	ODP Business Solutions, LLC	05/09/2023	Regular	0.00	217.84	58984
02131	ODP Business Solutions, LLC	05/16/2023	Regular	0.00	237.13	58995
02131	ODP Business Solutions, LLC	05/23/2023	Regular	0.00	1,277.75	59012
02131	ODP Business Solutions, LLC	05/30/2023	Regular	0.00	590.85	59029
02150	Pace Supply Corp	05/03/2023	Regular	0.00	1,665.45	58973
02150	Pace Supply Corp	05/23/2023	Regular	0.00	8,429.43	59013
02150	Pace Supply Corp	05/30/2023	Regular	0.00	3,195.76	59030
02158	Pacific Storage Company	05/23/2023	EFT	0.00	180.40	408619
03919	Pastore, Danielle C	05/09/2023	Regular	0.00	68.75	58985
02146	PG&E	05/03/2023	Regular	0.00	10.00	58974
02146	PG&E	05/16/2023	Regular	0.00	8,799.81	58996
02146	PG&E	05/23/2023	Regular	0.00	4,445.70	59014
02146	PG&E	05/30/2023	Regular	0.00	10.00	59031
03917	Philips, April R	05/17/2023	Regular	0.00	-224.00	58975
03917	Philips, April R	05/03/2023	Regular	0.00	224.00	58975
02210	Placer County Water Agency	05/30/2023	Regular	0.00	206,062.50	59032
03543	Quadient Finance USA, Inc. - Postage	05/23/2023	EFT	0.00	500.00	408620
02283	Recology Auburn Placer	05/23/2023	Regular	0.00	721.59	59016
02223	Rexel Inc (Platt - Rancho Cordova)	05/03/2023	Regular	0.00	4,812.68	58976
02293	RFI Enterprises, Inc.	05/03/2023	EFT	0.00	898.59	408586

Check Report

Date Range: 05/01/2023 - 05/31/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02293	RFI Enterprises, Inc.	05/16/2023	EFT	0.00	2,803.46	408606
03828	Richard D. Jones, A Professional Law Corporation	05/03/2023	Regular	0.00	3,893.00	58977
03183	River City Printers LLC	05/09/2023	EFT	0.00	9,494.78	408594
03681	RS Americas, Inc.	05/23/2023	EFT	0.00	1,086.33	408621
03385	S J Electro Systems Inc	05/16/2023	EFT	0.00	3,842.00	408607
02357	Sacramento Municipal Utility District (SMUD)	05/23/2023	Regular	0.00	12,365.89	59017
03903	Sharma, Amit	05/16/2023	EFT	0.00	495.00	408608
03822	SIJ Holdings LLC	05/16/2023	EFT	0.00	1,049.18	408609
01492	State of California, Department of Water Resources	05/16/2023	Regular	0.00	5,973.00	58998
02517	Steve P Rados, Inc.	05/23/2023	EFT	0.00	2,514,546.33	408622
03830	Stoel Rives LLP	05/09/2023	EFT	0.00	2,669.00	408595
01641	Sun Life Assurance Company of Canada	05/01/2023	Bank Draft	0.00	10,760.24	978509
01411	SureWest Telephone	05/16/2023	Regular	0.00	3,297.32	58999
02572	Thatcher Company of California, Inc.	05/03/2023	EFT	0.00	16,800.00	408587
02580	The Eidam Corporation	05/30/2023	EFT	0.00	4,115.00	408632
02581	The Ferguson Group, LLC	05/16/2023	EFT	0.00	6,750.00	408610
03840	The Permanente Medical Group, Inc.	05/03/2023	Regular	0.00	654.00	58978
03799	Thrikettle Corporation	05/30/2023	Regular	0.00	2,058.68	59033
02563	Trimble Inc	05/23/2023	EFT	0.00	2,863.90	408623
03922	Turner Consulting and Actuarial, LLC	05/03/2023	Regular	0.00	5,000.00	58979
03880	TW Associates LLC	05/09/2023	Regular	0.00	1,070.42	58986
03846	U.S. Bancorp Asset Management, Inc.	05/03/2023	EFT	0.00	1,012.88	408588
02651	United Parcel Service Inc	05/23/2023	Regular	0.00	90.00	59018
02651	United Parcel Service Inc	05/30/2023	Regular	0.00	263.15	59034
03637	Urban Futures, Inc.	05/23/2023	EFT	0.00	1,400.00	408624
02667	US Bank Corporate Payments Sys (CalCard)	05/19/2023	Bank Draft	0.00	29,278.30	474-226129-23
03077	VALIC	05/11/2023	Bank Draft	0.00	4,480.26	269882
03077	VALIC	05/26/2023	Bank Draft	0.00	4,500.78	271838
02700	Viking Shred LLC	05/23/2023	Regular	0.00	89.00	59019
01687	W. W. Grainger, Inc.	05/03/2023	Regular	0.00	458.65	58980
01687	W. W. Grainger, Inc.	05/23/2023	Regular	0.00	1,583.20	59020
01687	W. W. Grainger, Inc.	05/30/2023	Regular	0.00	700.11	59035
02710	WageWorks, Inc	05/03/2023	EFT	0.00	116.00	408589
03387	WageWorks, Inc	05/03/2023	EFT	0.00	349.00	408590
03387	WageWorks, Inc	05/16/2023	EFT	0.00	349.00	408611
03387	WageWorks, Inc	05/30/2023	EFT	0.00	349.00	408633
01068	Walker, Glenn C.	05/23/2023	Regular	0.00	1,382.36	59021
01068	Walker, Glenn C.	05/30/2023	Regular	0.00	1,382.36	59036
01486	WAPA - Department of Energy	05/30/2023	EFT	0.00	805.89	408634
03791	Water Systems Consulting, Inc.	05/03/2023	EFT	0.00	86,231.25	408591
03791	Water Systems Consulting, Inc.	05/09/2023	EFT	0.00	5,772.40	408596
02730	Western Area Power Administration	05/03/2023	EFT	0.00	7,582.00	408592
02730	Western Area Power Administration	05/30/2023	EFT	0.00	5,933.00	408635
02766	Youngdahl Consulting Group, Inc.	05/23/2023	Regular	0.00	14,911.25	59022
03642	Zenner Performance Meters, Inc.	05/30/2023	Regular	0.00	2,991.54	59037

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	138	69	0.00	463,992.13
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	-719.00
Bank Drafts	28	28	0.00	431,388.94
EFT's	82	58	0.00	3,410,383.28
	248	160	0.00	4,305,045.35

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	138	69	0.00	463,992.13
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	-719.00
Bank Drafts	28	28	0.00	431,388.94
EFT's	82	58	0.00	3,410,383.28
	248	160	0.00	4,305,045.35

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	5/2023	4,305,045.35



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2022 - 05/31/2023

Payment Date Range -

Payable Number Item Description	Description Units	Post Date	1099	Payment Number Account Number	Payment Date Account Name	Amount	Shipping	Tax	Discount	Net	Payment
Vendor Set: 01 - Vendor Set 01											
02556 - Costa, Ted						564.10	0.00	0.00	0.00	564.10	564.10
Exp Reimb 12-2022	Mileage Riem ACWA Fall Conf 11/28-12/2/12/2/2022			408330	12/13/2022	564.10	0.00	0.00	0.00	564.10	564.10
Mileage Riem ACWA Fal	0.00	0.00	564.10	010-010-52110 050-010-52110	Training - Meetings, Education & Tr	282.05					
					Training - Meetings, Education & Tr	282.05					
01916 - Miller, Ken						340.19	0.00	0.00	0.00	340.19	340.19
Exp Reimb 05-2023	ACWA Spring Conf Mileage Reimb & ME&I 5/11/2023			408679	6/21/2023	340.19	0.00	0.00	0.00	340.19	340.19
ACWA Spring Conf Mile	0.00	0.00	340.19	010-010-52110 050-010-52110	Training - Meetings, Education & Tr	170.10					
					Training - Meetings, Education & Tr	170.09					
03092 - Rich, Dan						2,418.24	0.00	0.00	0.00	2,418.24	2,418.24
Exp Reimb 05-2023	ACWA Spring Conf Mileage & Lodging	5/11/2023		408680	6/21/2023	1,010.03	0.00	0.00	0.00	1,010.03	1,010.03
ACWA Spring Conf Mile	0.00	0.00	1,010.03	010-010-52110 050-010-52110	Training - Meetings, Education & Tr	505.02					
					Training - Meetings, Education & Tr	505.01					
Exp Reimb 12-2022	Mileage Reimb 11 & 12/2022 , ACWA Conf 12/1/2022			408339	12/13/2022	1,408.21	0.00	0.00	0.00	1,408.21	1,408.21
Mileage Reimb 11 & 12/	0.00	0.00	1,408.21	010-010-52110 050-010-52110	Training - Meetings, Education & Tr	704.10					
					Training - Meetings, Education & Tr	704.11					
03849 - Zamorano, Manuel						107.91	0.00	0.00	0.00	107.91	107.91
Exp Reimb 05-2023	ACWA Spring Conf ME&I	5/11/2023		408681	6/21/2023	107.91	0.00	0.00	0.00	107.91	107.91
ACWA Spring Conf ME&	0.00	0.00	107.91	010-010-52110 050-010-52110	Training - Meetings, Education & Tr	53.96					
					Training - Meetings, Education & Tr	53.95					
Vendors: (4) Total 01 - Vendor Set 01:						3,430.44	0.00	0.00	0.00	3,430.44	3,430.44
Vendors: (4) Report Total:						3,430.44	0.00	0.00	0.00	3,430.44	3,430.44



Payroll Set: 01-San Juan Water District

Employee Number	Employee Name	Pay Code	# of Payments	Units	Pay Amount
<u>0690</u>	Costa, Ted	Reg - Regular Hours	11	66.00	8,250.00
			0690 - Costa Total:	66.00	8,250.00
<u>0670</u>	Miller, Ken	Reg - Regular Hours	10	28.00	3,500.00
			0670 - Miller Total:	28.00	3,500.00
<u>1003</u>	Rich, Daniel	Reg - Regular Hours	10	30.00	3,750.00
			1003 - Rich Total:	30.00	3,750.00
<u>0650</u>	Tobin, Pamela	Reg - Regular Hours	11	107.00	13,375.00
			0650 - Tobin Total:	107.00	13,375.00
<u>1039</u>	Zamorano, Manuel	Reg - Regular Hours	10	26.00	3,250.00
			1039 - Zamorano Total:	26.00	3,250.00
			Report Total:	257.00	32,125.00



Pay Code Report

Account Summary

7/1/2022 - 5/31/2023

Payroll Set: 01-San Juan Water District

Account	Account Description	Units	Pay Amount
<u>010-010-58110</u>	Director - Stipend	128.50	16,062.50
		010 - WHOLESALE Total:	128.50 16,062.50
<u>050-010-58110</u>	Director - Stipend	128.50	16,062.50
		050 - RETAIL Total:	128.50 16,062.50
		Report Total:	257.00 32,125.00

**Pay Code Report**

Pay Code Summary

7/1/2022 - 5/31/2023

Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	52	257.00	32,125.00
		Report Total:	257.00	32,125.00

2022/23 Actual Deliveries and Revenue - By Wholesale Customer Agency

	July 2022 - May 2023						
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance
San Juan Retail	9,674	\$ 2,905,252	9,737	\$ 2,910,371	63	0.7%	\$ 5,119 0.2%
Citrus Heights Water District	6,578	\$ 2,444,819	6,488	\$ 2,478,345	(89)	-1.4%	\$ 33,526 1.4%
Fair Oaks Water District	5,866	\$ 1,827,415	4,005	\$ 1,678,644	(1,861)	-31.7%	\$ (148,771) -8.1%
Orange Vale Water Co.	3,146	\$ 956,892	3,303	\$ 962,001	157	5.0%	\$ 5,108 0.5%
City of Folsom	995	\$ 288,298	920	\$ 280,679	(75)	-7.6%	\$ (7,619) -2.6%
Granite Bay Golf Course	245	\$ 8,671	295	\$ 10,416	49	20.1%	\$ 1,745 20.1%
Sac Suburban Water District	2,600	\$ 572,416	4,666	\$ 1,257,458	2,066	79.5%	\$ 685,042 119.7%
Water Transfer	3,442	\$ 2,395,632	3,504	\$ 2,438,768	62	1.8%	\$ 43,136 1.8%
TOTAL	32,546	\$ 11,399,395	\$ 32,918	\$ 12,016,682	\$ 372	1.1%	\$ 617,286 5.4%

Budgeted Deliveries	32,546.02
Actual Deliveries	32,917.96
Difference	371.93
	1.1%

