

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

July 26, 2023 – 6:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Greg Turner	Water Treatment Plant Manager
Greg Zlotnick	Water Resources Manager
Jackie Foley	SJWD Employee
Jed Thorne	SJWD Employee
Joel LeFohn	SJWD Employee
Michael Spencer	SJWD Employee
Ryan Jones	General Counsel

OTHER ATTENDEES

attendee

Attendee

Robert Lot

Roberta

Shelley Krause

Susan Hilt

Craig Locke

Sacramento Suburban Water District

AGENDA ITEMS

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

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

I. ROLL CALL

Mr. Tony Barela took a roll call of the Board. The following directors were present: Ted Costa, Ken Miller, Dan Rich and Manuel Zamorano. Director Pam Tobin arrived a few minutes late after roll call was completed.

II. PUBLIC FORUM

There were no public comments.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, June 28, 2023 (W & R)

Recommendation: Approve draft minutes

2. Vehicle #35 Replacement (R)

Recommendation: To authorize the purchase of a replacement vehicle for vehicle #35 with a Ford F450, with Scelzi utility bed, and Auto Crane from Downtown Ford

3. Vehicle #3 and #25 Replacement (W)

Recommendation: To authorize the purchase of replacement for vehicles/dumps #3 and #25 with Ford F650 dump trucks with Scelzi Dump Body from Future Ford

4. Air Release Valve Replacement Program (R)

Recommendation: To authorize and approve Amendment No. 1 for professional engineering services to Bennett Engineering Services Inc. for the Air Release Valve Replacement Program

5. Baldwin Channel Improvements Project (W)

Recommendation: To authorize and approve the award of a construction contract for the construction of the Baldwin Channel Improvements Project

6. Wholesale Master Plan Project (W)

Recommendation: To authorize and approve Amendment No. 2 for professional engineering services to Water Systems Consulting, Inc. for the Wholesale Master Plan Project

President Rich removed items 2 and 3 from the Consent Calendar for discussion at Vice President Zamorano's request.

Director Miller moved to approve the Consent Calendar items 1, 4, 5 and 6. Director Costa seconded the motion and it carried unanimously.

In response to Vice President Zamorano's question, Mr. Turner informed the Board that vehicle #3 is gasoline powered and vehicle #25 is diesel powered, but he didn't know the mileage of either. Mr. Barela stated that both vehicles have exceeded 15 years of life, which is the District's replacement goal, but the incentive to purchase replacement vehicles is the CARB (California Air Resources Board) zero emissions regulations which go into effect on January 1, 2024. Mr. Barela explained that the District should not have to purchase another vehicle until 2030, at which time electric vehicle prices and the cost for infrastructure should drop. The Board discussed the topic and agreed that it's best for the District to purchase the vehicles at this time and should the vehicles not be available, then staff will bring the topic back to the Board for discussion.

Director Tobin moved to approve the Consent Calendar items 2 and 3. Vice President Zamorano seconded the motion and it carried unanimously.

IV. OLD BUSINESS

1. Hinkle Reservoir Replacement Project Review (W)

Mr. Pierson informed the Board that a new concrete curb was installed around the perimeter of the Hinkle Reservoir to help decrease the amount of debris that flies onto the cover. In addition, new fencing and a new water line was installed around the perimeter of the reservoir. He showed the new inlet and outlet structures and showed the safety features of the two structures. He informed the Board of the additional items that need to be completed and reviewed the project schedule with corresponding precipitation data, and the total project cost.

Mr. Barela commended all staff for their work on the project and added that the Water Treatment Plant staff was impacted the most on a daily basis. Mr. Turner conducted a presentation which will be attached to the meeting minutes. Mr. Turner acknowledged the participants in the project and reviewed the operations that took place during the construction of the Hinkle Reservoir Replacement Project. Mr. Turner commended his WTP team and all the participants in the project for their hard work in making this project a great success.

Director Tobin suggested that the Board write a letter to the WTP team to provide recognition for their great work. Mr. Turner commented that it was the whole San Juan team that made the project happen and he was happy that customers were never without water during this entire project.

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

GM Helliker reviewed the notes that he provided in the Board packet. He explained that his main points were:

- Removal from the ACWA Water Management Committee
- Attempted Removal of Paul Helliker from ACWA Workgroups
- Proposed Revisions to ACWA Policy Concerning Code of Conduct at Events

Director Tobin explained that each new ACWA administration starts a new selection process for committee appointments and is a balancing act to cover the entirety of California. She stated that the Regional Chairs submit their recommendations for

committees but they do not make appointments – appointments are made by the ACWA President. In addition, she stated that the ACWA President does not have the authority to remove anyone from a committee since the ACWA Board ratifies the committee appointments and only the Board can change them.

Director Tobin explained Dave Eggerton's stance on the reasons to remove GM Helliker from the ACWA workgroups. In addition, she explained that the ACWA Board policy revisions will be reviewed at a workshop with hopes of updating the policy by the end of the year.

President Rich commented that a discussion earlier on would have been better than after the fact regarding how the District is benefiting from Director Tobin's involvement with ACWA. Director Tobin commented that she cannot show favoritism to one agency or another and has to balance the whole state with regard to committee assignments. She reviewed the list of committees and which SJWD staff or Board members are on each committee. She started to review a list of items that she has accomplished since becoming ACWA President; however, Vice President Zamorano called for a point of order since this was not the topic on the agenda. The Board discussed the issue regarding protecting the District and the general manager.

In response to Director Miller's question regarding Director Tobin meeting with GM Helliker, GM Helliker stated that they met a few times early on but in the last couple of years there have been no meetings between the two of them. In response to Director Miller's comments, Director Tobin stated that she provided updates at Board meetings regarding activities at ACWA, JPIA and any other meeting that she attended. Director Miller voiced concern that there were no meetings that occurred just between the two of them. A member of the public addressed the Board and questioned whether or not Director Tobin would have to meet with all water agency Boards. President Rich explained that Director Tobin is a member of the San Juan Board and the Board manages and interfaces with the general manager. Director Costa voiced concern regarding the poor management of ACWA and commented that he did not want to be considered for the ACWA Energy Committee for the next term.

A member of the public addressed the Board and commented that Director Tobin should not be held responsible for not putting someone on a committee. GM Helliker explained that as ACWA President, Director Tobin made the decision not to appoint the recommendations made by the Region Chair. Director Tobin was adamant that she did not remove GM Helliker from the committee and that there were eight candidates for the committee; however, GM Helliker stated that there were only four recommendations.

3. Wholesale Financial Plan and Rate Study (W)

Ms. Silva informed the Board that she is providing updated information on the Wholesale Financial Plan and Rate Study (Plan) based on comments made at the last Board meeting. She explained that the Plan was updated to reflect changes in the inflation assumptions and to reflect the actual adopted budget numbers for FY 2023-24. In addition, staff was asked to obtain the inflation assumptions from the wholesale customer agencies (WCAs) and to meet with Vice President Zamorano to

review the District's fixed and variable costs. Ms. Silva was also asked to provide the data on approved rates versus actual rates from calendar year 2017 through 2021. A staff report was included in the Board packet that covers these items.

Mr. Mark Hildebrand and Ms. Silva conducted a brief presentation. He explained that the net impact to the Plan from the revision did not affect the Plan very much and at the end of the 10-year period the District's reserves are on target. Ms. Silva noted that she reached out to the WCAs and only received a response from the City of Folsom regarding their inflation assumptions. Ms. Silva informed the Board that they took a closer look at the District's fixed and variable costs and were able to adjust the fixed cost from 88% to 83%.

Ms. Silva reviewed the historical increases and informed the Board that the District's actual wholesale rate increases were lower than the adopted rate increases and that the proposed rate increases are slightly above the anticipated inflation, in order to make up for two years of zero increases. In addition, she reported that the Plan allows the wholesale division to operate its capital program on a pay as you go basis and there are no planned debt issuances for any of the projects in the 10-year study. She informed the Board that any financial impact of the Voluntary Agreement is not considered in the Plan.

Ms. Silva reported that the 150-day notice was distributed to the WCAs and she plans to meet with the WCAs as they request. District staff will address stakeholder questions during the comment period and ask the Board to consider adoption of the proposed rate schedule at its December meeting.

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

GM Helliker reported that staff met with Sacramento Suburban Water District (SSWD) a few months ago and he sent them the District's groundwater production needs today. Meetings with SSWD will resume in the next few months.

GM Helliker reported that the 2x2 Ad Hoc Committee with Fair Oaks Water District met last night and reviewed the process for obtaining permits for ASR wells. He informed the Board that the committee is discussing partnerships for permitting multiple wells among the wholesale customer agencies. He also reported that Citrus Heights Water District (CHWD) responded to the letter that President Rich sent on June 3rd. CHWD would like to start meeting with the District regarding groundwater banking.

GM Helliker reported that Orange Vale Water Company is moving forward with their treatment system for their well project and once they have their well on-line then they can participate in the Voluntary Agreement.

5. 2023 Hydrology and Operations Update (W & R)

GM Helliker reviewed data on Folsom Reservoir, which included the current storage level, 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.

6. FY 2022-23 Operations Plan Report Card (W & R)

GM Helliker reviewed the 4th quarter progress on the FY 2022-23 Operations Plan Report Card. He noted a few delays in the plan which are shown in the report card, but most items are complete.

V. NEW BUSINESS

1. FY 2023-24 Operations Plan (W & R)

GM Helliker reviewed the FY 2023-24 Operations Plan, which will be attached to the Board minutes. He explained that the Operations Plan shows some of the larger or more significant items to track for the current year.

2. Board Policy BOD 2.2 Compensation and Reimbursement for Directors Revisions (W & R)

GM Helliker provided a written staff report which will be attached to the meeting minutes. He explained that there were a few minor edits and, as directed at the last Board meeting, the section on out of state conferences was updated to require approval from the Board.