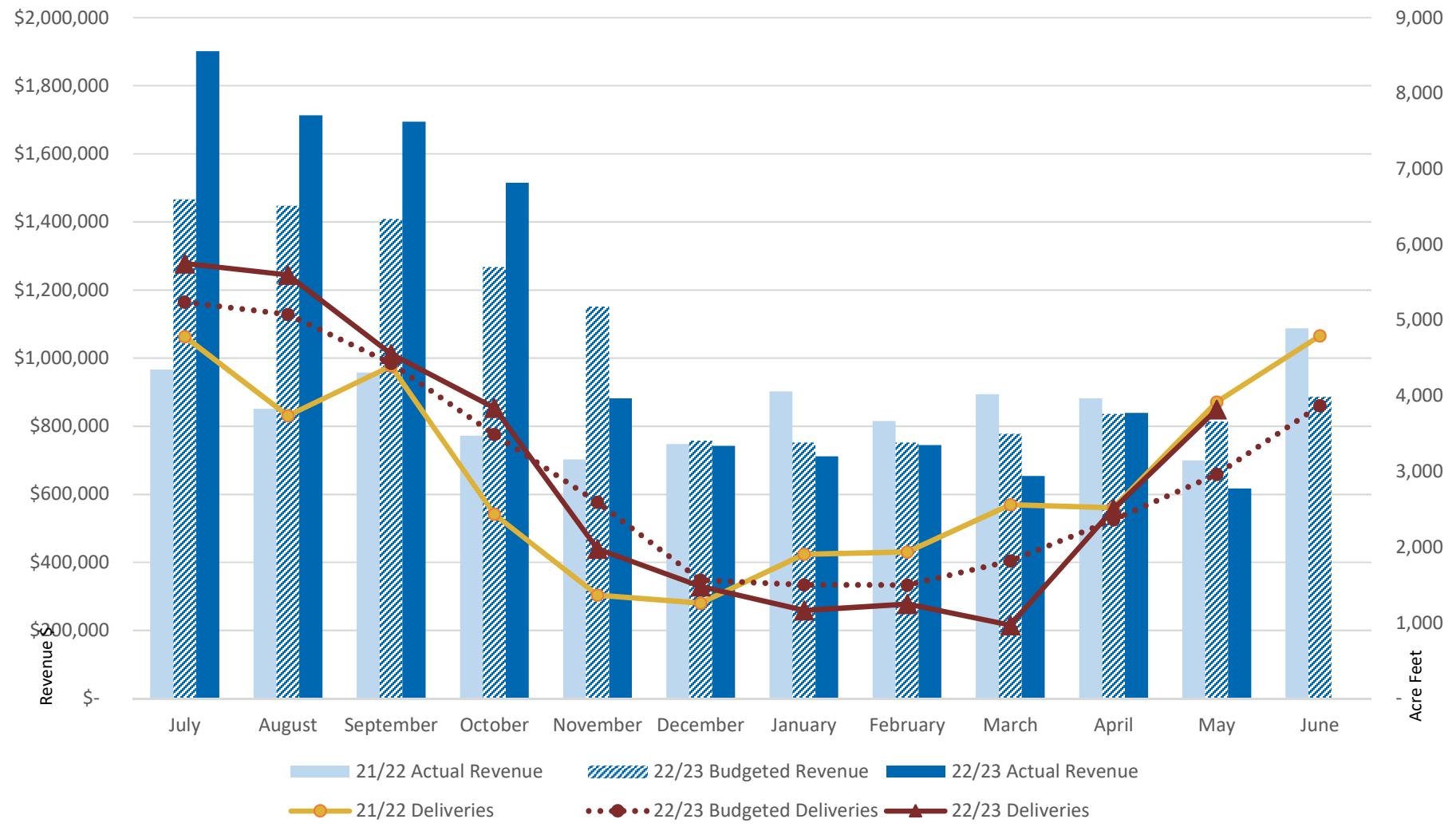
Budgeted Water Sale Revenue	\$ 11,399,395
Actual Water Sale Revenue	\$ 12,016,682
Difference	\$ 617,286
	5.4%

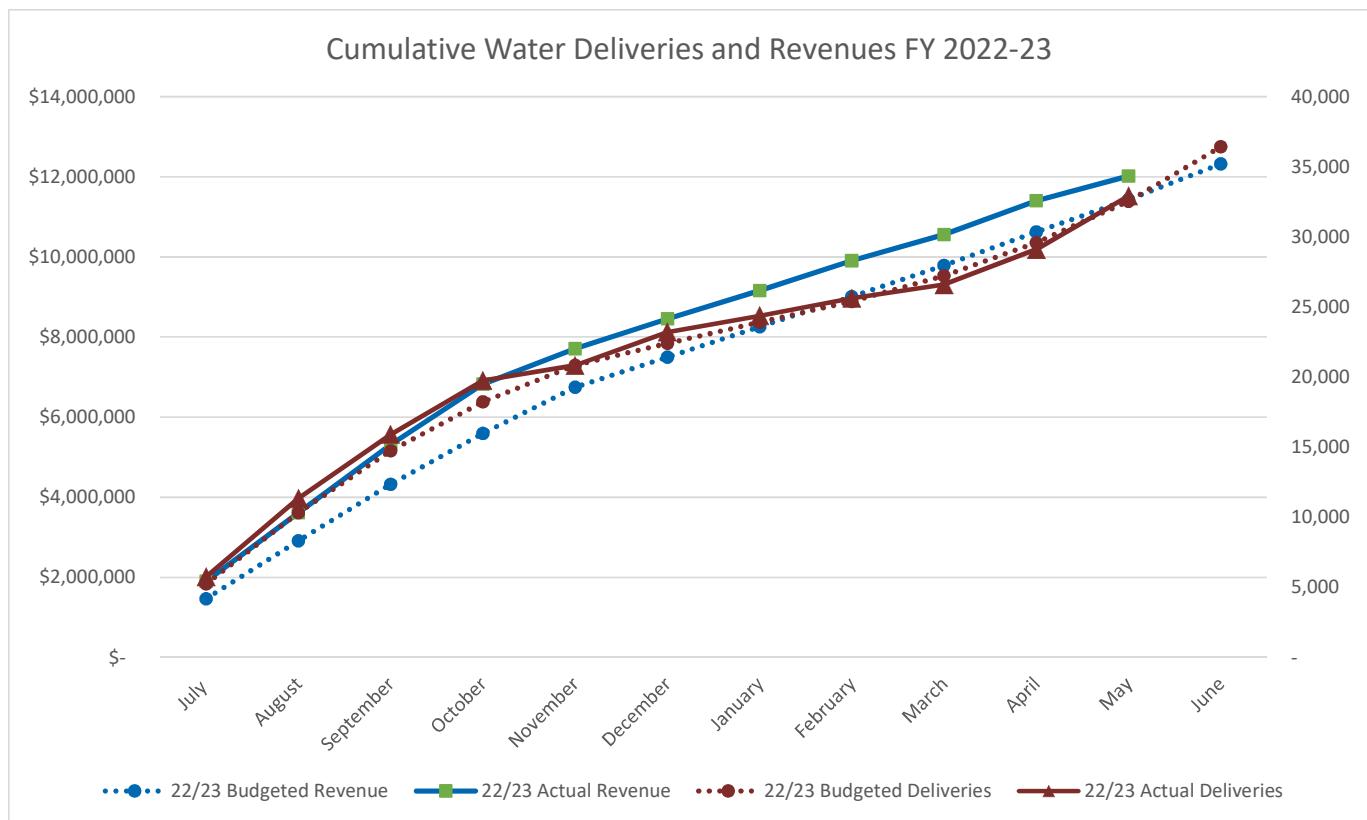
Conclusion:

Actual deliveries for July through October were greater than anticipated, while deliveries for November through March were less than anticipated, which was beneficial to operations while the Hinkle Reservoir was offline. April and May deliveries have been higher than anticipated, leaving total deliveries through May almost spot on our projections for year to date, with just a positive 1.1% variance. As shown in the numbers above, the main drivers of the variances are due to lower demands from the FOWD, offset by sales to SSWD that weren't anticipated in the budget. Excluding SSWD, deliveries for July - May are down by 2,580 acre feet, a 9% decline from the same period last year. The budget anticipated only a 1% change from the prior year.

Because the majority of revenues come from the quarterly service charge, and because of the revenues from the sales to SSWD, revenues are actually 5.4% greater than anticipated in the budget for this time of year.

Comparison of Fiscal Year 2021/2022 Actuals to 2022/2023 Projections and Actuals of Deliveries and Revenue





AGENDA ITEM VIII-3

Director Tobin's Report
Date 6/20/2023

ACWA:

- Elections will be held via electronic voting or by mail in ballots. Electronic Ballots will be sent out online, July 17th. All ballots must be returned by Sept 15th. There will be a Town Hall zoom meeting July 19th at 2:00pm. For more information go to acwa.com/elections.

List of candidates:

ACWA President

Cathy Green, Orange County Water District, Region 10

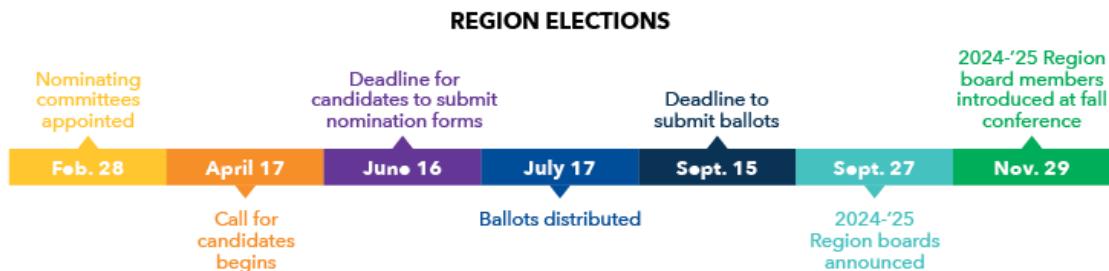
ACWA Vice President

Arnesto A. Avila, Contra Costa Water District, Region 5

Michael Saunders, Georgetown Divide Public Utilities District, Region 3

Lona M. Williams, Beaumont-Cherry Valley Water District, Region 9

Region Elections are going on. ACWA's membership is organized into 10 regions, each of which has a Board of Directors comprised of five to seven members who serve two-year terms. ACWA's region elections are currently underway and will determine the boards of each region, including the region Chair, Vice Chair and three to five board members.



- At its March 16, 2023 meeting, the ACWA Board ratified the ACWA Foundation designated Edgar Dymally, Metropolitan Water District of Southern California, to serve as a ACWA Foundation Board of Trustee.
- ACWA "Code of Conduct" was pulled off the agenda at the May meeting for further development with the Board of Directors at the next workshop. There was much discussion including the resolution brought by San Juan Water District, to not approve the expansion of the language of the code. SJWD staff conducted a massive outreach to other agencies and the board agreed to begin working on specific language addressing events, conferences, meetings, and communication of ACWA policies or positions.
 - Two letters were issued to SJWD staff from ACWA's Executive Director.
 - Dan Rich and Paul Helliker attended a meeting requested by Mr. Helliker to discuss his removal from the workgroups on May 18th.
 - The second letter was issued on Tuesday, June 20, 2023 rescinding the removal with a warning. The letter is included in this report marked Exhibit One.

- The Communications Committee met on May 9 during the ACWA Spring Conference & Expo in Monterey. The meeting included an update on the QuenchCA public information campaign, including information about how to partner and utilize toolkit items. In addition, representatives from Save Our Water provided a campaign update; DWR's Assistant Director of Communications shared how the agency has been handling crisis communications with snow and flooding; and a representative from Metropolitan Water District of Southern California provided an overview of the district's new conservation campaign.

The committee hosted a successful program at conference featuring a moderated conversation with four working journalists about how today's newsrooms work, how to pitch an article and trends for the future. The committee also hosted a roundtable discussion about communicating drought and conservation following a wet winter.

- ACWA presented the Clair A. Hill Agency Award for Excellence, Excellence in Water Leadership Award and Excellence in Innovation Award at the Spring Conference & Expo in Monterey. Also at conference, ACWA presented the ACWA and Clair Hill scholarships, as well as the new Arthur Littleworth Best Best & Krieger Diversity Scholarship and Edward G. "Jerry" Gladbach Scholarship. The winner of the John P. Fraser Fellowship was also announced.
- Highlighting infrastructure projects like Sites is why I spearheaded the creation of ACWA's Quench California campaign. This award-winning statewide public education campaign is half-way through a second year of connecting people online with why water infrastructure is such a critical need for today and the next generation. It also features a library of water projects in every corner of the state, including Sites, offering local examples of what these projects look like, how they benefit communities and why they provide a foundation for adapting to climate change.

ACWA FOUNDATION

On October 3, 2022, ACWA officially formed the ACWA Foundation, a 501(c)(3) nonprofit public benefit corporation, to serve all Californians by advancing diversity, equity, and inclusion within the water industry through education, research, and workforce development.

The ACWA Foundation is governed by its Bylaws and Articles of Incorporations. Staff is presenting Board Policy OP-7.6 Association of California Water Agencies (ACWA) Foundation to codify in Board policy the Foundation's partnership with ACWA as well as its governance/representation.

- Communications staff continues to coordinate with other departments to provide communications services in support of the ACWA Foundation. Staff designed the foundation's logo and website and helped the group prepare for a large presence at the conference by designing and ordering lapel pins and informational flyers.

- OTHER INFORMATION PROVIDED

- June Priority Issues
- Regulatory Roundup
- Exhibit One

ACWA JPIA

- The ACWA JPIA Executive Committee Election took place during the JPIA's Board of Director's Meeting on May 8th, 2023 at the Spring Conference in Monterey, California. The Newly Elected Candidates for the Executive Committee are listed here. Szu Pei Lu-Yang – Rowland Water District, Scott Ratterman – Calaveras County Water District, Bruce Rupp – Humboldt Bay Municipal Water District (*incumbent*), David Wheaton – Citrus Heights Water District.
- Cyber security is a growing and evolving risk impacting the public sector, including water districts. JPIA partners with Beazley to provide cyber security insurance coverage and services to help prevent and manage data incidents. Among the services available:
 - Breach response assistance and services
 - Best practices for preventing cyber breaches.
 - Incident response plans and tabletop exercises
 - Tip sheets, sample policies, and webinars

ACWA UPDATE ON PRIORITY ISSUES

A high-level look at recent ACWA activity and initiatives.



JUNE 2023

Water Rights Legislation

ACWA continues to work closely with the State Legislative Committee and its water rights work group and to lead the advocacy coalition that is opposing water rights legislation that is seeking to fundamentally change the way California's water rights system is implemented and enforced. AB 460 (Bauer-Kahan) would grant the State Water Resources Control Board new and sweeping authority to issue interim relief orders against water diverters and users, SB 389 (Allen) would authorize the State Water Board to investigate and determine the scope and validity of any water right claim and AB 1337 (Wicks) would authorize the State Water Board to issue sweeping curtailment orders against any claim of right in any water year. All three bills were passed by their respective houses on May 30 despite ACWA and its large opposition coalition providing a strong and united front in advocating against these bills. The bills now move to the opposite houses for further consideration.

Water Bond

At the Legislature, ACWA has been advocating a support-if-amended position on four separate bond proposals, SB 867 (Allen), SB 638 (Eggman), AB 1567 (Garcia) and AB 305 (Villapudua). In part due to ACWA's advocacy, the legislative proposals focus on water infrastructure funding in addition to the funding of other natural resources issues. [ACWA's state infrastructure funding priorities](#) include a \$7.85 billion bond investment in water infrastructure that focuses on a number of critical water issues including: recycled water, groundwater recharge and storage, flood protection, dam safety, conveyance, storage, safe drinking water, regional watershed resilience, State Water Project improvements, and water conservation. ACWA has been working closely with Senator Allen and his staff to help shape SB 867 which would provide for \$15.5 billion in funding for various water and natural resources issues similar to ACWA's infrastructure funding priorities above plus additional funding categories. ACWA continues to work proactively to advance having a natural resources general obligation bond on a ballot in 2024, and while discussions are still ongoing regarding the content and precise timing of the bond, with four bills moving through the Legislature there is significant momentum to place a bond before the voters in 2024.

AB 1572 (Friedman) - Potable Water: Nonfunctional Turf

AB 1572 by Assembly Member Laura Friedman (D-Glendale) would create a regulatory structure around a prohibition on the use of potable water for the irrigation of nonfunctional turf on properties other than single-family homes. The bill was amended coming off the Assembly Suspense File in May with new definitions and additional clarity around local government coordination on enforcement. Based on these changes and the significant progress on amendments that ACWA has requested to date, ACWA's State Legislative Committee on May 26 changed the position from oppose-unless-amended to a watch-if-amended position. The last policy issue that is not fully resolved is the continued inclusion of multifamily housing within the scope of the bill. ACWA staff continues to coordinate with its turf policy work group and advocate for amendments.

SB 23 - Streamlining Permitting of Critical Water Projects

ACWA-sponsored SB 23 authored by Senator Anna Caballero (D-Merced), proposed to streamline the regulatory permitting process, while preserving established environmental protections, so that critical infrastructure projects are built at the pace and scale needed to prepare for climate change. The bill was recently made a two-year bill. ACWA formed a diverse coalition of supporters and while SB 23 will not continue to move forward this year, Gov. Gavin Newsom recently signed an [Executive Order](#) and announced plans to introduce a package of budget trailer bills aimed at streamlining the delivery of critical projects throughout the state, including water infrastructure projects. More information on the governor's Executive Order is available in an Advisory distributed May 19 at acwa.com/notifications.

STAFF CONTACT

Kristopher Anderson
State Relations
Advocate
krisa@acwa.com

STAFF CONTACT

Adam Quiñonez
State Relations
Director
adamq@acwa.com

STAFF CONTACT

Julia Hall
Legislative Relations
Manager
juliah@acwa.com

STAFF CONTACT

Kristopher Anderson
State Relations
Advocate
krisa@acwa.com

Voluntary Agreements

The State Water Board is considering an amendment to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, or Bay-Delta Plan, that would incorporate a proposed Tuolumne River Voluntary Agreement. ACWA has long supported the Voluntary Agreements (VAs) as a collaborative, modern and holistic approach in the Bay-Delta and its tributaries to help native fish and wildlife species while supporting water supply reliability. On May 18, ACWA staff provided oral comments on the issue to the State Water Board during a virtual public scoping meeting.

STAFF CONTACT

Stephen Pang

State Relations

Advocate

stephenp@acwa.com

Federal Drinking Water Standards for PFAS

The EPA recently announced the proposed National Primary Drinking Water Regulation for six PFAS substances. The proposal would regulate PFOA and PFOS as individual contaminants, and regulate four other PFAS – PFNA, PFHxS, PFBS, and GenX Chemicals – as a mixture. EPA proposed to set the federally enforceable limits, maximum contaminant levels (MCLs), at 4 parts per trillion (ppt) for PFOA and PFOS and proposed water concentration limits for the remaining four PFAS based on its estimated hazards, known as a Hazard Index. The proposal was [published](#) on March 29, and ACWA submitted comments on the proposal that are available at [acwa.com/resources](#). EPA plans to finalize the regulation by the end of 2023. For more information on the proposal, visit EPA's [website](#).

STAFF CONTACT

Madeline Voitier

Federal Relations

Representative

madelinev@acwa.com

Water Use Efficiency

The State Water Board recently released the [proposed regulatory framework](#) for "Making Conservation a California Way of Life." This new framework proposes unique water use efficiency goals for each urban retail water supplier, including urban water use efficiency standards, variances, an urban water use objective, and commercial, industrial, and institutional (CII) performance measures. The formal rulemaking is anticipated to start in June. ACWA is already engaged on the underlying issues and will actively engage in the rulemaking.

STAFF CONTACT

Chelsea Haines

Regulatory Relations

Manager

chelseah@acwa.com

ACWA Elections

The deadline to designate a voting representative to cast a ballot for ACWA President and Vice President is June 16. Every ACWA member agency should designate a voting representative to ensure the correct person receives the ballot. To designate your agency's voter, submit an Authorized Voting Representative Form to donna@acwa.com. In addition, the deadline to declare candidacy for ACWA President, Vice President or to serve on a Region Board for the 2024-'25 term is also June 16. The Authorized Voting Representative Form and more information on the election is available at [acwa.com/elections](#).

STAFF CONTACT

BOARD OFFICER

ELECTION:

Donna Pagborn

Senior Clerk of the

Board

donna@acwa.com

REGION ELECTIONS:

Your Region

Representative

Quench California

ACWA's award-winning statewide public education campaign, Quench California, is continuing to offer a paid partnership program to help member agencies take advantage of the campaign's branding and website while amplifying the importance of investing in water infrastructure. In addition, ACWA members are encouraged to continue utilizing toolkit items, including customizable social media posts and graphics, campaign logos, handouts and four videos in three different lengths and with Spanish subtitles. More information about the partnership program is available [online](#). The toolkits and videos are available to members at [acwa.com/resources](#). More information on the campaign is also available at [QuenchCA.com](#).

STAFF CONTACT

Heather Engel

Director of

Communications

heathere@acwa.com

Upcoming Events - Visit www.acwa.com/events for more

- ACWA Region 10 Program and Tour – **June 29**
- ACWA Region 8 Program and Tour – **July 13**

MONTHLY

REGULATORY ROUNDUP



June 2023

UPCOMING ACWA EVENTS

ACWA REGION EVENTS

- ACWA Region 10 / Pure Water Oceanside / June 29 at 8:00 am/ Register [here](#).
- ACWA Region 8 / West Basin's Water Recycling Facility / July 13 at 8:30 am/ Register [here](#).

POLICY UPDATES

SAFE DRINKING WATER

Drinking Water Needs Assessment: 2023 Final Report

- On April 27, the State Water Resources Control Board (State Water Board) released its third annual [Drinking Water Needs Assessment](#), which describes the overall health of the State's water systems and domestic wells and will inform the funding and regulatory work of the Safe and Affordable Funding for Equity and Resilience (SAFER) drinking water program. State Water Board staff held a public webinar on Tuesday, May 2 to review the document. A recording of the webinar will be available [here](#). While the Needs Assessment is final, the State Water Board is accepting feedback on the report.
 - Written comments due June 2 via [email](#)

Staff Contact

Soren Nelson
sorenn@acwa.com



SAFER: Administrator Policy Handbook

- On May 10, the State Water Board issued a [Notice of Public Webinars: SAFER: Administrator Policy Handbook Workshop](#). The Administrator Policy Handbook provides standards, terms, and procedures that apply to the selection and duties of appointed [water system administrators](#). The workshop will be an opportunity for stakeholders to contribute to the handbook.
 - [Public Workshop](#): June 14 from 9:00 - 11:00 am

Staff Contact

Soren Nelson
sorenn@acwa.com

WATER MANAGEMENT

Annual Water Supply and Demand Assessment

- The Department of Water Resources (DWR) will hold an [Annual Water Supply and Demand Assessment](#) (Assessment) Information Meeting. The meeting will discuss lessons learned from the 2022 Annual Assessments, changes to the second round of analysis and reporting, and the Assessment and Annual Water Shortage Assessment Report (Report) submittal process. Every water supplier that provides over 3,000 acre-feet of water annually or serves more than 3,000 urban connections is required to perform an Annual Assessment and submit an Annual Report to DWR.
 - Assessments due July 1

Staff Contact

Chelsea Haines
chelseah@acwa.com



Bay Delta Plan: Environmental Justice

- On May 11, the State Water Board issued a [Notice of Environmental Justice Listening Session on the State Efforts to Update and Implement the Water Quality Control Plan for the Bay Delta Plan](#) (Bay-Delta Plan) to receive input from environmental justice organizations, economically disadvantaged communities, and black, indigenous, and people of color community members and individuals on its

Staff Contact

Stephen Pang
stephenp@acwa.com



<p>efforts to update and implement the Bay-Delta Plan, including consideration of possible Voluntary Agreements.</p> <ul style="list-style-type: none"> ○ Listening Session: June 7 at 3:00 pm 	
<p>Bay Delta Plan: Possible Addition of Tribal Beneficial Uses</p> <ul style="list-style-type: none"> ● On May 11, the State Water Board issued a "Save the Date" for Consideration of Additional Tribal Beneficial Uses to the Bay-Delta Plan. The addition of tribal beneficial uses to the Bay-Delta Plan would provide for explicit recognition and reasonable protection of these beneficial uses within the context of the Bay-Delta Plan, which is focused on instream flow and associated habitat conditions and implementation through water rights related actions. ○ Informational Item: June 7 at 9:30 am 	<p>Staff Contact Stephen Pang stephenp@acwa.com</p> <div data-bbox="1253 439 1416 502" style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">  WORKING GROUP </div>
<p>Clean Water and Drinking Water State Revolving Funds: Intended Use Plan</p> <ul style="list-style-type: none"> ● On May 22, the State Water Board issued a Notice of Opportunity to Comment, Board Workshop, and Consideration of Adoption of the State Fiscal Year 2023-24 Federal Fiscal Year 2023 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) and Drinking Water State Revolving Fund (DWSRF) IUP with Supplemental IUPs and Guidelines for Complementary Funding from the Budget Acts of 2021, 2022, and 2023 and Propositions 1 and 68. The draft CWSRF and DWSRF IUPs outline the State Water Board's plan for administering the CWSRF and DWSRF and the types of projects eligible for financing for SFY 2023-24. ○ Board Workshop: June 20 at no earlier than 1:00 pm ○ Written comments due June 23 by 12:00 pm ○ Board Meeting: July 18 at 9:30 am 	<p>Staff Contact Nick Blair nickb@acwa.com</p> <div data-bbox="1253 745 1416 808" style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">  WORKING GROUP </div>
<p>Clean Water and Drinking Water State Revolving Funds: Section 106 Agreements</p> <ul style="list-style-type: none"> ● On May 17, the State Water Board and United States Environmental Protection Agency (EPA) issued a Notice of Consultation Meeting regarding the Development of Section 106 Programmatic Agreements for the CWSRF and DWSRF Programs. These two new statewide programmatic agreements, one for the CWSRF and one for the DWSRF, will guide compliance with Section 106 of the National Historic Preservation Act. ○ Board Meeting: June 22 from 10:00 am – 12:00 pm 	<p>Staff Contact Nick Blair nickb@acwa.com</p> <div data-bbox="1253 1174 1416 1237" style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">  WORKING GROUP </div>
<p>Drought and Conservation Technical Reporting Order</p> <ul style="list-style-type: none"> ● The State Water Board will hold an Information Item on the Drought and Conservation Reporting to the SAFER Clearinghouse. The SAFER Clearinghouse Drought and Conservation Reporting was launched in January 2023 and is the reporting platform now used to submit drought and conservation reporting data from public drinking water systems. ○ Board Meeting: June 6 at 9:30 am 	<p>Staff Contact Chelsea Haines chelseah@acwa.com</p> <div data-bbox="1253 1463 1416 1526" style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">  WORKING GROUP </div>
<p>Fees: 2023 – '24 Drinking Water, Water Quality and Water Rights</p> <ul style="list-style-type: none"> ● The State Water Board is holding a series of stakeholder meetings to discuss drinking water, water quality and water rights fees. <ul style="list-style-type: none"> ○ Water Quality: June 12, August 3 from 9:00 – 11:00 am ○ Water Rights: June 12, August 3 from 1:00 – 3:00 pm ○ Drinking Water & ELAP: June 13, August 4 from 9:00 – 11:00 am 	<p>Staff Contact Chelsea Haines chelseah@acwa.com</p> <div data-bbox="1253 1717 1416 1780" style="background-color: #0070C0; color: white; padding: 5px; text-align: center;">  WORKING GROUP </div>