Vice President Zamorano moved to approve revisions to Board Policy BOD 2.2 Compensation and Reimbursement for Directors. Director Tobin seconded the motion and it carried unanimously.

3. ACWA President and Vice President Elections (W & R)

GM Helliker informed the Board that the election period started for the ACWA President and Vice President. He explained that there is one candidate for President, Cathy Green, and two candidates for Vice President, Ernie Avila and Michael Saunders. The Board discussed the two candidates for Vice President.

Director Tobin moved to authorize the designee to cast the District's vote for Cathy Green for ACWA President and for Ernie Avila for Vice President. Vice President Zamorano seconded the motion and it carried unanimously.

VI. 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 June which will be attached to the meeting minutes.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that one of the two water rights bills is still moving through the legislature with amendments. He reported that SB 366, which the District supports, is being held in committee and has become a 2-year

bill. He reported that RWA signed the agreement with DWR regarding the Voluntary Agreement. In addition, he explained that the District will not receive any funds directly but will work with the wholesale customer agencies for surface water agreements. He reported that meetings of the Voluntary Agreement Ad Hoc Committee are scheduled for every other week in order to get the paperwork completed for the agreements that need to be put in place.

2. DIRECTOR OF FINANCE'S REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva reported that the Board packet included a letter from the auditing firm of Davis Farr. She explained that the letter is directed to the Board in order to ascertain whether or not anyone on the Board has knowledge of matters that might have a bearing on the auditor's risk assessment for the District's annual audit. She stated that the Board members should respond within 45 days to the letter if they need to discuss anything with the auditors. In addition, she reviewed items that the letter identified as significant audit risk areas for the District.

3. DIRECTOR OF OPERATIONS' REPORT

3.1 Miscellaneous District Issues and Correspondence

Mr. Barela informed the Board that it is Mr. Pierson's birthday – the Board wished him a happy birthday.

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.

VII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

Director Costa reported that SGA meets next month for their 25th Anniversary.

2. REGIONAL WATER AUTHORITY (RWA)

No report.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

Director Tobin provided a written report that was included in the Board packet. She reviewed a list of activities that she has been focused on at ACWA. In addition, she requested that a presentation to the Board be on the next agenda for the ACWA Foundation.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

Director Tobin reported that Andy Sells will be retiring in September 2023. In response to Director Tobin's question, Ms. Silva informed the Board that the preliminary report has been received from the consultant regarding the comparison of healthcare plans and explained that she will share the report with the ad hoc committee once the ACWA JPIA premiums are released for 2024.

3.3 Energy Committee - Ted Costa

Director Costa reported that he attended the last Energy Committee meeting and there was discussion regarding CARB Clean Fleet and possible grants.

4. CVP WATER USERS ASSOCIATION

Director Costa reported that CVP Water Users Association meets August 31, 2023.

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

Director Tobin reported that she was elected to the Advisory Committee with Sacramento LAFCo. There is a meeting August 29, 2023, and she will report back on what her role will be.

President Rich reported that the 2x2 Ad Hoc Committee with Fair Oaks Water District has been discussing water banking and will provide the Board with an update at a future meeting.

VIII. COMMITTEE MEETINGS

1. Finance Committee – July 18, 2023

The committee meeting minutes will be attached to the original board minutes. Director Costa requested that some of the items that went to the Engineering Committee be brought to the Finance Committee in the future.

2. Engineering Committee – July 19, 2023

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

IX. ADJOURN

The meeting was adjourned at 8:25 p.m.

DAN RICH, President
Board of Directors
San Juan Water District

ATTEST: _____
TERI GRANT, Board Secretary

STAFF REPORT

To: Board of Directors
From: Adam Larsen
Date: July 26, 2023
Subject: Authorization of purchase for Vehicle # 35 replacement

RECOMMENDED ACTION

Staff is requesting the Committee make a recommendation to the Board for purchase approval of a Ford F450 from Future Ford, in the amount of \$149,010.06 plus a 10% contingency, for a total authorized amount of \$163,911.07. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

The District's existing Vehicle # 35 is a 2017 Ford F450, with a CTEC utility bed and Ventura Crane. The vehicle has approximately 72,000 miles. The vehicle is currently scheduled to be replaced in FY 26/27, however we are seeking to replace this vehicle early due to the new California Air Resources Board (CARB) Clean Fleet Regulation requiring new purchases to be electric starting January 1, 2024. By purchasing this vehicle early, it will allow the District more time to prepare and implement the upcoming Clean Fleet Regulations.

The District will utilize the State of California vehicle contract 1-18-23-20A-I CLIN 30. Staff selected the diesel replacement; based upon vehicle life, mileage, maintenance costs, and towing capability. In addition, staff assessed two acceptable utility beds that offered different crane options; CTEC with the Liftmoore Crane, and Scelzi with the Auto Crane. We currently use the Scelzi Auto Cranes on two vehicles and find them reliable. The Scelzi utility body/ Auto Crane package was 17% lower in overall cost than the CTEC package.

FINANCIAL CONSIDERATIONS

This vehicle replacement was budgeted at \$98,000. The quote came in at \$149,010.06. We will be able offset the extra cost with savings that we identified on a different project. Staff is requesting the 10% contingency to cover any extra costs like logos, safety lights, etc. After vehicle # 35 is replaced, it will go to public auction and then the amount that it is sold for will go back into the District's General CIP Fund.

STAFF REPORT

To: Board of Directors
From: Greg Turner, Water Treatment Plant Manager
Date: July 26, 2023
Subject: Authorization of Purchase for Vehicles #3 and #25 Replacement

RECOMMENDED ACTION

Staff is requesting the committee make a recommendation to the Board for purchase approval of two Ford 650's, with dump bodies from Future Ford, in the amount of \$108,457.41/ea. plus a 10% contingency, for a total authorized amount of \$238,606.02. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

For water treatment residuals management, the District utilizes dump trucks to collect and transfer solids to the drying area to further increase the solids percentages prior to final disposal to landfill. Two dump trucks are used for this process: V#3, a 1991 F800 and V#25, a 2008 F650. V#3 has well exceeded its useful life as it is no longer street legal and has a severely rusted out dump body. V#25 is 15 years old and it, too, has exceeded its replacement life cycle. In addition to their ages, the District is recommending to replace the vehicles as a method to comply with CARB (California Air Resources Board) zero emissions regulations. By replacing in FY 23-24, the District will postpone the need for electrical upgrades associated with switching to all-electric equivalents and their necessary support infrastructure.

The District will utilize the State of California vehicle contract 1-18-23-20A-I CLIN 30. Staff selected the diesel replacements, based upon vehicle mileage, maintenance costs, and towing capability.

FINANCIAL CONSIDERATIONS

The vehicle replacements were budgeted for \$125,000 ea. totaling \$250,000. The quote came in at \$108,457.41 for each vehicle. Staff is requesting a 10% contingency to cover any extra costs like logos, safety lights, etc. After vehicles #3 and #25 are replaced, they will go to public auction where the amount that is recovered will go back into the District's General CIP Fund.

STAFF REPORT

To: Board of Directors
From: Mark Hargrove, Senior Engineer
Date: July 26, 2023
Subject: Air Release Valve Replacement Program Planning and Design Services for FY23/24

RECOMMENDED ACTION

Staff requests a recommendation from the Committee for a Board motion to approve Amendment No. 1 to Bennett Engineering Services, Inc. (BEN) to provide planning and design services for the Air Release Valve Replacement Program (Project) for FY 23/24 in the amount of \$189,249 bringing their total contract amount to \$336,461, with a total authorized budget of \$370,107 which includes a 10% contingency. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

District staff has developed an Air Release Valve Replacement Program (Program) to replace/upgrade all of the existing air release valves (ARVs) that are currently deficient (i.e. broken, not found, cannot be repaired) and/or located within below grade valve boxes to above grade installations, to be in compliance with California Code of Regulations, Title 22. The District currently has approximately 880 ARVs in the Retail distribution system with an estimated 750 of these valves venting below grade. Since the implementation of the District's recurring 5-year ARV maintenance program in 2017 (160 ARV per year), 124 ARVs have been identified as being deficient. The Program will consist of replacing 45 ARVs per year over a 17-year period.

On June 2, 2022, the District issued an RFP requesting proposals for professional engineering services for the planning and design for the first 3 years of the Program. Firms were asked to submit cost proposals for only FY 22/23 with the remaining years to be re-negotiated each year. In July 2022, the District executed a contact with BEN to evaluate and design the ARVs for the first year. These 45 ARVs locations are currently under construction.

In May 2023 District staff met with BEN to discuss lessons learned from the previous fiscal year and the scope of work for next fiscal year's ARV Replacement Program. The scope of work and budget amount included in this amendment reflect this discussion.

FINANCIAL CONSIDERATIONS

The Project is included in FY 23/24 Retail Budget.

STAFF REPORT

To: Board of Directors

From: Mark Hargrove, Senior Engineer

Date: July 26, 2023

Subject: Baldwin Channel Improvements Project – BWD Construction Inc.

RECOMMENDED ACTION

Staff requests a recommendation from the Committee for a Board motion to award a construction contract to BWD Construction, Inc. (BWD) for \$547,000 with a construction contingency of \$54,700 (10%) for an authorized total construction budget of \$601,700. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

The Baldwin Channel is the main conveyance for Hinkle Reservoir and water treatment plant (WTP) emergency overflows to Baldwin Reservoir. The invert of the channel located on our main site will be concrete lined to eliminate weed control maintenance, capacity impediments from bulging cattail root balls, and sedimentation erosion during releases to the channel. In conjunction with the lining of the channel, there will be a small concrete structure constructed to direct overflow from the 48-in bypass pipeline to the channel.

The Baldwin Channel lining work was originally part of the construction contract awarded in May 2022. However, the work was removed from the 2022 construction work due to insufficient time after transfer of property ownership to the District from the United States.

STATUS

The Project was advertised for bidding on June 12, 2023. Five prospective contractors attended the pre-bid conference on June 22nd. However, only one bid for the project was received on July 12, 2023 as follows:

Bidder	Bid Amount
BWD Construction, Inc.	\$547,000

BWD was the lowest responsive, responsible bidder. BWD's bid documents were reviewed and found to be complete and in order, including license, insurance and bonds.

BUDGET IMPACT

The project is included the FY 2023/2024 with a total project budget of \$270,000. District staff is working with BWD to reduce the costs of construction, including but not limited to the removal of items from their scope.

STAFF REPORT

To: Board of Directors
From: Andrew Pierson, Director of Engineering Services
Date: July 26, 2023
Subject: Wholesale Master Plan Project

RECOMMENDED ACTION

Staff requests a recommendation from the Committee for a Board motion to approve Amendment No. 2 to Water Systems Consulting, Inc. for professional engineering services related to the Wholesale Master Plan Project in the amount of \$46,070, bringing their total contract to \$374,070. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

This project includes the preparation of the District's Wholesale Master Plan (WMP), which was last completed in 2001, and a supplement titled "Phase II" was completed in 2007. In June of 2021, the District contracted with Water Systems Consulting, Inc. (WSC) to prepare the update to the WMP, which generally included evaluating current and future water supply and demand conditions, assessing the existing facilities for meeting current and future needs, reviewing and determining alternatives for water supply deliveries, and developing a ten-year capital improvement program.

The original contract with WSC was for the amount of \$298,180, and in October 2022, Amendment No. 1 was executed which increased the contract to \$328,000. The additional costs associated with Amendment No. 1 were attributed to the data provided for the infrastructure evaluation not being readily available which caused considerably more effort to make the GIS data usable for this task, as well as the District requesting additional items be evaluated in the Water Treatment Plant Assessment that were not included in the original scope.

STATUS

The final draft of the WMP was distributed to the Wholesale Customer Agencies (WCAs) for review in February of 2023. Substantial comments were received from several of the WCAs specifically on the subject of water supply reliability, which initiated additional discussions and meetings with the District, and a complete revision to the water supply reliability chapter of the WMP. WSC's original proposal and scope of work assumed only minor revisions would be required based on the WCAs' comments. In addition, the District requested an alternative water storage tank site be analyzed and included in the evaluation and report. These modifications and additional scope extended the project schedule, and created additional project management, administration, and coordination costs.

This amendment includes all costs associated with the additional scope of work not included in the original contract through the successful completion of the WMP.

BUDGET IMPACT

The Project was originally included in the District's approved Wholesale CIP budget for Fiscal Year 2020-2021, but the budget was increased and rolled over to Fiscal Year 2021-2022. The additional expense was anticipated in the mid-year budget review.

Hinkle Reservoir Liner and Cover Replacement Project

Final Construction and Operational Summary



New perimeter fencing, concrete curb, and water line



New perimeter fencing, concrete curb, and water line



Outlet and Inlet Structures



Remaining Work/Items

- ∞ New slide gate and motor for CTP
- ∞ New electrical panels and controls
- ∞ Other minor items



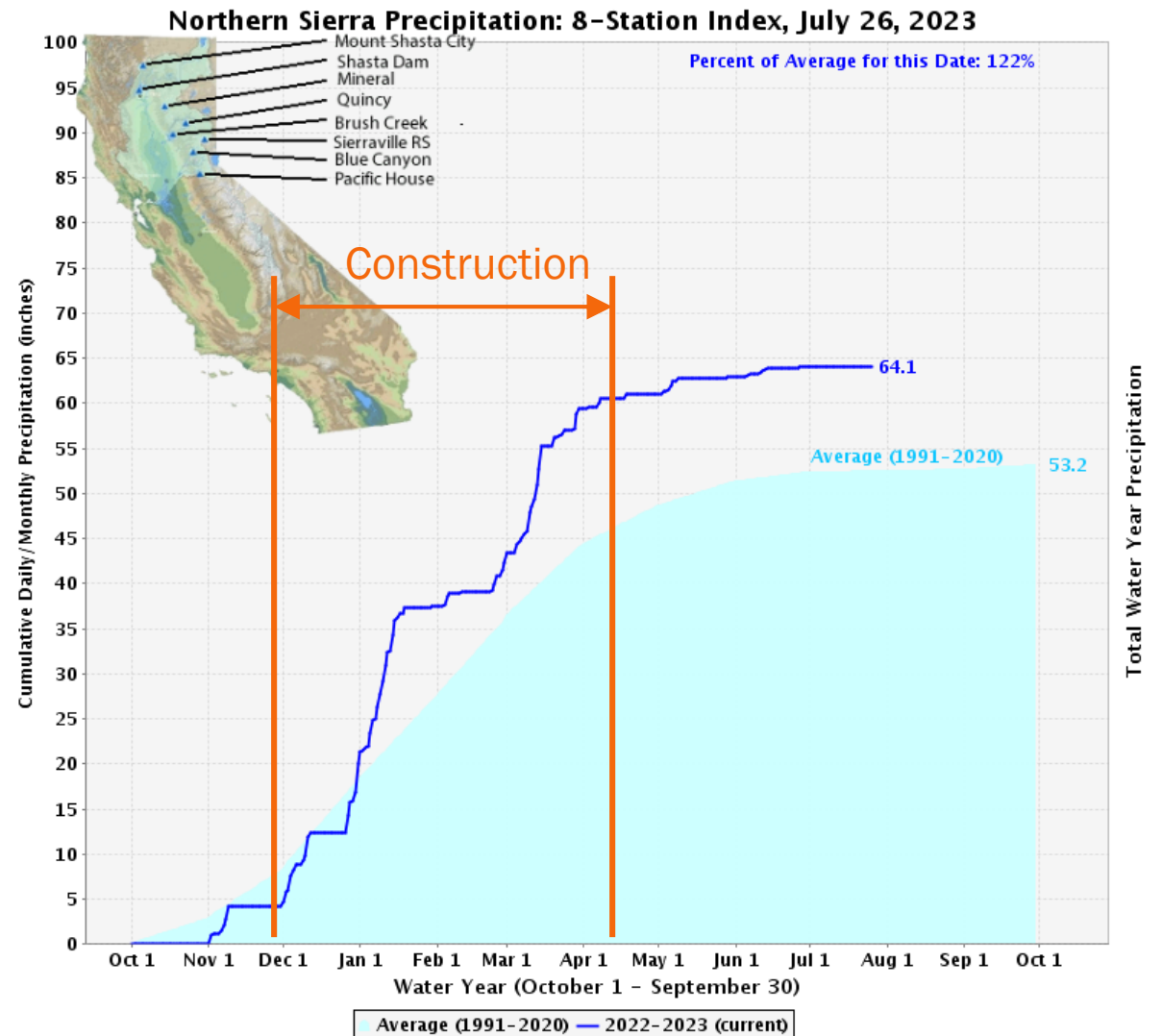
Construction Schedule Summary

Started work in Reservoir

- November 29, 2022

Substantial Completion

- April 13, 2023
- 8 days early



Contract & Change Orders

Original Contract Amount	\$20,139,000
Contingency (10%)	\$2,013,900
Change Order No. 1	(\$545,500)
Change Order No. 2	(\$245,100)
Change Order No. 3 (estimate)	(\$275,000)
Bonus for early finish*	(\$300,000)
Contingency Balance	\$648,300

* Negotiations still ongoing regarding number of rain days

Hinkle Replacement Proj - Operations



Recapping the Operational Planning, Challenges and Execution Hinkle Cover and Liner Replacement

Acknowledgements and Thanks

- ✧ Great project
- ✧ Model for what Teams can accomplish together
- ✧ Acknowledgements – Finance Team, FS and Pump Team, Engineering Team, Construction Management, SSWD, and WSC.
- ✧ Prior focus has been on construction. Today, on Operations



History / Introduction

- ⌘ Never been done before
- ⌘ Replacing reservoir while remain online
- ⌘ Last time there were no filters
- ⌘ New set of challenges
- ⌘ Performed with more stringent water quality requirements