<p>Making Water Conservation a California Way of Life</p> <ul style="list-style-type: none"> On March 15, the State Water Board released a Draft Staff Framework for Making Water Conservation a Way of Life Regulation (Proposed Regulatory Framework). The Proposed Regulatory Framework summarizes aspects of State Water Board's staff proposed water use efficiency standards, objective, and Commercial, Industrial, Institutional (CII) Performance Measures. On March 13, the State Water Board also released the Standardized Regulatory Impact Assessment of the Proposed Regulatory Framework. The State Water Board expects to begin the formal rulemaking process for the regulation this May and consider adoption by the end of this year/early next year. 	<p>Staff Contact Chelsea Haines chelseah@acwa.com</p> <div data-bbox="1248 348 1411 390"> WORKING GROUP</div>
<p>Six-Year Drought White Paper</p> <ul style="list-style-type: none"> As part of Water Resilience Portfolio Action 26.3, the California Water Commission (CWC) is continuing to explore potential strategies to protect communities, fish, and wildlife in a six-year drought. The CWC will conduct public outreach through June and expects to release a draft white paper this summer for public comment, and a final white paper this September. 	<p>Staff Contact Soren Nelson sorenn@acwa.com</p> <div data-bbox="1248 707 1411 749"> WORKING GROUP</div>
<h2>GROUNDWATER</h2> <p>"Be Well Prepared" Program</p> <ul style="list-style-type: none"> On May 17, DWR announced the launch of its Be Well Prepared program, which provides information and resources to help well owners, well users, and local agencies be ready for impacts of climate-driven weather extremes on groundwater supplies and drinking water wells. Groundwater is a critical component of California's water supply and is heavily relied on by communities, agriculture, and the environment, especially during dry and drought years. 	<p>Staff Contact Soren Nelson sorenn@acwa.com</p>
<p>SGMA Funding: Round 2 Solicitation Recommendations</p> <ul style="list-style-type: none"> On May 19, DWR announced the release of the draft Funding Recommendations for the Sustainable Groundwater Management Act (SGMA) Implementation, Round 2 solicitation for public review. Solicitation for eligible applicants located within eligible high and medium priority groundwater basins, including critically over drafted basins, closed on December 16, 2022. DWR received 82 applications requesting over \$795 million in grant funds. The Draft Funding Recommendation will provide over \$187 million from the General Fund and Proposition 68. <ul style="list-style-type: none"> Written comments due June 9 by 5:00 pm 	<p>Staff Contact Soren Nelson sorenn@acwa.com</p>
<h2>AGRICULTURE</h2> <p>Streamlining Regulatory Processes for Agriculture</p> <ul style="list-style-type: none"> On May 2, the California Department of Food and Agriculture (CDFA) announced a new study to explore opportunities to streamline regulatory processes for agriculture. The study will evaluate agriculture's food safety and water quality regulatory reporting requirements as part of an effort to streamline administrative processes and optimize information collected by the state. The results of the study are expected to be completed by 2025. CDFA will hold listening sessions in Summer 2023 to gather input from agricultural groups. <ul style="list-style-type: none"> Listening sessions (dates TBD) 	<p>Staff Contact Stephen Pang stephenp@acwa.com</p>
<p>WATER QUALITY</p> <p>Water Quality Enforcement Policy</p>	<p>Staff Contact Nick Blair</p>

- On Feb. 10, the State Water Board released [Proposed Amendments to the Water Quality Enforcement Policy](#) that aim to ensure more transparent and consistent application of the statutory factors outlined in California Water Code that the Water Boards must consider when assessing a civil liability.
 - [Board Consideration:](#) August 15 at 9:30 am

nickb@acwa.com

ENERGY

2023 Summer Loads and Resources Assessment

- On May 15, the California Independent System Operator released its [2023 Summer Loads and Resource Assessment](#) (Summer Assessment), is an assessment of the expected 2023 summer supply and demand conditions to maintain grid reliability. The Summer Assessment shows considerable improvement in resources available for the upcoming summer, driven by accelerated resource development and favorable hydropower conditions within California.

Staff Contact

Nick Blair
nickb@acwa.com

Advanced Clean Fleets Regulation

- On April 28, the California Air Resources Board adopted the [Proposed Regulation Order](#) of the Advanced Clean Fleets (ACF) Regulation. The ACF will require California fleet owners and operators to start purchasing zero emission vehicles in 2024, with the goal to move California's medium- and heavy-duty trucks to zero emission, where feasible, by 2045.
 - Office of Administrative Law approval: date TBD

Staff Contact

Nick Blair
nickb@acwa.com



Energy Efficiency and Conservation Block Grant Program

- On April 25, the Department of Energy published [Guidance for Eligibility of Activities Under the Energy Efficiency and Conservation Block Grant \(EECBG\) Program](#). The EECBG Program will make \$550 million available to local governments in implementing strategies to reduce energy use, reduce fossil fuel emissions, and improve energy efficiency.
 - Applications [due](#) July 31 at 5:00 pm ET

Staff Contact

Nick Blair
nickb@acwa.com

Hydroelectric Incentives Program Updates

- On March 22, DOE published guidance for [Hydroelectric Efficiency Improvement Incentives](#) (HEIT), and on May 8 published guidance for [Maintaining and Enhancing Hydroelectricity Incentives](#) (MEHI). These programs were created as part of the [Bipartisan Infrastructure Law](#) to maintain and enhance hydroelectric facilities to ensure generators (\$553.6 million over the next 5 years) continue to provide clean, affordable electricity, while integrating renewable energy sources such as wind and solar, improving dam safety, and reducing environmental impacts.
 - Applications for HEIT [due](#) June 20 at 5:00 pm ET
 - Letters of Intent for MEHI [due](#) June 22 at 5:00 pm ET
 - Applications for MEHI [due](#) October 6 at 5:00 pm ET

Staff Contact

Nick Blair
nickb@acwa.com

Load Shifting Goal

- On May 31, the California Energy Commission approved a [new goal](#) to make up to 7,000 megawatts (MW) of electricity available through the smarter use of existing clean energy resources as the state seeks to avoid running fossil fuel power plants during grid emergencies. A requirement of Senate Bill 846, this goal refers to a suite of efforts helping and offering incentives to customers to shift their electricity use (or load) in response to electricity grid conditions, including time of use programs like the Emergency Load Reduction Program and Demand Side Grid Support. This

Staff Contact

Nick Blair
nickb@acwa.com

represents a doubling of current levels and is enough electricity to power up to 7 million homes by 2030 when the [state projects](#) to need 38,000 MW of new clean energy.

To receive a monthly email of the Regulatory Roundup, please contact [Sonja Eschenburg](#). The Regulatory Roundup is also available on ACWA's [website](#).



RECOMMENDATIONS FOR **RESILIENT HEADWATERS**

WHAT ARE HEADWATERS AND WHY ARE THEY IMPORTANT?

Headwaters are where the rivers, streams, and lakes begin, providing flow to surface and groundwater supplies across the state. Like most western states, two-thirds of California's surface water supply originates in these mountainous and typically forested regions. The majority are located in public lands, including several National Forests, and span from the Cascade Range through the Sierra Nevada Range, down to the San Bernardino mountains and coastal ranges.

Improving the health of our headwaters can significantly improve water quality, water supply, ecosystems, and habitat, as well as public safety and recreation, increase carbon sequestration and reduce harmful emissions and particulates from catastrophic wildfire, and reduce stress on water supplies during periods of drought.

The Association of California Water Agencies (ACWA) represents more than 460 public water agencies that collectively deliver over 90 percent of the water in California. Public water agencies play a vital role in managing California's water resources, including our forests and headwaters. As the climate changes, severe wildfires are threatening our already constrained water resources. ACWA recognizes the importance of resilient headwaters as an unmatched source of clean, reliable water and air for people and ecosystems across the state.

THE PROBLEM

Decades of fire suppression in conjunction with a lack of investment in forest health projects, an emphasis on short-term management priorities, increased occurrence of pests and disease, weather extremes and a warming climate have contributed to the decline in headwaters forest resilience.

The challenges we collectively face to restore and improve our headwaters are great:

- Forest overcrowding promotes rapid wildfire growth, creating catastrophic megafires that cause long-term damage to the region's ecology and infrastructure.
- Overstocked forests result in greater competition for water and increased evapotranspiration, reducing water infiltration into aquifers and increasing strain on water supplies during times of drought.
- Dense and homogenous forests are more susceptible to pest infestation that can cause widespread tree death.
- Fragile ecosystems in unhealthy headwaters are at greater risk because of poor water quality, reduced instream flows, increased sedimentation of rivers, and loss of habitat.



HOW DO WE IMPROVE HEADWATERS HEALTH?

FEDERAL RECOMMENDATIONS

Protect and Expand Investments

- Build on federal investments through FY 2023 appropriations, the Infrastructure Investment and Jobs Act and the Inflation Reduction Act supporting U.S. Forest Service and Department of Interior programs providing project funding to State and local governments, including water agencies as eligible recipients of funding, increasing the pace and scale of forest management, landscape-scale restoration activities, source water protection and post-fire water quality monitoring, and wildfire mitigation and recovery projects.
- Establish and expand federal programs for disaster mitigation to provide funding to municipal water agencies for infrastructure for fire suppression and to protect critical water infrastructure in the wildland-urban-interface.

Improve Forest Management

- Improve the permitting process to expedite forest management projects with multiple benefits.
- Create long-term strategies to restore and maintain healthy watersheds. Implement the "Confronting the Wildfire Crisis" strategy developed by the Forest Service to put years of research and planning into action.
- Continue efforts to use every available tool in forest management, including prescribed fire, mechanical thinning, project maintenance, rehabilitation of forest access roads, and encourage partnerships with tribes, nongovernmental organizations, state and local governments.

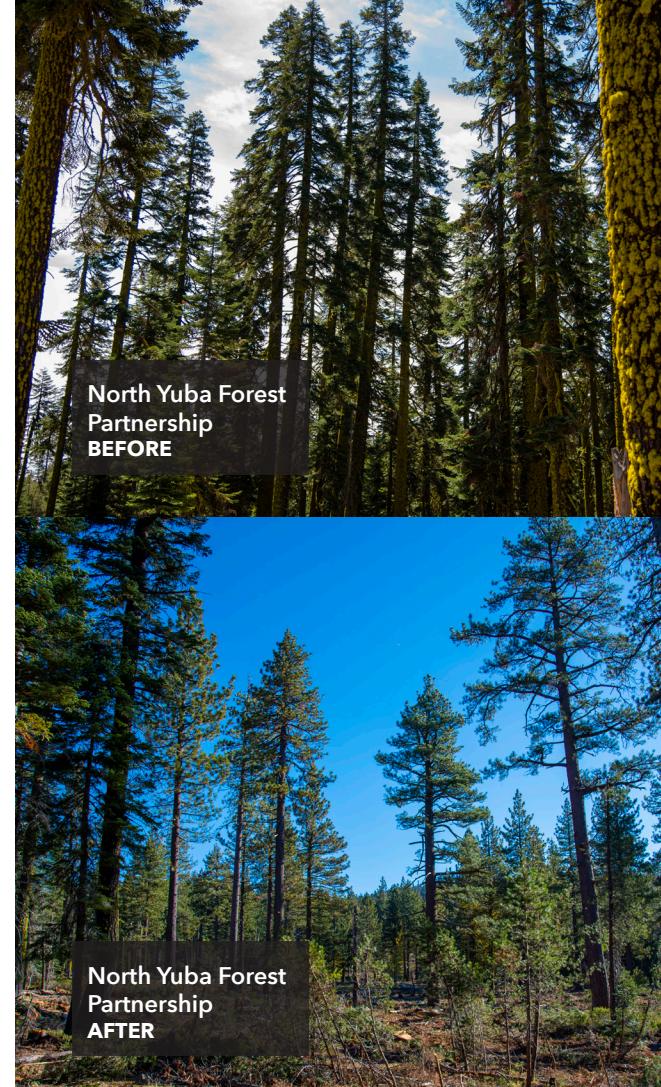
STATE RECOMMENDATIONS

Improve Forest Management

- Aggressively pursue implementation of the "Roadmap to a Million Acres" strategy developed by the California Wildfire and Forest Resilience Task Force.
- Create stability and opportunity in the marketplace for increased utilization of trees and biomass products.
- Expand workforce training opportunities and programs statewide.

Secure Stable Funding for Headwaters Health

- Establish a permanent, progressive funding source for state investment in watershed and forest improvement and post-fire restoration.
- Ensure State funding is available to local agencies for rapid post-fire recovery projects, including erosion control, soil, rock and tree removal, and revegetation.
- Make funding for fire response in headwaters communities part of forest health priorities.



STAFF CONTACT INFORMATION

David Reynolds

Director of Federal Relations
dlreyns@sso.org

Jay Tanner

Federal Relations Representative
jayt@acwa.com

Julia Hall

Legislative Relations Manager
juliah@acwa.com

Soren Nelson

State Relations Advocate
sorenn@acwa.com



*Bringing
Water
Together*

June 20, 2023

VIA Email & U.S. Mail

Paul Helliker, General Manager
San Juan Water District
9935 Auburn Folsom Road
Granite Bay, CA 95746
Email: phelliker@sjwd.org

Dear Mr. Helliker:

Thank you and San Juan Water District Board President Dan Rich for joining us at our office in Sacramento to discuss my letter of April 26, 2023, regarding concerns about your use of emails in the context of ACWA work group activities and advocacy. That letter is enclosed for reference. The meeting gave me the opportunity to hear from you directly regarding your email correspondence of April 14, 24, and 25, 2023 to State Water Resources Control Board (State Board) Supervisor Eric Zúñiga, Deputy Director Darrin Polhemus, and Chair Joaquin Esquivel (hereafter referred to as "State Board Correspondence"). (Your State Board Correspondence is also enclosed for reference.)

Within ACWA committee and workgroup meetings, it is important that each member has the opportunity to provide their input to inform the development of ACWA's position. Further, as President Rich noted, it is important that each ACWA member has the prerogative to advocate at a federal or state body for a different position than ACWA's position. I think we all agree on these two statements about the ability to speak one's view. What needs to be recognized is that the conduct in question here involved a very different type of communication.