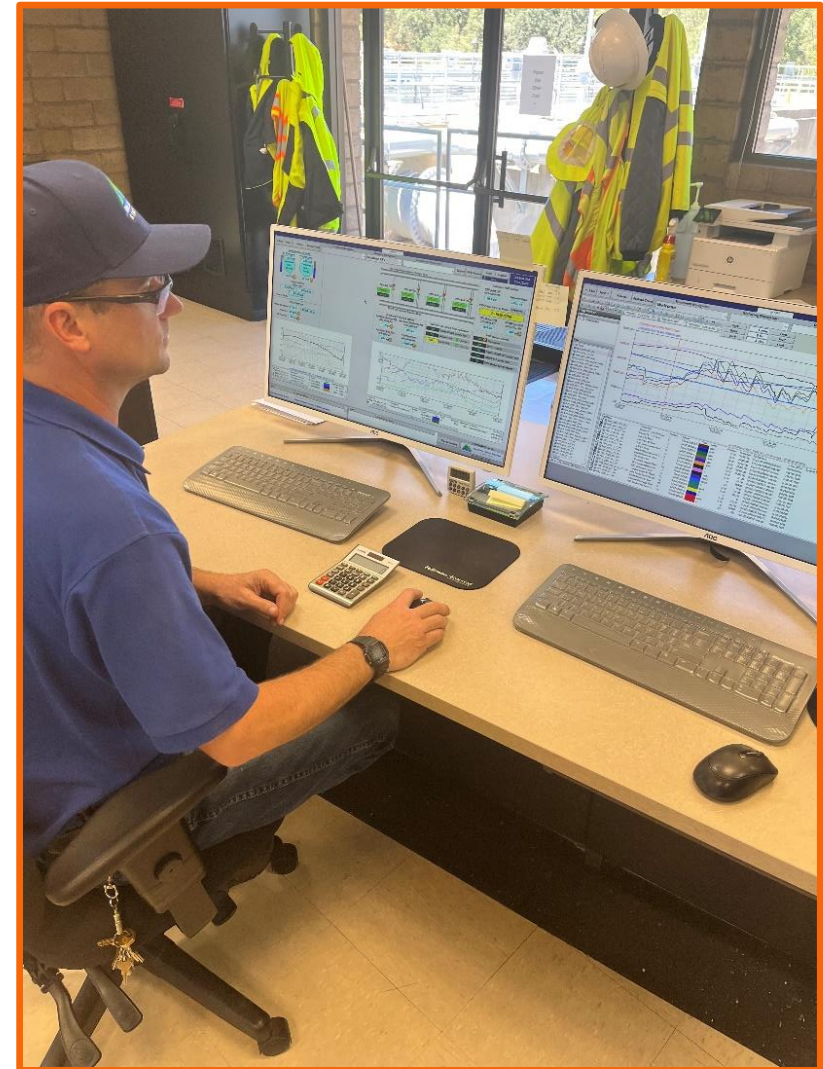
Extensive Planning

- ∞ Learn a whole new operation
- ∞ Started with defining 8 things that could go wrong and a mitigation plan
- ∞ Put the plan into practice
- ∞ Additional months of ops tabletop training
- ∞ Training was integral for success



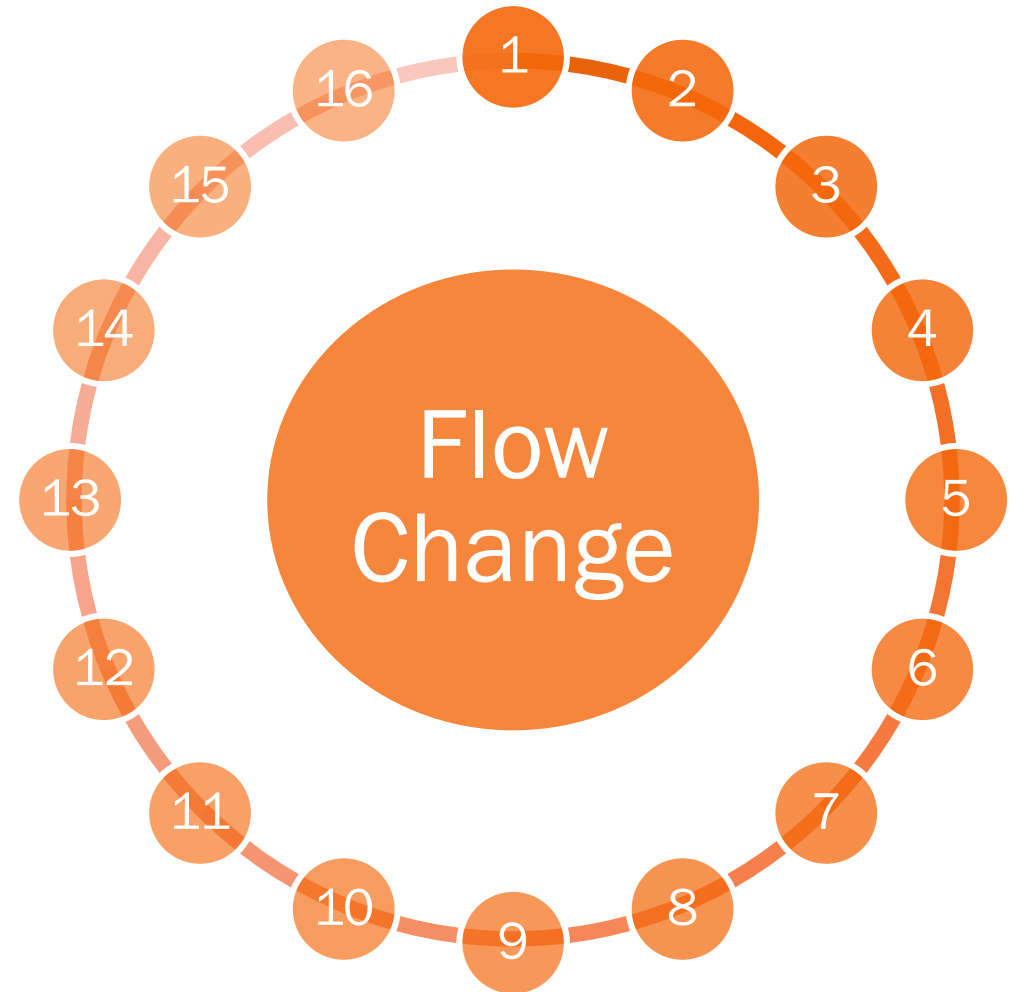
Regular Operations

- ∞ Understand cause and effects of SJWD & SSWD systems
 - SSWD system has limitations
 - Had to deliver min of 1000 gpm at all times
 - Couldn't over pressurize their system
- ∞ Develop new tools to learn the art of predicting daily flows
- ∞ Challenge of not running out of water, but not O/F temp tanks



Adjusting Flows - Decision Tree

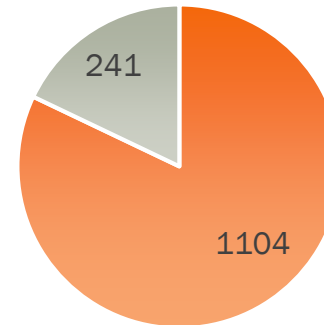
- Some automation at SSWD, but still required operator flow adjustments
- Each flow change considers a min of 16 different factors



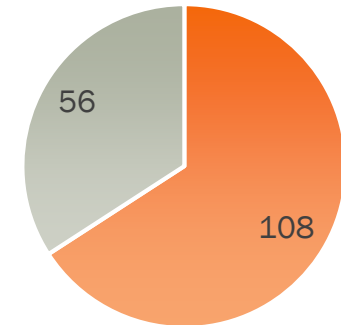
Flows Continued...

- ☞ New operation required more interaction and flow changes
- ☞ To manage the system Ops had to perform multiple flow changes per day
- ☞ Plant optimization was key to handle challenging conditions

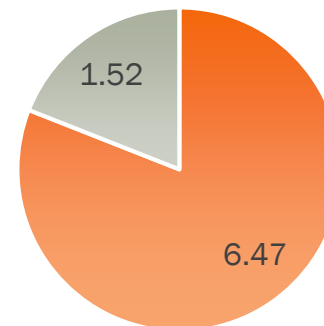
Flow Changes



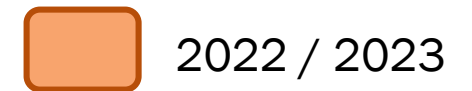
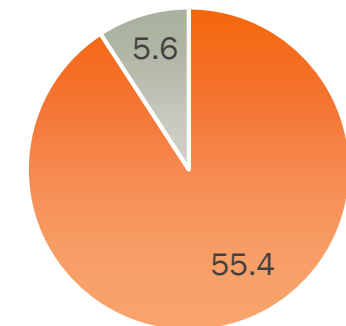
Backwashes



RW NTU (avg)



RW NTU (peak)

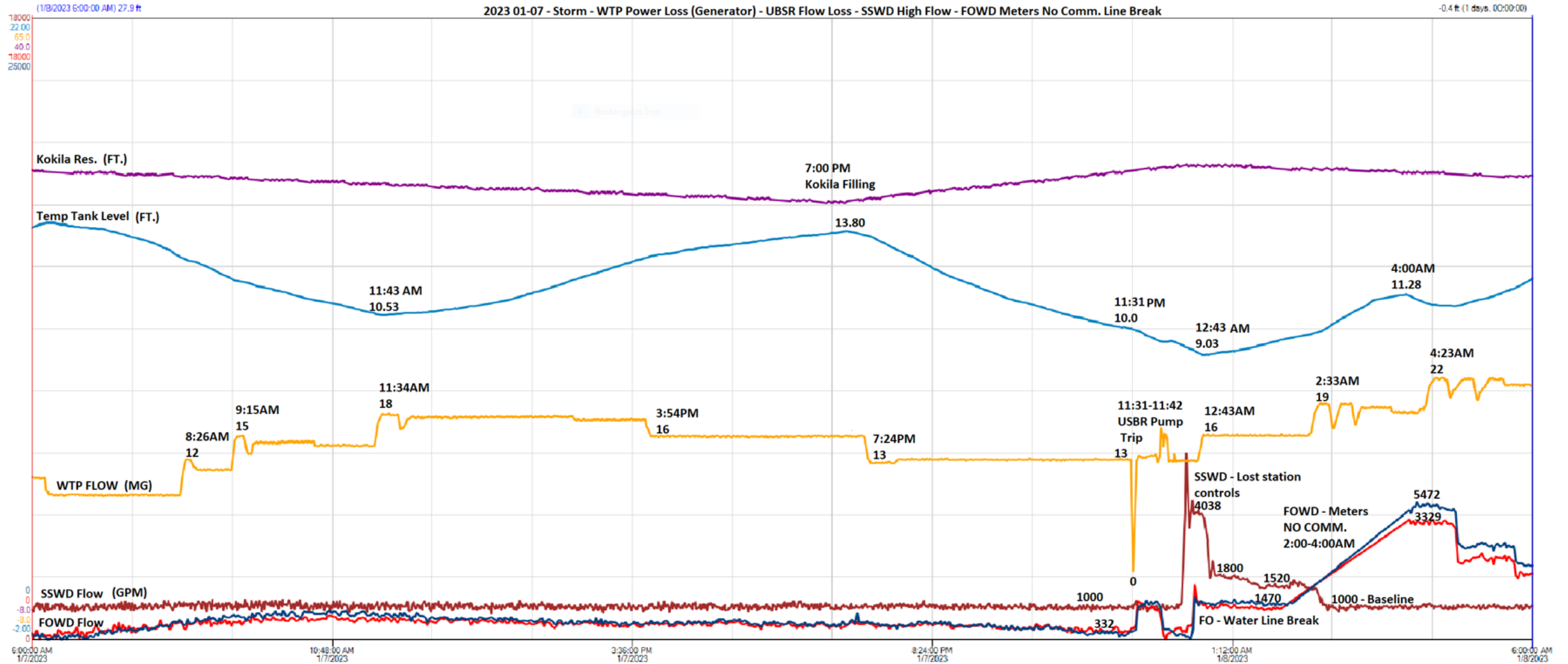


Challenges

- Review of challenges – we had approximately 24 major events
- 12 – system comm failures
- 3 – USBR pump trips - no flow to WTP
- 3 – fire hydrant hits
- 2 – large main breaks
- Mechanical failures of launderers and sludge vacs