While each and every member may and should speak with its own voice on issues of concern, no individual agency has the authority or right to advocate on behalf of ACWA unless asked to do so. In the case of the State Board correspondence, you copied ACWA and ACWA members agencies on the email and used the word "we" multiple times in conveying your position. The State Board Correspondence created the false impression, or at best confusion, about ACWA's position and the position of our members. I appreciate your follow-up email to Chair Esquivel clarifying that you did not intend to speak on behalf of ACWA. I will say, however, that several of us on staff spent considerable time speaking to State Board members and staff trying to resolve any confusion regarding on whose behalf you were writing the emails.

I sincerely hope that you understand why this so consequential and cannot happen again. I personally received an unsolicited call from one of those agencies who objected to being copied on the emails and said they would be contacting you to express their displeasure. As you so aptly noted during our meeting, ACWA's workgroups are a "coalition of the willing" who volunteer their time and brainpower to working on important issues for our membership. We could not do what we do without them. It is essential that their experience as volunteers be positive and productive for them and their agencies.

This is not the first time we have had to address issues with you involving the use of email communications as a member of workgroups of ACWA. On two occasions over the past year (March 30, 2022, and March 27, 2023) you were advised by ACWA's Director of State Relations Adam Quiñonez to use discretion in sending "reply-all" emails to the members of a workgroup as expressed by the Board of Directors of ACWA (copies enclosed). A summation of the Board's direction of March 25, 2022, regarding the appropriate use of email communications within committees and workgroups is also enclosed for reference. Of particular concern to me in reviewing your "reply-all" email of March 25, 2023, to dozens of public agency email addresses with requested changes to a comment letter from ACWA on the State's Board's Proposed Regulatory Framework for Making Water Conservation a California Way of Life are multiple references to changing the letter to preserve a "litigation strategy" against the State Board (attached to enclosed correspondence of March 27, 2023). ACWA members have told us they do not want to copied on politically sensitive emails from other ACWA members. They are concerned, for example, about public record requests that cover email chains that make it look like they are part of a group wanting to sue the State when their agency is not interested in such litigation.

Going forward, I will be working with the Board of Directors of ACWA and legal counsel to develop clear, unambiguous Board policies governing how we conduct the work of our committees and workgroups and how positions of the Association are communicated to others. Comments received at the last Board meeting, including feedback from your agency, will help inform that process.

After much thought and deliberation, I have decided to rescind my earlier decision to remove you from the workgroups of the Water Management Committee. Instead, I want to be absolutely clear with this letter that you have no authority to speak on behalf of ACWA or to appear to convey any position on our behalf. It is imperative that this never happen again. In addition, you must use discretion in how you communicate via email with members of an ACWA workgroup and not create any additional unwanted public records for our membership. Again, we respect that an agency or a group of agencies may have a position that is different than ACWA's position. The critical distinction, however, is that such different position not be in any way characterized as ACWA's position.

Sincerely,



Dave Eggerton
Executive Director

Encls.

Cc: Dan Rich, President, San Juan Water District Board
Manuel Zamorano, Vice President, San Juan Water District Board
Pam Tobin, President, Association of California Water Agencies
Cathy Green, Vice President, Association of California Water Agencies
David Pedersen, Chair, ACWA Water Management Committee
Sean Bigley, Vice Chair, ACWA Water Management Committee
Cindy Tuck, Deputy Executive Director, Association of California Water Agencies
Adam Quiñonez, Director, State Relations, Association of California Water Agencies
Chelsea Haines, Regulatory Relations Manager, Association of California Water Agencies



*Bringing
Water
Together*

April 26, 2023

VIA Email & U.S. Mail

Paul Helliker, General Manager
 San Juan Water District
 9935 Auburn Folsom Road
 Granite Bay, CA 95746
 Email: phelliker@sjwd.org

Dear Mr. Helliker:

It was brought to my attention that you recently sent multiple problematic emails advocating to the State Water Resources Control Board (State Water Board) related to the State Water Board's technical reporting order. (This issue is being led by ACWA staff, who, as you know, are conducting ACWA's advocacy to the State Water Board members and staff.) In your emails to the State Water Board, you copied ACWA staff and the entire ACWA Electronic Annual Report Workgroup and provided information inconsistent with ACWA's position on this issue.

While you may have been communicating your position and the position of some other water agencies, that was unclear in the emails. We are highly concerned about the misleading nature of the emails. By copying ACWA staff and dozens of ACWA members on your communications to multiple State Water Board members and staff, you have given these state officials the false impression that your messages were representing the concerns of ACWA and the agencies included on the email. While some of the agencies may have signed onto your coalition letters, other agencies, and ACWA, did not sign onto your coalition letters or otherwise authorize you to speak on their behalf. Some ACWA members have already communicated to us that they do not want to be included on your communications as your emails did not reflect their position or concerns.

Communicating with a State agency in a manner that creates a false impression, or at best confusion, about the position of ACWA or our membership is unprofessional and entirely inappropriate. Your problematic communications have caused confusion at the State Water Board and among ACWA members and have negatively impacted ACWA's advocacy on this important issue and other issues before the State Water Board.

It is deeply concerning that you took this action after being warned repeatedly by ACWA staff not to violate the ACWA Board of Director's policy on communications by copying member agencies in your communications when they include sensitive information or on purely informational items.

Sadly, we are forced to take more dramatic action at this time to protect the interests of ACWA and our member agencies from any further detrimental conduct. You are hereby notified that effective immediately you have been removed from ACWA's Water Management Committee Workgroups including the Water Use Efficiency Workgroup and the Electronic Annual Report Workgroup.

Sincerely,



David Eggerton
Executive Director
Association of California Water Agencies

cc: Dan Rich, President, San Juan Water District Board
Pam Tobin, President, Association of California Water Agencies
Cathy Green, Vice President, Association of California Water Agencies
David Pedersen, Chair, ACWA Water Management Committee
Sean Bigley, Vice Chair, ACWA Water Management Committee
Cindy Tuck, Deputy Executive Director, Association of California Water Agencies
Adam Quiñonez, Director, State Relations, Association of California Water Agencies
Chelsea Haines, Regulatory Relations Manager, Association of California Water Agencies

From: Paul Helliker
Sent: Tuesday, April 25, 2023 8:20 AM
To: 'Joaquin.Esquivel@waterboards.ca.gov' <Joaquin.Esquivel@waterboards.ca.gov>
Cc: 'Chelsea Haines' <ChelseaH@acwa.com>; 'Amy Talbot' <atalbot@rwah2o.org>; 'Ariel Flores' <ariel.flores@ladwp.com>; 'Brad Arnold' <brada@ccwd.org>; 'ChristineCompton' <compton@irwd.com>; 'Colin Close' <cclose@srgity.org>; 'Cristina Estrella' <cestrella@ccwater.com>; 'DanielleCoats' <coatsd@ranchowater.com>; 'Dave Pedersen' <dpedersen@lvmwd.com>; 'Donald Zdeba' <don.zdeba@iwwd.com>; 'Donna DiLaura' <ddilaura@wvwd.com>; 'Elizabeth Lovsted' <elovsted@sdcwa.org>; 'Fiona Sanchez' <sanchezf@irwd.com>; 'Gisselle Delgadillo' <gisselle.delgadillo@acwd.com>; 'Greg Bundesen' <gbundesen@sswd.org>; 'Jace Nunes' <junes@chwd.org>; 'Janett Robledo' <jrobledo@eastvalley.org>; 'Jared Macias' <jmacias@wvwd.com>; 'Jiwon Seung' <jiwonS@cvwdwater.com>; 'Justin Finch' <jfinch@mnwd.com>; 'Madeline Wood' <mwood@SantaBarbaraCA.gov>; 'Megan Maurino' <megan.maurino@acwd.com>; 'Melissa Matlock' <mmatlock@wmwd.com>; 'MelissaMcChesney' <mmcchesney@padre.org>; 'Noelle Mattock' <ncmattock@roseville.ca.us>; 'Paul Piazza' <Paul.Piazza@scwa.ca.gov>; 'pollard' <capollard@marinwater.org>; 'Priyanka Jain' <priyanka.jain@ebmud.com>; 'StacyTaylor' <stacyt@mesawater.org>; 'Stephanie Nevins' <stephanie.nevins@acwd.com>; 'Sue Mosburg' <smosburg@CA-NV-AWWA.org>; 'Ian Prichard' <iprichard@calleguas.com>; 'Craig Miller' <CMiller@wmwd.com>; 'Dave Bolland' <Dave_Bolland@outlook.com>; 'DDRugan@calleguas.com' <DDRugan@calleguas.com>; Devon Barrett <dbarrett@sjwd.org>; 'gthomas@evmwd.net' <gthomas@evmwd.net>; 'Tim Shaw' <GM@rle cwd.com>; 'garant@vcmd.org' <garant@vcmd.org>
Subject: FW: Technical reporting order suspension request

Hi, Joaquin – various members of this group have met with Darrin Polhemus twice and with Eric Zuniga as part of the second meeting, to try to assist them in revising the order that they issued in January, so that it would provide them the supply and demand data they were seeking, without requiring us to do duplicative reports. As you are probably aware, the order was issued without any advance notification to water agencies that are exempt from the reporting requirements of SB 552 (e.g., any agency that prepares an urban water management plan), and we prepared the attached comparison table for the purpose of the discussions. After the first meeting in February, members of this group sent the three comment letters that are also attached.

This email trail includes communications with Eric and Darrin about various rationales they expressed for data elements in the order. It also includes our more recent request that they suspend the order, given the lack of drought conditions this year (the original rationale for the order), to allow us the opportunity to collaborate with them and resolve the problems that we described in our letters. Unfortunately, Darrin has chosen not to suspend the order, so I note what the consequences will be for the data that San Juan submits.

We do hope to work with Darrin and his team to modify the order, to ensure that the data elements meet their stated needs. We wanted to apprise you of the situation, and share with you our comments.

Thanks,

Paul Helliker
General Manager
San Juan Water District
Office: (916) 791-6936

Mobile: (916) 205-8316

www.sjwd.org

From: Paul Helliker

Sent: Monday, April 24, 2023 5:54 PM

To: 'Polhemus, Darrin@Waterboards' <Darrin.Polhemus@waterboards.ca.gov>
Cc: Chelsea Haines <ChelseaH@acwa.com>; Amy Talbot <atalbot@rwah2o.org>; Zuniga, Eric@Waterboards <Eric.Zuniga@waterboards.ca.gov>; Ariel Flores <ariel.flores@ladwp.com>; Brad Arnold <brada@ccwd.org>; ChristineCompton <compton@irwd.com>; Colin Close <cclose@srcity.org>; Cristina Estrella <cestrella@ccwater.com>; DanielleCoats <coatsd@ranchowater.com>; Dave Pedersen <dpedersen@lvmwd.com>; Donald Zdeba <don.zdeba@iwwd.com>; Donna DiLaura <ddilaura@wvwd.com>; Elizabeth Lovsted <elovsted@sdcwa.org>; Fiona Sanchez <sanchezf@irwd.com>; Gisselle Delgadillo <gisselle.delgadillo@acwd.com>; Greg Bundesen <gbundesen@sswd.org>; Jace Nunes <junes@chwd.org>; Janett Robledo <irobledo@eastvalley.org>; Jared Macias <jmacias@wvwd.com>; Jiwon Seung <JiwonS@cvwdwater.com>; Justin Finch <jfinch@mnwd.com>; Madeline Wood <mwood@SantaBarbaraCA.gov>; Megan Maurino <megan.maurino@acwd.com>; Melissa Matlock <mmatlock@wmwd.com>; MelissaMcChesney <mmcchesney@padre.org>; Noelle Mattock <ncmattock@roseville.ca.us>; Paul Piazza <Paul.Piazza@scwa.ca.gov>; pollard <capollard@marinwater.org>; Priyanka Jain <priyanka.jain@ebmud.com>; StacyTaylor <stacyt@mesawater.org>; Stephanie Nevins <stephanie.nevins@acwd.com>; Sue Mosburg <smosburg@CA-NV-AWWA.org>; Ian Prichard <iprichard@calleguas.com>; Craig Miller <CMiller@wmwd.com>; Dave Bolland <Dave_Bolland@outlook.com>; DDrugan@calleguas.com; Devon Barrett <dbarrett@sjwd.org>; gthomas@ev cwd.net; Tim Shaw <GM@rlecwd.com>; garant@vcmd.org

Subject: RE: Technical reporting order suspension request

Hi, Darrin – thanks for the response and the spreadsheet. I haven't plowed through it completely, but it is a thorough compilation, including the “purpose” column. I'm disappointed that you didn't suspend the order, particularly given the fact that the drought is over this year and we have plenty of time to address the comments that EBMUD, Western Water and our group submitted. Not only are those still pertinent, but the confusion and duplication that the order is causing (as noted in our letters and in the spreadsheet) could be averted if you put it on hold.

For example, there is no compelling reason to require duplicate reporting of all of the information we already submit in the monthly conservation report. Your order acknowledges this duplication, so that in and of itself is reason enough to suspend the implementation of this order to avoid the extra reporting that you are requiring. Only once you have ended the reporting in the DRINC portal would it make sense to initiate those elements of the SAFER portal report.

Another consequence of proceeding with the order is that we will have to change our reporting of deliveries by customer classes. As we noted in our letter and in our conversations, the data manipulation that we have done in previous electronic annual reports will not be possible with the deadline associated with this order, so we will be reporting the total of individual months of meter readings, which will cause the universe of accounts to fluctuate every month.

Also as we noted in our letters, the data we will submit on flow rates, pumping hours, reservoir elevations, water elevations in wells and the like will be arbitrary values, as those change regularly (sometimes every minute). That data will not be particularly useful in defining demands and supplies. Also, you don't collect any data that describes the supplies available to water agencies (which are contained in urban water management plans and the annual water supply and demand assessment) – your "supply" dataset is merely the amount of water this is produced by a supplier to meet the demands that you also require be reported, which differ from each other solely by the amount of water loss. And water loss itself will likely just be the previous year's water loss audit real loss figure divided by 12 (since water loss is not calculated monthly).

These are just a few of the issues we've raised that call into question the usefulness of the data that you are requiring in the order. We had hoped to have that discussion, but it doesn't appear that it will be able to happen before the April 30 reporting deadline. We are still interested in working with you to address these issues, so let us know if you would like to discuss them soon.

Thanks,

Paul Helliker
General Manager
San Juan Water District
Office: (916) 791-6936
Mobile: (916) 205-8316
www.sjwd.org

From: Polhemus, Darrin@Waterboards <Darrin.Polhemus@waterboards.ca.gov>
Sent: Thursday, April 20, 2023 5:07 PM
To: Paul Helliker <phelliker@sjwd.org>
Cc: Chelsea Haines <ChelseaH@acwa.com>; Amy Talbot <atalbot@rwah2o.org>; Zuniga, Eric@Waterboards <Eric.Zuniga@waterboards.ca.gov>; Ariel Flores <ariel.flores@ladwp.com>; Brad Arnold <brada@ccwd.org>; ChristineCompton <compton@irwd.com>; Colin Close <cclose@srcity.org>; Cristina Estrella <cestrella@ccwater.com>; DanielleCoats <coatsd@ranchowater.com>; Dave Pedersen <dpedersen@lvmwd.com>; Donald Zdeba <don.zdeba@iwwd.com>; Donna DiLaura <ddilaura@wvwd.com>; Elizabeth Lovsted <elovsted@sdcwa.org>; Fiona Sanchez <sanchezf@irwd.com>; Gisselle Delgadillo <gisselle.delgadillo@acwd.com>; Greg Bundesen <gbundesen@sswd.org>; Jace Nunes <jnunes@chwd.org>; Janett Robledo <jrobledo@eastvalley.org>; Jared Macias <jmacias@wvwd.com>; Jiwon Seung <JiwonS@cvwdwater.com>; Justin Finch <jfinch@mnwd.com>; Madeline Wood <mwood@SantaBarbaraCA.gov>; Megan Maurino <megan.maurino@acwd.com>; Melissa Matlock <mmatlock@wmwd.com>; MelissaMcChesney <mmcchesney@padre.org>; Noelle Mattock <ncmattock@roseville.ca.us>; Paul Piazza <Paul.Piazza@scwa.ca.gov>; pollard <capollard@marinwater.org>; Priyanka Jain <priyanka.jain@ebmud.com>; StacyTaylor <stacyt@mesawater.org>; Stephanie Nevins <stephanie.nevins@acwd.com>; Sue Mosburg <smosburg@CA-NV-AWWA.org>; Ian Prichard <iprichard@calleguas.com>; Craig Miller <CMiller@wmwd.com>; Dave Bolland <Dave_Bolland@outlook.com>; DDrugan@calleguas.com; Devon Barrett <dbarrett@sjwd.org>;

gthomas@evmwd.net; Tim Shaw <GM@rlecwd.com>; garant@vcmwd.org

Subject: RE: Technical reporting order suspension request

Hi Paul,

And hi to all the others you have cc'd on the email. As I indicated to you, Paul, a couple of days ago, I wanted to take a couple of days to confer with State Water Board members and Executive Management before replying to your email and its request to suspend the Drought Technical Reporting Order. Based on these discussions, and discussion with other interested parties, at this time I am leaving the order in place and not suspending it as you requested. However, this should not be interpreted as prejudicing any future decisions regarding adjustments to the order and the reporting systems. All the comments submitted to date are still under consideration, and we anticipate learning much more from the first round of reporting as well. We are tentatively planning for a State Water Board information item presentation at the first Board meeting date in June to discuss the results of the reporting from the first quarter reporting period and of course take public comment as well. As you know we developed this reporting under emergency and dire conditions but of course have been granted a wet winter that will allow us to take a little time to further refine this reporting. Unfortunately, extremely dry conditions are likely to return sooner than anyone would like and we have entered a new era for the state's climate and water resources which drives the need for water quantity information. After our Board information item, we will look for ways to engage with water systems to further discuss this and plan for future improvements.

To this end and for your information is a spreadsheet that has three tabs that try and help address some of the questions on the information requested in the report. Those tabs cover:

1. A list of every field in the new report and whether it is required or optional as well as if it is new date or data that is currently collected. You can use the filters at the top to sort these data fields to see what is new, etc.
2. A listing of the Electronic Annual Report (eAR) fields that will be removed from the 2023 eAR report. This is the report that will be submitted in Spring of 2024 for calendar year 2023. We specifically started this report in January so that it matches the eAR reporting window allowing the removal of these items in the next eAR cycle.
3. A comparison table from water system stakeholders that shows the different reporting they provide to both the Water Board and DWR and the various overlaps in those reports (Paul, I think you originally put this table together).

I look forward to working on ways to improve the information available to us, other state agencies, and the public regarding drinking water sources in the state while striving to craft an efficient means for all to submit this information.

Thanks in advance for yours and other thoughtful comments,

Darrin

Darrin Polhemus, P.E.
Deputy Director, Division of Drinking Water
State Water Resources Control Board
Office/Mobile/MSTeams: (916) 341-5045 Assistant: (916) 552-9123



From: Paul Helliker <phelliker@sjwd.org>
Sent: Friday, April 14, 2023 6:37 AM
To: Zuniga, Eric@Waterboards <Eric.Zuniga@waterboards.ca.gov>; Polhemus, Darrin@Waterboards <Darrin.Polhemus@waterboards.ca.gov>
Cc: Chelsea Haines <ChelseaH@acwa.com>; Amy Talbot <atalbot@rwah2o.org>; Ariel Flores <ariel.flores@ladwp.com>; Brad Arnold <brada@ccwd.org>; ChristineCompton <compton@irwd.com>; Colin Close <cclose@srcity.org>; Cristina Estrella <cestrella@ccwater.com>; DanielleCoats <coatsd@ranchowater.com>; Dave Pedersen <dpedersen@lvmwd.com>; Donald Zdeba <don.zdeba@iwwd.com>; Donna DiLaura <ddilaura@wwd.com>; Elizabeth Lovsted <elovsted@sdcwa.org>; Fiona Sanchez <sanchezf@irwd.com>; Gisselle Delgadillo <gisselle.delgadillo@acwd.com>; Greg Bundesen <gbundesen@sswd.org>; Jace Nunes <junes@chwd.org>; Janett Robledo <jrobledo@eastvalley.org>; Jared Macias <jmacias@wwd.com>; Jiwon Seung <JiwonS@cvwdwater.com>; Justin Finch <jfinch@mnwd.com>; Madeline Wood <mwood@SantaBarbaraCA.gov>; Megan Maurino <megan.maurino@acwd.com>; Melissa Matlock <mmatlock@wmwd.com>; MelissaMcChesney <mmcchesney@padre.org>; Noelle Mattock <ncmattock@roseville.ca.us>; Paul Piazza <Paul.Piazza@scwa.ca.gov>; pollard <capollard@marinwater.org>; Priyanka Jain <priyanka.jain@ebmud.com>; StacyTaylor <stacyt@mesawater.org>; Stephanie Nevins <stephanie.nevins@acwd.com>; Sue Mosburg <smosburg@CA-NV-AWWA.org>; Ian Prichard <i.prichard@calleguas.com>; Craig Miller <CMiller@wmwd.com>; Dave Bolland <Dave_Bolland@outlook.com>; DDrugan@calleguas.com; Devon Barrett <dbarrett@sjwd.org>; gthomas@evmwd.net; Tim Shaw <GM@rlecwd.com>; garant@vcmwd.org
Subject: Technical reporting order suspension request

EXTERNAL:

Hi, Eric and Darrin – we have provided comments on the technical reporting order in at least two letters and in various emails (including those below). We have requested that you suspend the order, given the problems we have noted with the data being requested, to give us all the opportunity to help you tailor any information request to meet your programmatic needs, while ensuring that the data is not already available in reports submitted to your agency or to DWR or other state agencies (and thus an additional and redundant workload for water suppliers). Can you please let us know your response to our request?

You had also mentioned a comparison table, but at least I have not seen it, and I just checked the Drought and Conservation reporting page on your website, and could not find such a document. I look forward to reviewing it when it is available.

Thanks,

Paul Helliker
General Manager
San Juan Water District
Office: (916) 791-6936
Mobile: (916) 205-8316
www.sjwd.org

Dave Eggerton

From: Adam Quinonez
Sent: Wednesday, March 30, 2022 10:35 AM
To: Paul Helliker
Cc: Dave Pedersen; Sean Bigley; Dave Eggerton; Cindy Tuck; Chelsea Haines
Subject: RE: [ACWA Water Management Committee] Drought Executive Order

Hi Paul,

Thank you for the email. Chelsea sent me your request as I have been working to identify the best approach to implement the ACWA Board's wishes regarding communication.

As discussed at the ACWA Board meeting last Friday, March 25, the Board stated that they would like for ACWA Committees to err on the side of transparency by Cc'ing Committee Members. When I clarified if this included guests of the committee and other interested parties the Board was very clear that only Committee Members should be copied and all other guests and interested parties should be Bcc'ed.

That is the approach we are going to take as requested by the Board. I think that approach also protects ACWA Committee Member emails as we heard from several ACWA Board Members who were concerned about their information being shared with others.

In addition, the ACWA Board asked members not to "reply all" on informational items, such as the drought press release Chelsea sent, and that "reply all" should be used when input is being requested, such as on a letter or language. We ask that members follow that guidance as we also heard from ACWA Board Members who were concerned about increased email traffic.

Hopefully that clarifies our process. I have asked the State Relations Department staff to forward to me any questions regarding our communication process as we want to make sure it is consistent across the organization. If you or any other members would like to discuss I'm happy to make myself available.

Thank you,

Adam Quiñonez
State Relations Director
Association of California Water Agencies
Mobile: 707-761-9247
AdamQ@acwa.com | www.acwa.com



From: Paul Helliker <phelliker@sjwd.org>
Sent: Wednesday, March 30, 2022 6:36 AM
To: Chelsea Haines <ChelseaH@acwa.com>; Dave Pedersen <dpedersen@lvmwd.com>; Sean Bigley <sbigley@roseville.ca.us>
Subject: Re: [ACWA Water Management Committee] Drought Executive Order

Hi, Chelsea - I checked with a couple of members of the Water Management Committee, and my reply to your committee email address did not reach the committee members. It looks like you have a mailing list for the committee set up on the ACWA Outlook server, which can only be accessed by you and others at ACWA (at least, that's how the mailing lists work in our Outlook software). So, for all committee members and other recipients to be able to see and respond to the addressees, you will need to expand your internal mailing list when you insert it in the To: or CC: locations on your email (do so by clicking the + icon in the upper part of the mailing list name box). I will go ahead and re-send my email to the committee, adding their email addresses individually, but for future communications, if you could make sure all addresses are in the To: or Cc: line, I would appreciate it. I understand that the ACWA Board has established this as the approach that all committees and workgroups will take.

Thanks!

Paul

From: Paul Helliker
Sent: Monday, March 28, 2022 2:14 PM
To: Chelsea Haines; Dave Pedersen; Sean Bigley
Cc: >(2022 - 2023) Water Management Committee
Subject: RE: [ACWA Water Management Committee] Drought Executive Order

Chelsea – there is that item, which appears to be a regulation the Baord would enforce (similar to their prohibitions regulations), but the more problematic item is Paragraph 3(b):

“A requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2), by a date to be set by the Water Board;”.

Apparently your recommendation to implement voluntary elements of our WSCPs was not the final choice – we now face a mandatory 20% reduction requirement, which is more than a number of agencies faced in 2015, when we all did have mandatory conservation requirements imposed on us. For those of us who have no shortage this year, this is also problem. And the Board has 60 days to adopt these regulations.

Paul

From: Chelsea Haines <ChelseaH@acwa.com>
Sent: Monday, March 28, 2022 2:02 PM
To: Dave Pedersen <dpedersen@lvmwd.com>; Sean Bigley <sbigley@roseville.ca.us>
Cc: >(2022 - 2023) Water Management Committee <watermanagementcommittee@acwa.com>
Subject: [ACWA Water Management Committee] Drought Executive Order

ACWA Water Management Committee,

Please see the below press release with additional details and links to Governor's Executive Order on drought, just issued.

Best,

Chelsea

Chelsea Haines

Regulatory Relations Manager

Association of California Water Agencies

(916) 669-2431 (Direct Office and Cell)

chelseah@acwa.com | www.acwa.com



FOR IMMEDIATE RELEASE:

Monday, March 28, 2022

Governor's Press Office: (916) 445-4571

As Western Drought Worsens, Governor Newsom Moves to Bolster Regional Conservation Efforts

Executive order calls on local water suppliers to activate drought contingency plans

Governor orders Water Board to consider ban on watering of decorative grass around commercial, industrial and institutional buildings

SACRAMENTO – Following the driest first three months of a year in the state's recorded history, Governor Gavin Newsom today took steps to drive water conservation at the local level, calling on local water suppliers to move to Level 2 of their Water Shortage Contingency Plans, which require locally-appropriate actions that will conserve water across all sectors, and directing the State Water Resources Control Board to consider a ban on the watering of decorative grass at businesses and institutions.