#	Date	Time	Event Description
1	11/22/2022		Comm failure at Antelope
2	12/3/2022	23:30	Comm failure at Antelope
3	12/9/2023		Comm failure at Antelope
4	12/15/2022	12:25 PM	Hydrant hit - SJWD / 1500 GPM increase
5	12/29/2022	8:53 AM	Hydrant hit - OVWC / 1500 GPM increase
6	1/2/2023		Storm event - high turbidity 55 NTU
7	1/5/2022		Generator fail at Antelope / lost comms and control
8	1/7/2023	11:31 PM	USBR pump trip - #8
9			WTP on emergency generator ~24 hours
10			Comm failures
11		1:57 AM	Main Break - FOWD 8,000 GPM increase - duration 7.5 hours
12	1/15/2023	3:00 AM	Comm failures - batteries at Kokila fail
13	1/16/2023	6:45 AM	Main Break - CHWD 10,000 GPM increase - duration 2 hours
14	1/29/2023	3:00 AM	Comm failure to Antelope
15	2/7/2023	11:30 AM	Hydrant hit - Bacon Zone
16	2/15/2023		PLC comm fails
17	2/26/2023	11:30 AM	Cl2 sensor failure - SWC-N
18	2/28/2023	11:00 PM	USBR pump trip - #8
19		10:27 AM	SCADA failure - mode swap at Antelope
20	3/3/2023	6:27 AM	USBR pump trip - #8
21	3/13/2023		Low system demands - Plant flow down to 6 MGD / 5 hours <4 MGD
	3/15/2023		Gravity Feed
22	3/23/2023	1:00 AM	Comm failures - district wide / old gen cell modems
23	3/24/2023	10:00 AM	Comm failure at Antelope
24	3/25/2023	6:38 PM	Comm failure at Antelope
			12- Comm failures
			3 - USBR pump trips / no flow to plant
			3 - fire hydrant hits
			2 - large main breaks
			mechanical failures - lanunder failures, sludge vac failures

1/7/2023 Event



Disinfecting and Bringing Hinkle Online

- ∞ DDW required us to write a Disinfection Plan
- ∞ Create a detailed start up plan
 - Requiring a multi-day plan
 - Allow for required sampling and time required for results and all clear
 - Carry out a very specific plan for results and how to return to service



Mission Accomplished!



WTP Team



Chris
Cessna



Kenny
Jahn



Joel
Lefohn



Aaron
Davis



Harry
Johnson



Mike
Spencer



Jackie
Foley



Jeff
Johnson



Jed
Thorne

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: July 26, 2023
Subject: Update on Wholesale Financial Plan and Rate Study

RECOMMENDED ACTION

Receive and discuss report back items and updates as requested at June 28, 2023 Board meeting.

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. Those rates were modified starting in calendar year 2020 as further described below.

There were no net 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.

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 results of the study were presented at the June 28, 2023, meeting of the Board of Directors. During that meeting staff received the following direction from the Board:

1. Incorporate the recently adopted Fiscal Year 2023-24 budget into the rate study and consider lowering the inflation assumptions used in the study given the recent decline in the Consumer Price Index (CPI);
2. Ask the Wholesale Customer Agencies what assumptions about inflation they are using in their own financial planning;
3. Director Zamorano expressed concern about the District's high ratio of fixed vs. variable costs and how that affects the rate structure. Staff was asked to meet with him to go into further detail and explanation on that relationship;

4. Provide more information on approved versus actual rate increases/changes from calendar year (CY) 2017 through 2021.

CURRENT STATUS

Staff worked with Hildebrand Consulting on the issues above. The results are as follows:

1. Staff had suggested revisiting the inflation assumptions used in the study, given the recent decline in the CPI. The inflation assumptions used in the original report and the revised report are as follows:

	Original Report	Revised Report
FY 2022-23	Adopted Budget	Mid-Year Estimate
FY 2023-24	6% Inflation	Adopted Budget
FY 2024-25	4% inflation	4% inflation
Thereafter	3% inflation	3% inflation

These changes had no net impact on the recommended rate increases. While the FY 2022-23 Mid-Year Estimate was favorable to the Adopted Budget, the FY 2023-24 Adopted Budget anticipates lower net income than the 6% inflation assumption had produced. Since this year is used as the base upon which the future years are inflated it resulted in lower net incomes in all subsequent years. Staff considered lowering the FY 2024-25 inflation assumption from 4% to 3% but given that the CPI for the first half of calendar year 2023 was 4.9% using a 4% estimate for inflation in the next year, seems prudent.

2. Staff inquired of the wholesale customer agencies as to their inflation assumptions but had not received a response as of the writing of this staff report. Any information received subsequent to the writing of this report will be communicated to the Board at the July 26, 2023, meeting.
3. In anticipation of meeting with Director Zamorano and Director Miller to review the fixed versus variable costs, staff and the consultant scrubbed the numbers, searching for any missed variable costs. That analysis continued past the date of the meeting and staff has been able to reduce the net fixed costs from a reported 88% to 83%. Directors Zamorano and Miller communicated that as a result of the meeting they had a better understanding of the fixed versus variable rates and the importance of structuring rates such that the fixed rate covers fixed costs.
4. The District's last Wholesale Financial Plan and Rate Study was completed in 2017. It resulted in a Board approved five-year rate schedule for calendar

years 2017 through 2021 and recommended rate increases through CY 2027 as follows:

2017 Wholesale Financial Plan and Rate Study									
Approved					Recommended				
CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2026	CY 2027
16%	9%	9%	9%	5%	8%	8%	8%	6%	6%

Subsequent to adoption of the five-year rate schedule several changes were made.

- First, at the request of several customer agencies, the District changed the pre-set allocation of fixed charges to a rolling five-year average whereby every year the allocation of the fixed charge was changed to reflect the most recent five-year average water use. This did not result in a net change to rates, just how they are allocated amongst the customer agencies.
- Second, the debt service charges were reduced to pass along the savings realized from refinancing the District’s 2009 Certificates of Participation.
- Third, the debt charges were rolled into the fixed rate and allocated using the same five-year rolling average methodology. Again, this did not result in a net change in rates, it simply simplified them and allocated them differently than what was in the 2017 rate plan.
- Lastly, the 2019 Debt Charge, which was intended to cover debt service charges for the Hinkle Reservoir Cover and Liner Replacement project, was not assessed as the debt was not yet incurred.

As a result, the actual aggregate rate changes were lower than what had been approved by the Board, as follows:

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Approved	16%	9%	9%	9%	5%
Actual	16%	9%	7%	-9%	7%

CY 2019 rate increases were 7%, not the 9% originally approved due to the mid-year rate reduction from the refinancing of the 2017 bonds.

CY 2020 rates were 9% lower than the previous year, instead of 9% higher, due the first full year of savings from the debt service charge reduction combined with no implementation of the Hinkle Debt service charge.

In 2021, it appears that the rates went up but that is only because they increased from the prior year, which was a much smaller number due to the reduction in the prior year.

The Board approved a five-year rate schedule as a result of the 2017 rate plan. However, the plan also recommended rate increases through 2026. Because of actions the District has taken in recent years, to earn non-rate revenues and reduce costs, the rate increases proposed in this plan are not as high as those that were recommended in the 2017 rate plan as follows:

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026
2017 Recommendation	8%	8%	8%	6%	6%
Actual/Proposed	0%	0%	5%	5%	5%

Had the District assessed the rate increases recommended for CY 2022 and 2023, or at least done an inflationary rate increase in those years, the rate increases recommended for future years would be even lower.

The required 150-Day notice was sent to the wholesale customers agencies on Friday, July 14, 2023.

Next Steps:

District staff will address stakeholder questions 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

July 18, 2023



July 18, 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, appearing to read 'M. Hildebrand', is written over a light blue circular background.

Mark Hildebrand
Hildebrand Consulting, LLC

Enclosure

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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 comports 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 83 percent of the District's revenue requirements are fixed costs.
- 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, 2024, 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	13,569	13,091	10,122	4,506	1,469	42,758
FY 2013	14,743	14,327	10,676	5,023	1,507	46,276
FY 2014	13,142	12,160	8,766	4,586	1,299	39,952
FY 2015	10,552	10,016	7,787	3,671	1,187	33,213
FY 2016	10,213	9,134	7,137	3,190	963	30,637
FY 2017	10,752	9,775	7,288	3,473	1,062	32,349
FY 2018	11,520	11,202	6,400	3,950	1,132	34,204
FY 2019	10,864	9,734*	6,394*	3,822	1,080	31,895
FY 2020	11,920	11,407	7,780	3,790	1,194	36,091
FY 2021	13,690	10,361	8,202	4,141	1,239	37,634
FY 2022	12,143	7,852	6,723	3,883	1,092	31,693

*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.