In an executive order signed today, the Governor ordered the State Water Resources Control Board (SWRCB) to evaluate the adoption of regulations banning irrigation of "non-functional" turf (or grass), such as decorative grass adjacent to large industrial and commercial buildings. The ban would not

include residential lawns or grass used for recreation, such as school fields, sports fields and parks. The Department of Water Resources estimates this ban alone will result in potential water savings of several hundred thousand acre-feet. An acre-foot of water serves the needs of approximately three households for a year.

“While we have made historic investments to protect our communities, economy and ecosystems from the worsening drought across the West, it is clear we need to do more,” said Governor Newsom. “Today, I am calling on local water agencies to implement more aggressive water conservation measures, including having the Water Board evaluate a ban on watering ornamental grass on commercial properties, which will drive water use savings at this critical time. Amid climate-driven extremes in weather, we must all continue to do our part and make water conservation a way of life.”

A copy of the executive order can be found [here](#).

As the drought persists into a third year and conditions worsen amidst dry, hot weather, today’s order called on the SWRCB to consider requiring urban water suppliers to activate, at a minimum, Level 2 of their customized Water Shortage Contingency Plans. These plans, required by state law, are developed by local water agencies to navigate drought and each plan is customized based on an agency’s unique infrastructure and management. Triggering Level 2 of these plans involves implementing water conservation actions to prepare for a water shortage level of up to 20 percent. For example, in many communities, this would mean reducing the number of days that residents can water outdoors, among other measures.

To further conserve water and strengthen drought resiliency in this critically dry year, the Governor is encouraging suppliers, where appropriate, to consider going above and beyond the Level 2 of their water shortage contingency plans, activating more ambitious measures. The Governor has also ordered state agencies to submit funding proposals to support the state’s short- and long-term drought response, including emergency assistance to communities and households facing drought-related water shortages, facilitating groundwater recharge and wastewater recycling, improvements in water use efficiency, protecting fish and wildlife, and minimizing drought-related economic disruption.

Today's executive order includes several other provisions that will protect all water users:

- **Ensuring Vulnerable Communities Have Drinking Water**
 - Cuts red tape so communities that need access to emergency hauled or bottled water can get it immediately
- **Safeguarding Groundwater Supplies**
 - Requires local permitting authorities to coordinate with Groundwater Sustainability Agencies to ensure new proposed wells do not compromise existing wells or infrastructure, as 85 percent of public water systems rely heavily on groundwater during drought
 - Streamlines permitting for groundwater recharge projects that help to refill aquifers when rains come
- **Protecting Vulnerable Fish And Wildlife**
 - Expedites state agency approvals for necessary actions to protect fish and wildlife where drought conditions threaten their health and survival
- **Preventing Illegal Water Diversions**
 - Directs the Water Board to expand site inspections in order to determine whether illegal diversions are occurring

The Governor's California Comeback Plan invests \$5.2 billion over three years to support the immediate drought response and build water resilience, including funding to secure and expand water supplies; bolster drought contingency planning and multi-benefit land repurposing projects; support drinking water and wastewater infrastructure, with a focus on small and disadvantaged communities; advance Sustainable Groundwater Management Act implementation to improve water supply security and quality; and support wildlife and habitat restoration efforts, among other nature-based solutions.

Earlier this month, Governor Newsom advanced an additional [\\$22.5 million to bolster the state's drought response](#). Of this funding, \$8.25 million will be used to increase educational and outreach efforts, including through the [Save Our Water](#) campaign, which is providing Californians with water-saving tips via social media and other digital advertising. The Governor's California Blueprint proposal includes \$750 million in additional drought funding, \$250 million of which was set aside as a drought reserve to be allocated in the spring, based on conditions and need.

More information on the state's response to the drought and informational resources available to the public are available at <https://drought.ca.gov/>.

###

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).

Dave Eggerton

From: Adam Quinonez
Sent: Monday, March 27, 2023 1:54 PM
To: Paul Helliker
Cc: Cindy Tuck; Dave Eggerton
Subject: RE: [ACWA WUE WG] Draft ACWA Comment Letter - For AGENCY SIGN ON

Hi Paul,
Chelsea sent me the email below.

I would like to request that you respect the process that our advocates establish on these efforts. Chelsea has been highly effective on these issues for several years now and we trust her judgement on the process and best way to achieve ACWA's outcomes on behalf of members.

In this case, Chelsea was asking members to reply to her directly with any proposed changes to the letter so that she could then identify the best way to incorporate everyone's high level feedback. We do this on sensitive issues (such as potential litigation), for time management, version control, and to reduce confusion. As a result of the email you sent copying the workgroup with all of your proposed changes, members then reached out to Chelsea with concerns, questions, and seeking additional clarification which takes time to respond to. This actually detracts from the overall goal of impacting the proposed regulations.

I also personally believe that bifurcating the membership reduces the impact of the messaging and concerns. While it's certainly your prerogative to form your own coalition, it would be great to present a united front to the State Water Board, particularly if the concerns raised in each letter are similar.

We appreciate all of our member's technical expertise and input, and would ask that members respect the process and judgement of our advocacy team. I'm happy to talk about this further, so please let me know if you want to schedule some time to discuss.

Thank you,

Adam Quiñonez
State Relations Director
Association of California Water Agencies
707-761-9247

From: Paul Helliker <phelliker@sjwd.org>
Sent: Monday, March 27, 2023 11:45 AM
To: Chelsea Haines <ChelseaH@acwa.com>; John Mills <tcwamanager@gmail.com>
Subject: RE: [ACWA WUE WG] Draft ACWA Comment Letter - For AGENCY SIGN ON

Chelsea – thanks for taking some of the minor edits I proposed. I also like the additional information in the first paragraph under the Variances section and the addition of the second paragraph there. However, you did not include the other significant edits that I requested – stating that the standard should apply to irrigable lands (as specified in the legislation), and not including an explicit statement that the statute only authorizes the adoption of one standard (relegating it to the penultimate sentence of a lengthy footnote) – and leaving the language as is, with a reference to DWR's proposed 20% INI and a future standard of 0.63, would compromise litigation that we might choose to initiate to enforce these provisions of the existing statutes. I thought you had agreed to revise the reference to irrigable lands, but maybe I misunderstood.

So, to answer your query, no, I will not be signing on, and will prepare my own letter, which may use a lot of your letter, but with the changes I have requested. I will also share it with the ACWA workgroup, in case others want to sign on.

Thanks,
Paul

From: Chelsea Haines <ChelseaH@acwa.com>
Sent: Monday, March 27, 2023 11:26 AM
To: John Mills <tcwamanager@gmail.com>
Cc: Paul Helliker <pHELLIKER@sjwd.org>
Subject: RE: [ACWA WUE WG] Draft ACWA Comment Letter - For AGENCY SIGN ON

Hi John and Paul,

Please see the revised version. Let me know if you plan on signing on by 3.29 at 10 am and include Julianne.

Thanks,
Chelsea

From: John Mills <tcwamanager@gmail.com>
Sent: Monday, March 27, 2023 9:20 AM
To: Chelsea Haines <ChelseaH@acwa.com>
Cc: Paul Helliker <pHELLIKER@sjwd.org>
Subject: Re: [ACWA WUE WG] Draft ACWA Comment Letter - For AGENCY SIGN ON

Chelsea:

When do you expect to have a final letter out to us, including changes made based on Paul's email to you of 3/25 regarding the INI language?

Thank you,

John

John Mills
Tuolumne County Water Agency Manager
2 South Green St.
Sonora, Ca. 95370
Main: 209-533-5511
Direct: 209-743-3176

On Mar 25, 2023, at 7:46 AM, Chelsea Haines <ChelseaH@acwa.com> wrote:

Thanks Paul for the edits.

- Happy to include the INI language – I read your edits as consistent with my intent

- On the Outdoor Recommendation, the recommendation I provided is consistent with ACWA/CMUA/CWA (1) Dec. 2021 letter to DWR and (2) the public comments ACWA/CMUA provided at the Board workshop on Wednesday and that I distributed on Thursday. I don't want to undermine future litigation and am happy to include language that recognizes ongoing feasibility concerns and that this recommendation and we still do not support the methodology. I do think we also need to be on the record in advance of the rulemaking with our recommendation and, based on conversations with the Board, 0.8 is not a number they will entertain. Sean and DeeDee provided clear comments at Wednesday's workshop showing support for DWR's 0.63. Coupled with our requests for addition time, alternative compliance, compliance discretion, I have heard from folks they believe this is our best strategy to get meaningful change to the outdoor standard.

Based on my clarification, I do hope that folks are still willing to sign on to this letter. I think having a unified presence with a MASSIVE amount of agency logos on a nascar letter will be effective. I also encourage you to submit individual comment letters where you on are the record consistent with your implementation strategy and touching more specifically on your agency specific priorities with agency data. Both strategies are complementary.

Thanks,
Chelsea

From: Paul Helliker <phelliker@sjwd.org>
Sent: Saturday, March 25, 2023 5:51 AM
To: Chelsea Haines <ChelseaH@acwa.com>; Adam Robin <ARobin@yubawater.org>; Alfredo Santacruz <alfredo.santacruz@ladwp.com>; Alice Towey <alice.towey@ebmud.com>; Amy McNulty <Mcnulty@irwd.com>; Amy Talbot <atalbot@rwah2o.org>; Andrea Abergel <aabergel@cmua.org>; Ariel Flores <ariel.flores@ladwp.com>; Brad Arnold <brada@ccwd.org>; Brandon Goshi <bgoshi@mwdh2o.com>; Brian Rickards <brickards@pcwa.net>; Brian Sanders <BSanders@cityofsacramento.org>; Caroline Meade <CarolineM@acwa.com>; Carrie Pollard <cpollard@marinwater.com>; Cathy Pieroni <cpieroni@ieua.org>; Charles Bohlig <charles.bohlig@ebmud.com>; Christian Bennett <bennettchr@saccounty.net>; Christine Compton <compton@irwd.com>; Claire Nordlie <CNordlie@srcity.org>; Colin Close <cclose@srcity.org>; Craig Jones <cjones@lvmwd.com>; Cristina Estrella <cestrella@ccwater.com>; Danielle Coats <coatsd@ranchowater.com>; Dave Pedersen <dpedersen@lvmwd.com>; Debra Montalbano <dcliebersbach@tid.org>; Devon Barrett <dbarrett@sjwd.org>; Donald Zdeba <don.zdeba@iwwd.com>; Donna DiLaura <ddilaura@wwd.com>; Drew Atwater <datwater@mnwd.com>; Elizabeth Lovsted <elovsted@sdcwa.org>; Emily Long <Elong@tudwater.com>; Enrique Zanetti <Zanetti@irwd.com>; Eric Grubb <ericg@cvwdwater.com>; Eric McDaris <emcdaris@wrmwsd.com>; Fiona Sanchez <sanchezf@irwd.com>; Francis Villanueva <francis.villanueva@ladwp.com>; Gaby Olson <GOlson@vcmwd.org>; Gisselle Delgadillo <gisselle.delgadillo@acwd.com>; Gordon Ng <ngg@emwd.org>; Greg Bundesen <gbundesen@sswd.org>; Janett Robledo <jrobledo@eastvalley.org>; Jared Macias <jmacias@wwd.com>; Jason Lucas <JLucas@cvwd.org>; Jef Stephensen <JStephenson@sdcwa.org>; Jennifer Shimmin <JShimmin@cvwd.org>; Jennifer West <JWest@watereuse.org>; Jesica Cleaver <JCleaver@sdcwa.org>; Jessica Henderson <JLHenderson@stpub.us>; Jiwon Seung <JiwonS@cvwdwater.com>; Joe Berg <jberg@mwdoc.com>; John Mills <tcwamanager@gmail.com>; Justin Finch <jfinch@mnwd.com>; Justin Haessly <haesslyj@ranchowater.com>; Katherine Rojas <krojas@mwwd.org>; Katherine Willis <kwillis@yubacity.net>; Kelley Donaldson <kdonaldson@mwwd.org>; Kimberly Leefatt <kleefatt@bhfs.com>; Kirk Howie <khowie@tvmwd.com>; Krista Guerrero <kguerrero@mwdh2o.com>; Kristen Johnson <kjohnson@cvwd.org>; Kylee Wideman <widemann@emwd.org>; Lanaya Alexander <alexandl@emwd.org>; Laura K. Yraceburu <lyraceburu@bhfs.com>; Lauren Sather <lsather@weiwater.com>; Linda Higgins <lhiggins@pcwa.net>;