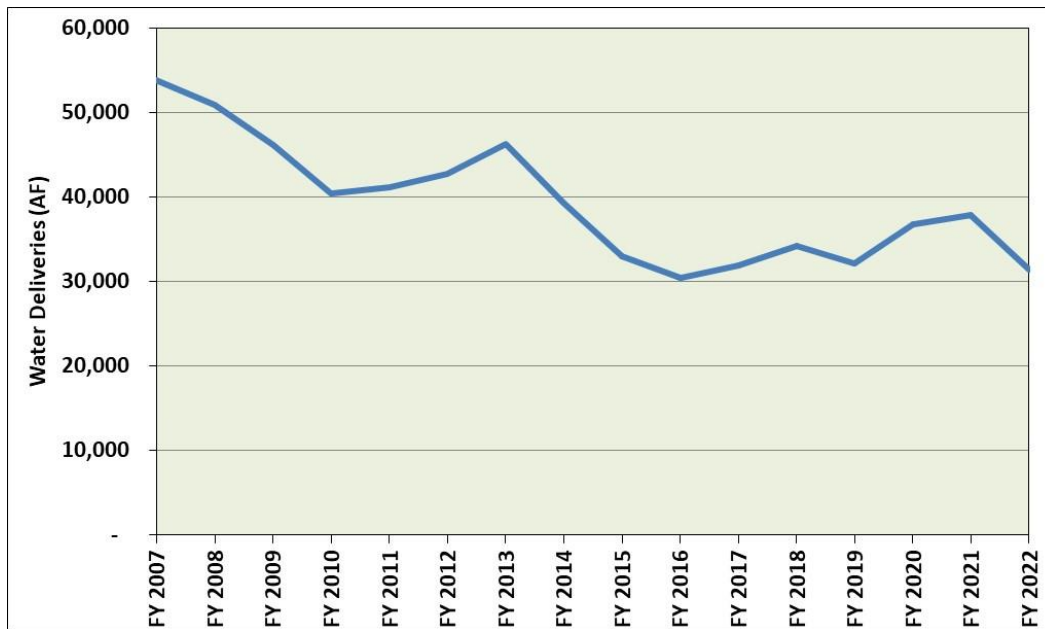


Figure 1: Historical and Projected Annual Water Deliveries

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** considers 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 31,693 AF to its member agencies (see Table 2). The forecast numbers in Table 2 represent an overall increase in total water demand of 2.4 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
FY 2022¹	12,143	7,852	6,723	3,883	1,092	31,693
FY 2023¹	11,194	7,595	4,732	3,760	1,045	28,327
FY 2024³	11,229	8,713	5,612	3,700	1,025	30,279
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 2035²	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 2023/24. 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 2023/24 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 after FY 2023/34. 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**.

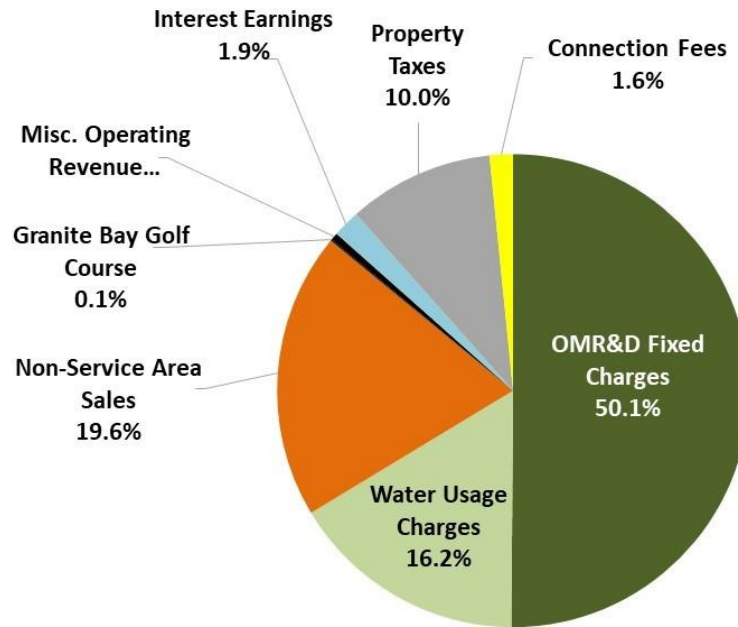


Figure 2: Revenue Categories (FY 2022/23 Mid-Year Estimate)

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 2023/24 and adjusted for inflation. There was one exception of the carry-over of the FY 2023/24 budget to FY 2024/25: the “one-time” \$500 thousand cost for environmental review for the Warren Act contract renewal in the FY 2023/24 Source of Supply budget was not repeated in subsequent years.

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).

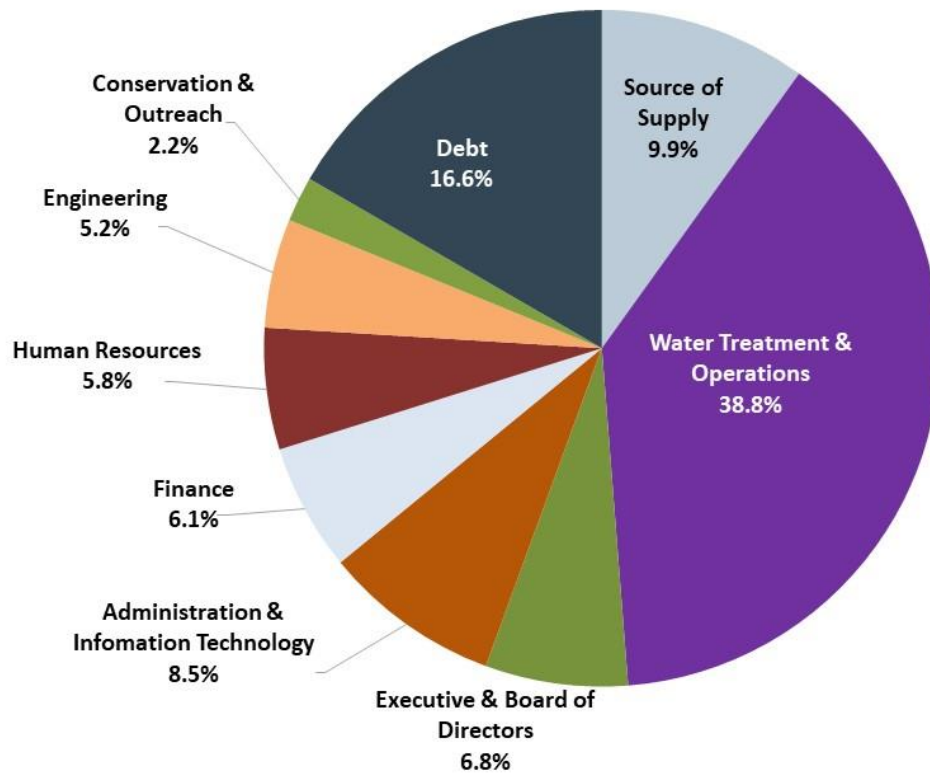


Figure 3: Operating Expense Categories (FY 2022/23 Mid-Year Estimates)

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, inflation is projected to increase by 4 percent in FY 2024/25, and 3 percent thereafter. 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.

In addition to the above debt, the District has recently received a loan for the Hinkle Reservoir cover replacement project, as detailed in Section 2.9.

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 Filter Channel Lining/Underdrain Inspection (\$3.3 million), Administration/FO/Engineering Building Improvement/Replacement (Wholesale portion \$3.2 million), Reline 60" Pipe from Filters to Inlet Structure (\$1.8 million), Hinkle Reservoir Temporary Tanks, Piping, & Electrical (\$1.6 million), Powdered Activated Carbon System (\$1.5 million), and Drying Bed Improvements (\$1.2 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.

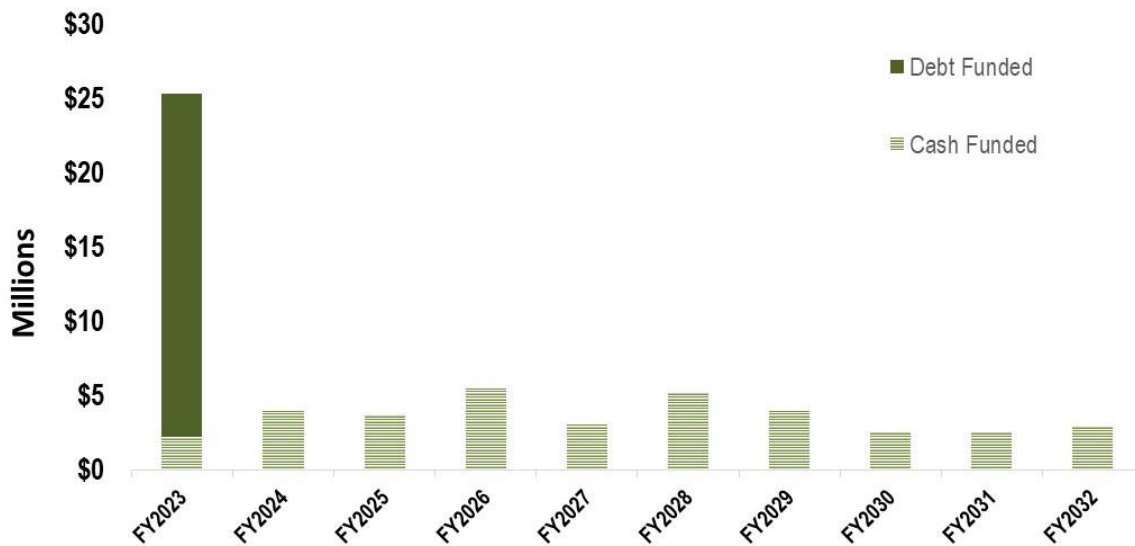


Figure 4: Forecasted Capital Spending with Debt Strategy

This Study accounts for the fact that the District has received 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 1.2 percent and no issuance costs⁴. The total proposed debt principal amounts to \$23.12 million.

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.

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.

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. The new Hinkle loan (see Section 2.7) requires that the District maintain a minimum DCR of 1.2. 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 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 \$1.70 million in FY 2023/24.

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**.

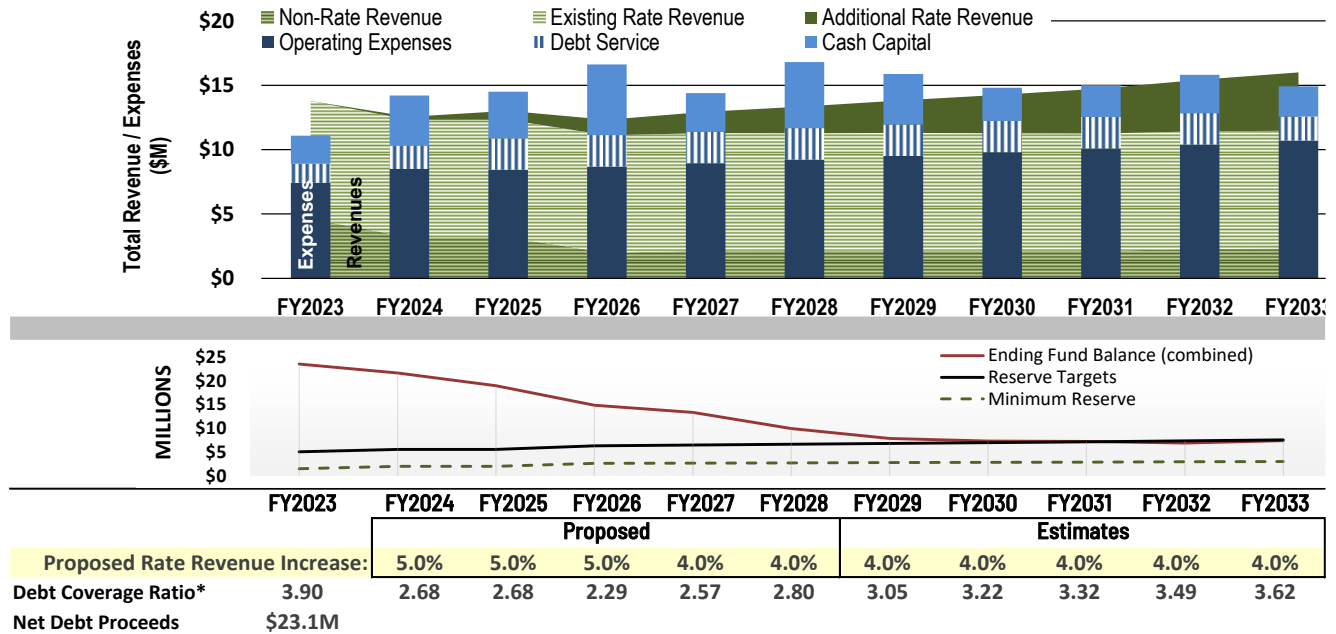
It is important to understand three important complexities with respect to the percentages shown in Table 4.

- 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**.



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

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 FY 2024 represent an average year for the next five years (note that the relative amount used by each respective member agency during that fiscal year 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 2024 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 FY 2024 (AF)	10-Year Peak (AF)	
San Juan WD - RSA	11,229	14,743	10,967
Citrus Heights WD	8,713	14,327	19,845
Fair Oaks WD	5,612	10,676	14,174
Orange Vale WC	3,700	5,023	5,621
City of Folsom	1,025	1,507	1,076
Totals	30,279	46,276	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 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 \$1,603,700 and the unit cost is \$52.96 per AF after dividing those costs by 30,279 AF.

Table 7: Cost Allocation Steps

Cost Category	Total Cost	District Variable Costs	District Fixed Costs	Customer-Related Fixed Costs
		30,279 AF	Units of Service	
			46,276 AF	51,684 Accounts
Source of Supply	\$1,364,900	\$490,700	\$874,200	
Water Treatment & Operations	\$3,909,700	\$1,113,000	\$2,796,700	
Executive & Board of Directors	\$657,000		\$657,000	
Administration & Info. Tech.	\$921,000		\$921,000	
Finance & Purchasing	\$533,200		\$533,200	
Human Resources	\$476,800		\$476,800	
Engineering	\$473,400		\$473,400	
Conservation & Outreach	\$170,700			\$170,700
Existing Debt Service	\$1,518,200		\$1,518,200	
Hinkle Reservoir Debt Service	\$280,000		\$280,000	
Capital Outlay	\$3,909,000		\$3,909,000	
Offsetting Miscellaneous Revenues	-\$3,184,400		-\$3,184,400	
Use of Cash Reserves	-\$1,436,300		-\$1,436,300	
Total Revenue Requirement	\$9,593,200	\$1,603,700	\$7,818,800	\$170,700
Unit Costs of Service		\$52.96 per actual AF	\$168.96 per peak AF	\$3.30 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	\$609,475	\$22,300	\$631,775
Citrus Heights Water District	\$599,900	\$21,675	\$621,575
Fair Oaks Water District	\$446,525	\$16,150	\$462,675
Orange Vale Water Company	\$209,175	\$7,600	\$216,775
City of Folsom	\$62,275	\$2,275	\$64,550

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 2024 ¹

Wholesale Customers	Usage Rates	District Fixed Cost Charge	Customer-Related Fixed Charge	2023 Hinkle Debt Service Fixed Charge	Total Estimated Annual Costs (\$)	(%)
Unit Costs of Service -->	\$52.96 per actual AF	\$162.91 per peak AF	\$3.30 per account	\$6.05 per peak AF		
San Juan Water District (Retail)						
Units of Service	11,229	14,743	10,967	14,743		
Allocation of Costs	\$594,700	\$2,401,700	\$36,200	\$89,200	\$3,121,800	32.5%
Citrus Heights Water District						
Units of Service	8,713	14,327	19,845	14,327		
Allocation of Costs	\$461,400	\$2,334,100	\$65,500	\$86,700	\$2,947,700	30.7%
Fair Oaks Water District						
Units of Service	5,612	10,676	14,174	10,676		
Allocation of Costs	\$297,200	\$1,739,300	\$46,800	\$64,600	\$2,147,900	22.4%
Orange Vale Water Company						
Units of Service	3,700	5,023	5,621	5,023		
Allocation of Costs	\$196,000	\$818,200	\$18,500	\$30,400	\$1,063,100	11.1%
City of Folsom						
Units of Service	1,025	1,507	1,076	1,507		
Allocation of Costs	\$54,300	\$245,500	\$3,600	\$9,100	\$312,500	3.3%
Totals:	\$1,603,600	\$7,538,800	\$170,600	\$280,000	\$9,593,000	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. Some bottom-line totals do not match Table 8 totals due to rounding.

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.

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

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.

$$SSWD \text{ Rate} = \frac{\$9,593,200 - \$1,364,900}{30,279} = \$271.75 / AF$$

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	\$271.75
2025	\$285.34
2026	\$299.61
2027	\$311.59
2028	\$324.05