Linda Vo <Linda@calwep.org>; Lindsey Stuvick <LStuvick@mnwd.com>; Lisa Morgan-Perales <lpereales@ieua.org>; Madeline Wood <mwood@SantaBarbaraCA.gov>; Marisela Lopez <mlopez@mvwd.org>; Megan Maurino <megan.maurino@acwd.com>; Megan Oliveros <Megan.Oliveros@ladwp.com>; Melissa McChesney <mmcchesney@padre.org>; Michael Saunders <msaunders@gd-pud.org>; Michelle Adams <madams@wmwd.com>; Nate Adams <natea@smwd.com>; Nicholle Fratus <nfratus@ccwater.com>; Nina Jazmadarian <nina.jaz@fmwd.com>; Noelle Mattock <ncmattock@roseville.ca.us>; Paul Piazza <Paul.Piazza@scwa.ca.gov>; Priya Jain <priyanka.jain@ebmud.com>; Reynold Wong <Reynold.Wong@ladwp.com>; Richard Filgas <RichardF@acwa.com>; Rosanna Lau <rosanna.lau@ladwp.com>; Rosario Cortes Kapeller <RCortes@watereuse.org>; Rosemarie Chora <RChora@oceansideca.org>; Shelley Thomsen <sthomsen@stpud.us>; Stacy Taylor <stacyt@mesawater.org>; Stephanie Nevins <stephanie.nevins@acwd.com>; Sue Mosburg <smosburg@CA-NV-AWWA.org>; Tenille Otero <totero@otaywater.gov>; Teresa Penunuri <tpenunuri@sfidwater.org>; Terrence McCarthy <Terrence.McCarthy@ladwp.com>; Tia Lebherz <tia@calwep.org>; Victoria Llort <VLLort@cvwd.org>; Wayne Ohlin <wohlin@bvwd.org>; William McDonnell <wmcconnell@ieua.org>; Yung-Hsin Sun <sun.yunghsin@sunziconсалting.com>; Amanda C <AmandaC@cvwdwater.com>; Anna Garcia <agarcia@mojavewater.org>; Bob Eagle <beagle@ccwater.com>; Brian Hojnacki <bhojnacki@sandiego.gov>; Eduardo Cuevas <Eduardo.Cuevas@ladwp.com>; Greg Plumb <gplumb@marinwater.org>; Jennifer Burke <jburke@srcity.org>; Lisa Cuellar <Lisa@calwep.org>; Nicholas Schneider <gm@gd-pud.org>; Peter Martin <PMartin@srcity.org>; Tony Firenzi <tfirenzi@pcwa.net>; William Granger <Wgranger@cityofsacramento.org>; Allan Pascual <pascual@irwd.com>; Chris Garcia <cgarcia@ieua.org>; Christina Mountanos <cmountanos@marinwater.org>; Cooper Reaves <creaves@ccwater.com>; Deb Lane <dlane@srcity.org>; Efren Lopez <ELopez@sdcwa.org>; Henry Bersales <Henry.Bersales@LADWP.com>; Mark Gentili <Mark.Gentili@LADWP.com>; garant@vcmwd.org; Ian Prichard <iprichard@calleguas.com>; jkeller@wwvd.com; Dave Bolland <Dave_Bolland@outlook.com>

Cc: Julianne Phillips <juliannep@acwa.com>

Subject: RE: [ACWA WUE WG] Draft ACWA Comment Letter - For AGENCY SIGN ON

Chelsea – thanks for preparing a very thorough response letter. It covers everything that we would want to address. I have suggested a few edits to address typos or to clarify concepts, and to emphasize that it is primarily our customers who will have to make the investments necessary to meet any conservation mandates (although water suppliers will also face increased costs, to conduct all of the activities required).

I do propose some changes to the letter that reflect our position that the legislation specifies that the standards apply to irrigable acreage. Any letter that supports an INI approach would be inconsistent with, and could compromise a litigation strategy based on this statutory language. So, we would need that section of the letter to be changed. The other major edit would be to delete any reference to an ETAF/LEF of 0.63. As noted in the comments, that reference is inconsistent with other statements in the letter, and would also undermine a litigation strategy that would be based on the legislative direction that standards be based on efficient use on existing landscapes and that the Board has authority to adopt one standard, with future changes to outdoor standards subject to legislative approval.

If you change the letter to reflect these edits, we would be happy to add our signature. Otherwise, we will need to send our own letter that reflects the edits I request.

Thanks again for all of the time and effort you have dedicated to these critical issues. You and the leaders of the subcommittees and workgroups (and everyone else who has pitched in) have established a strong foundation of information and advocacy that will serve us all well in our interactions with the Water Board this year. I truly do appreciate all of your work!

Thanks,

Paul Helliker
General Manager
San Juan Water District
Office: (916) 791-6936
Mobile: (916) 205-8316
www.sjwd.org

From: Chelsea Haines <ChelseaH@acwa.com>
Sent: Friday, March 24, 2023 5:31 PM
To: Chelsea Haines <ChelseaH@acwa.com>
Cc: Julianne Phillips <juliannep@acwa.com>
Subject: [ACWA WUE WG] Draft ACWA Comment Letter - For AGENCY SIGN ON

ACWA Water Use Efficiency Working Group,

Please find ACWA's draft comment letter to the State Water Board on the Proposed Regulatory Framework for Making Water Conservation a California Way of Life. **Sign on to ACWA's comment letter by 10 a.m. on March 29** by submitting your agency's logo to myself (Chelseah@Acwa.com) and cc Julianne Phillips.

If you have specific input, please send me an email **DIRECTLY** with high level concerns.

I was moving quickly to get this out in time for you to all get approval and will spend some time next week with proofing/ grammar.

Thanks,
Chelsea

Chelsea Haines
Regulatory Relations Manager
Association of California Water Agencies
(916) 669-2431 (Direct Office and Cell)
chelseah@acwa.com | www.acwa.com
<image001.png>

Protocol for Email Communications
ACWA Board of Directors
Regular Meeting of March 25, 2022

At its last meeting, the Board discussed at length the protocol for email communications in our standing committees. Ultimately the Board expressed its desire to see more open communication within the membership of committees while preserving some discretion for the leadership of each committee to address certain important aspects of the use of email. To assist with implementing this direction, here are some guidelines for you to incorporate into your practices for email communication within your committee.

1. Email from committee liaisons or committee leadership to committee members will generally be transmitted by use of “cc list” while committee guests (i.e., non-members) will receive the same email communications via “bcc list”.
2. Email recipients will be asked not to “reply-all” to email communications that are informational in nature. To make it clear to recipients they are receiving an informational message, please include the label “Informational-only” in the subject line of the email as well as the following disclaimer in the body of the message: “Please do not “reply-all” to this informational email.” The leadership of each committee will have the discretion to appropriately address any issue with noncompliance.
3. For all other email communications that are not labeled “informational” or treated as sensitive in nature (see below), committee members may respond using “reply-all”.
4. “Bcc list” may be used to transmit certain email messages to committee members, including on subcommittees and working groups, when the leadership and liaison of a committee determine the content of an email communication is sensitive in nature (e.g., concerning a politically sensitive legislative or regulatory issue or ACWA’s strategy for advocacy), and it is prudent to guard against the potential creation of an unwanted public record should someone respond using “reply-all”.
5. The members of committees, and their subcommittees and workgroups, are highly encouraged to meet in person, online or by phone to collaboratively discuss and decide positions on legislative and regulatory matters and those decisions should not be re-opened later by committee members or others through use of email.

June 21, 2023

Directors

Edward J. "Ted" Costa
Kenneth H. Miller
Dan Rich
Pamela Tobin
Manuel Zamorano

General Manager
Paul Helliker

Mr. Dave Eggerton
Executive Director
Association of California Water Agencies
980 9th Street
Sacramento, CA 95814

Dear Mr. Eggerton:

Thank you for your letter of June 20, 2023. I appreciate your retraction of your statement concerning my participation in ACWA workgroup activities. I also appreciate your confirmation that there is no such ACWA policy as the one you referenced as the basis for the statements in your letter to me of April 26, 2023, and thus that there was no "violation" of such a nonexistent policy about which I could have been warned.

While I do not believe that my email to State Water Board members in April concerning the drought reporting order was misleading, and it certainly made no reference to any ACWA position, nevertheless, I did send a clarification to State Water Board members and to the rest of the recipients, after I received your April 26, 2023 letter. I have received feedback from State Water Board members that they were not confused concerning whom I was referencing in my email, but they appreciated my clarification. But apparently some of the recipients of the email were confused, so a simple call or email at the time would have been helpful, as I would have immediately clarified my references, as I did when I received your letter.

The communication you attached to your letter between Adam Quinonez and me in March of 2022 pertained to the practice that ACWA staff had begun a few months prior of using bcc: addressees for emails to groups, which was a practice that the ACWA Board of Directors directed staff to stop using. The ACWA Board stated clearly at its March, 2022 meeting that ACWA staff should communicate transparently with committee members, except for certain limited circumstances in which committee chairs chose to send communications to committee members via bcc:. The Board did not address communications among other ACWA groups, and certainly did not make any statement about emails or communications from one ACWA member to any other member.

By the way, I recently sent a message to the email group with whom I have been communicating since January about the drought reporting order, providing them an update and also asking if any of them would like to be removed from the email group. Not only have I received no requests to be deleted from the email list, but a number of the participants stated emphatically that they want to be apprised of my conversations and advocacy on the subject, which they strongly support.

Thanks again for your letter. I do very much appreciate it.

Sincerely,

A handwritten signature in blue ink that reads "Paul Helliker". The signature is fluid and cursive, with "Paul" on the first line and "Helliker" on the second line.

Paul Helliker
General Manager

AGENDA ITEM IX-1

DRAFT

Public Information Committee Meeting Minutes San Juan Water District June 19, 2023 11:00 a.m.

Committee Members: Manuel Zamorano, Chair

District Staff: Paul Helliker, General Manager
Devon Barrett, Customer Service Manager
Tony Barela, Director of Operations
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Pam Tobin
User 1

Topics: Public Outreach Contract (W & R)
Other Public Information Matters
Public Comment

1. Public Outreach Contract (W & R)

Mr. Barrett informed the committee that a Request for Proposals was distributed to qualified public relations firms requesting proposals for the communication and marketing support work needed for fiscal year 2023-24. He explained that three total proposals were received and staff was informed by the current firm that they would not be submitting a proposal. A written staff report was provided to the committee and will be attached to the meeting minutes.

In response to Ms. Tobin's inquiries, GM Helliker explained that Ms. Jennifer Persike is a subcontractor with Prosio Communications and will not be contracted with directly and he will provide the actual expenses of the current firm for the last three years.

The Public Information Committee recommends approval of a Professional Services Agreement with Prosio Communications for Communications and Marketing Support and Graphic Design Services. Services shall not exceed the proposed budgeted amount of \$100,000 for FY 2023-24.

2. Other Public Information Matters

There were no other items discussed.

3. Public Comment

There were no public comments.

The meeting adjourned at 11:15 am.

AGENDA ITEM IX-2

DRAFT

Engineering Committee Meeting Minutes San Juan Water District June 19, 2023 4:00 p.m.

Committee Members: Dan Rich, Chair
Ken Miller, Member

District Staff: Paul Helliker, General Manager
Tony Barela, Operations Manager
Andrew Pierson, Engineering Services Manager
Adam Larsen, Field Services Manager
Teri Grant, Board Secretary/Administrative Assistant

Topics: Annual Paving Services Contract (R)
Annual Installation Services Contract Change Order (1-yr extension for Flowline) (R)
Other Engineering Matters
Public Comment

1. Annual Paving Services Contract (R)

Mr. Larsen provided a written staff report which will be attached to the meeting minutes. He explained that some counties are requiring more paving restoration so the contract was increased accordingly.

The Engineering Committee recommends consideration of a motion by the Board to authorize and approve the Annual Paving Services agreement for FY 2023/2024 to Sierra National Asphalt

2. Annual Installation Services Contract Change Order (1-yr extension for Flowline) (R)

Mr. Larsen provided a written staff report which will be attached to the meeting minutes. He explained that this is the last extension in the 3-year contract and the annual contract will go out for bid next year.

The Engineering Committee recommends consideration of a motion by the Board to authorize and approve Amendment #5 to the Annual Installation Services agreement with Flowline Contractors Inc. for FY 2023/2024

3. Other Engineering Matters

Mr. Pierson informed the committee that the contractor for the Hinkle Replacement Project is almost off-site – they are leaving their trailer in place as some electrical items still remain to be completed.

Mr. Pierson reported that construction on the Eureka Road Pipeline Replacement Project is almost complete, with paving and striping left to do. In addition, he explained that there is one ARV that is below grade and needs to be relocated. Design for this ARV will be completed in-house and the ARV will be moved to the side of the road prior to Placer County starting their paving work.

Mr. Barela informed the committee that the temporary tanks will remain in place until the 11-month inspection on the Hinkle Reservoir is completed. He explained that if there are any issues with Hinkle, then the tanks will provide the needed water supply should the reservoir need to be taken off-line. He anticipates that the tanks will be removed next summer. In addition, he informed the committee that it has not been determined if the tanks can be removed and re-used or if they need to be demolished. Staff is looking into this and is reaching out to other agencies that might be interested in the tanks, provided that they can be re-used.

Mr. Pierson informed the committee of upcoming projects, such as the Baldwin Channel Relining Project, the ARV Replacement Program, and the Service Lateral Replacement Project, which should all start in the next few months. In addition, he reported that the Kokila Replacement Project cannot start until the status of the \$4 million grant funding is decided, which should be in October. He explained that the SRF funding will also be used for the Kokila Project but the original \$8 million loan is being increased to \$12 million due to rising costs. He explained that the grant has a matching component and will require a 25% match from District funds, which he expects to partially come from the connection reserve. He explained that if the grant is received then the District will use less of the SRF loan money.

4. Public Comment

There were no public comments.

The meeting was adjourned at 4:20 p.m.

AGENDA ITEM IX-3

DRAFT

Finance Committee Meeting Minutes San Juan Water District June 20, 2023 4:00 p.m.

Committee Members: Ted Costa, Director (Chair)
Ken Miller, Director (Member)

District Staff: Paul Helliker, General Manager
Rachael Paulson, Senior Accountant
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Attendee

1. Review General Manager Reimbursements (W & R)

The committee reviewed the May credit card charges for the General Manager and found them to be in order and there was no reimbursement request from the General Manager.

2. Review Check Register from May 2023 (W & R)

The committee reviewed the May 2023 check register and found them to be in order.

3. Other Finance Matters (W & R)

In response to Director Costa's comment, GM Helliker informed the committee that the budget will be reviewed at the June 28th Board meeting and has not been reviewed by the Finance Committee since he has been at the District.

4. Public Comment

There were no public comments.

The meeting was adjourned at 4:07 p.m.