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)												
	Estimated FY 2023	Budget 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%	
2	Beginning Balance	2,054,000	4,554,000	5,111,901	1,687,000	1,009,400	513,700	175,000	2,700	6,400	203,600	604,200
	SOURCE OF FUNDS											
	Rate Revenue											
3	OMR&D Fixed Charges	6,900,984	7,817,000	8,213,000	8,623,000	9,010,000	9,371,000	9,746,000	10,135,000	10,541,000	10,962,000	11,401,000
4	Water Usage Charges	2,235,416	1,548,000	1,626,000	1,708,000	1,784,000	1,856,000	1,930,000	2,007,000	2,087,000	2,171,000	2,258,000
5	Total Rate Revenue	9,136,400	9,365,000	9,839,000	10,331,000	10,794,000	11,227,000	11,676,000	12,142,000	12,628,000	13,133,000	13,659,000
	Miscellaneous Revenue											
6	Non-Service Area Sales	2,697,100	1,385,000	-	-	-	-	-	-	-	-	-
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	70,000	66,600	69,000	71,000	73,000	75,000	77,000	79,000	81,000	83,000	85,000
9	Interest Earnings	66,500	33,000	48,000	34,000	13,000	8,000	3,000	1,000	-	1,000	4,000
10	Total Sources of Funds	11,982,600	10,862,800	9,969,900	10,450,600	10,895,200	11,325,800	11,772,400	12,239,100	12,726,800	13,235,500	13,767,200
	USE OF FUNDS											
11	Source of Supply	884,000	1,364,900	923,300	951,000	980,000	1,009,000	1,039,000	1,070,000	1,102,000	1,135,000	1,169,000
12	Water Treatment & Operations	2,483,258	2,796,224	2,908,000	2,995,000	3,085,000	3,178,000	3,273,000	3,371,000	3,472,000	3,576,000	3,683,000
13	Energy, Chemicals, Utilities & Variabl	976,442	1,113,476	1,240,000	1,280,000	1,323,000	1,367,000	1,413,000	1,460,000	1,506,000	1,554,000	1,603,000
14	Executive & Board of Directors	607,800	657,000	683,000	703,000	724,000	746,000	768,000	791,000	815,000	839,000	864,000
15	Administration & Infomation Technolog	758,200	919,400	956,000	985,000	1,015,000	1,045,000	1,076,000	1,108,000	1,141,000	1,175,000	1,210,000
16	Finance	539,400	533,200	555,000	572,000	589,000	607,000	625,000	644,000	663,000	683,000	703,000
17	Human Resources	518,300	476,800	496,000	511,000	526,000	542,000	558,000	575,000	592,000	610,000	628,000
18	Engineering	464,100	473,400	492,000	507,000	522,000	538,000	554,000	571,000	588,000	606,000	624,000
19	Conservation & Outreach	192,700	170,700	178,000	183,000	188,000	194,000	200,000	206,000	212,000	218,000	225,000
20	Non-Operating Expenses	1,600	1,600	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	-	280,000	922,000	923,000	922,000	922,000	922,000	922,000	923,000	922,000	922,000
25	Transfer Out to Capital Fund*	573,200	-	2,523,101	-	-	-	-	-	-	-	-
26	Total Uses of Funds	9,482,200	10,304,900	13,394,801	11,128,200	11,390,900	11,664,500	11,944,700	12,235,400	12,529,600	12,834,900	12,571,200
27	Change in Fund Balance	2,500,400	557,901	(3,424,901)	(677,600)	(495,700)	(338,700)	(172,300)	3,700	197,200	400,600	1,196,000
28	Ending Balance	4,554,400	5,111,901	1,687,000	1,009,400	513,700	175,000	2,700	6,400	203,600	604,200	1,800,200
29	Operating Reserve Target (20%)	1,485,000	1,701,000	1,687,000	1,738,000	1,791,000	1,846,000	1,902,000	1,960,000	2,019,000	2,080,000	2,142,000
30	Debt Service Reserve	-	280,000	922,000	923,000	922,000	922,000	922,000	922,000	923,000	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
Beginning Balance	18,784,000	18,759,000	16,536,600	17,288,601	13,823,501	12,847,701	9,765,201	7,865,901	7,309,601	7,014,701	6,275,801
Sources of Funds											
31 Transfer In from Operations	573,200	-	2,523,101	-	-	-	-	-	-	-	-
31 Capital Facilities Charges	-	33,000	66,000	66,000	66,000	66,000	33,000	-	-	-	-
31 Property Taxes	1,376,100	1,403,600	1,432,000	1,461,000	1,490,000	1,520,000	1,550,000	1,581,000	1,613,000	1,645,000	1,678,000
31 Wholesale Connection Fees	220,000	100,000	188,000	324,000	334,000	344,000	355,000	365,000	505,000	520,000	-
31 CSI Solar Rebate	-	-	-	-	-	-	-	-	-	-	-
31 Interest Earnings	189,300	150,000	165,400	172,900	138,200	128,500	97,700	78,700	73,100	70,100	-
31 Debt Proceeds	23,120,600	-	-	-	-	-	-	-	-	-	-
Total Sources of Funds	2,358,600	1,686,600	4,374,501	2,023,900	2,028,200	2,058,500	2,035,700	2,024,700	2,191,100	2,235,100	1,678,000
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
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
Change of Fund Balance	182,500	(2,222,400)	752,001	(3,465,100)	(975,800)	(3,082,500)	(1,899,300)	(556,300)	(294,900)	(738,900)	(671,000)
Ending Balance	18,966,500	16,536,600	17,288,601	13,823,501	12,847,701	9,765,201	7,865,901	7,309,601	7,014,701	6,275,801	5,604,801
31 CIP Reserve Target	3,549,000	3,549,000	3,691,000	3,802,000	3,916,000	4,033,000	4,154,000	4,279,000	4,407,000	4,539,000	4,675,000
31 Hinkle Reservoir Reserve	-	-	-	-	-	-	-	-	-	-	-
31 Total Target	-	3,549,000	3,691,000	3,802,000	3,916,000	4,033,000	4,154,000	4,279,000	4,407,000	4,539,000	4,675,000
31 Debt Service Coverage Ratio *	3.90	2.68	2.29	2.57	2.80	3.05	3.22	3.32	3.49	3.62	2.54

* 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 Assmnt/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	\$1,074,000
36 Drying Beds Improvements				\$1,270,000						

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 Pipeines										
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 54-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/CMLS/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 (50/5 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 2027	CY 2028
San Juan Water District - Retail						
Water Usage Rate (\$/AF)	\$81.14	\$52.96	\$55.61	\$58.39	\$60.73	\$63.16
Quarterly O, M, R, & D Service Charges	\$578,808.35	\$609,475.00	\$663,363.75	\$696,531.94	\$724,393.22	\$753,368.95
Hinkle Reservoir Debt Charge ¹	\$133,920.00	\$22,300.00	----- (see footnote 1) -----			
Citrus Heights Water District						
Water Usage Rate (\$/AF)	\$81.14	\$52.96	\$55.61	\$58.39	\$60.73	\$63.16
Quarterly O, M, R, & D Service Charges	\$533,570.81	\$599,900.00	\$652,653.75	\$685,286.44	\$712,697.90	\$741,205.81
Hinkle Reservoir Debt Charge ¹	\$125,550.00	\$21,675.00	----- (see footnote 1) -----			
Fair Oaks Water District						
Water Usage Rate (\$/AF)	\$81.14	\$52.96	\$55.61	\$58.39	\$60.73	\$63.16
Quarterly O, M, R, & D Service Charges	\$366,991.51	\$446,525.00	\$485,808.75	\$510,099.19	\$530,503.16	\$551,723.28
Hinkle Reservoir Debt Charge ¹	\$96,255.00	\$16,150.00	----- (see footnote 1) -----			
Orange Vale Water Company						
Water Usage Rate (\$/AF)	\$81.14	\$52.96	\$55.61	\$58.39	\$60.73	\$63.16
Quarterly O, M, R, & D Service Charges	\$189,735.00	\$209,175.00	\$227,613.75	\$238,994.44	\$248,554.22	\$258,496.39
Quarterly Hinkle Reservoir Debt Charge ¹	\$46,035.00	\$7,600.00	----- (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	\$52.96	\$55.61	\$58.39	\$60.73	\$63.16
Hinkle Pump Station Surcharge (\$/AF) ⁴	\$102.00	\$79.10	----- (to be determined ⁵) -----			
Quarterly O, M, R, & D Service Charges	\$56,139.74	\$62,275.00	\$67,777.50	\$71,166.38	\$74,013.04	\$76,973.56
Quarterly Hinkle Reservoir Debt Charge ¹	\$12,555.00	\$2,275.00	----- (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	\$271.75	\$285.34	\$299.60	\$311.59	\$324.05

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.



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

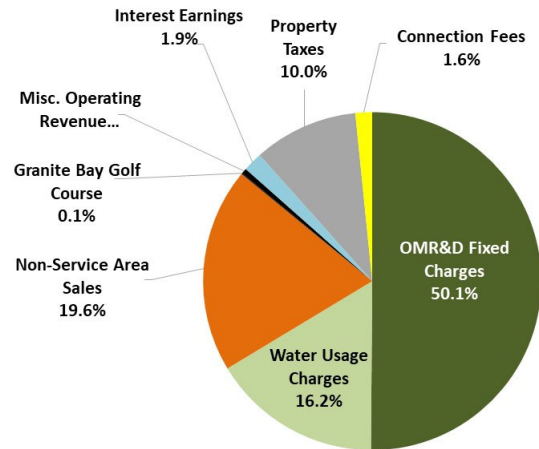
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Revenue

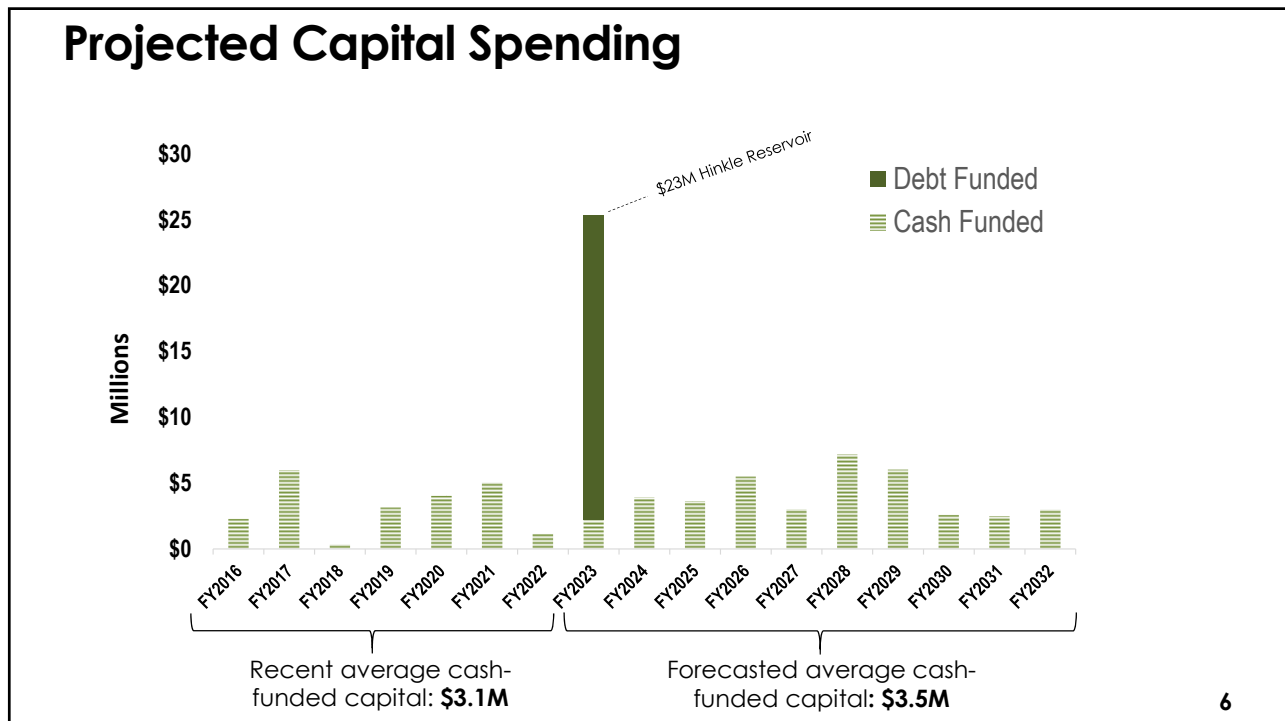
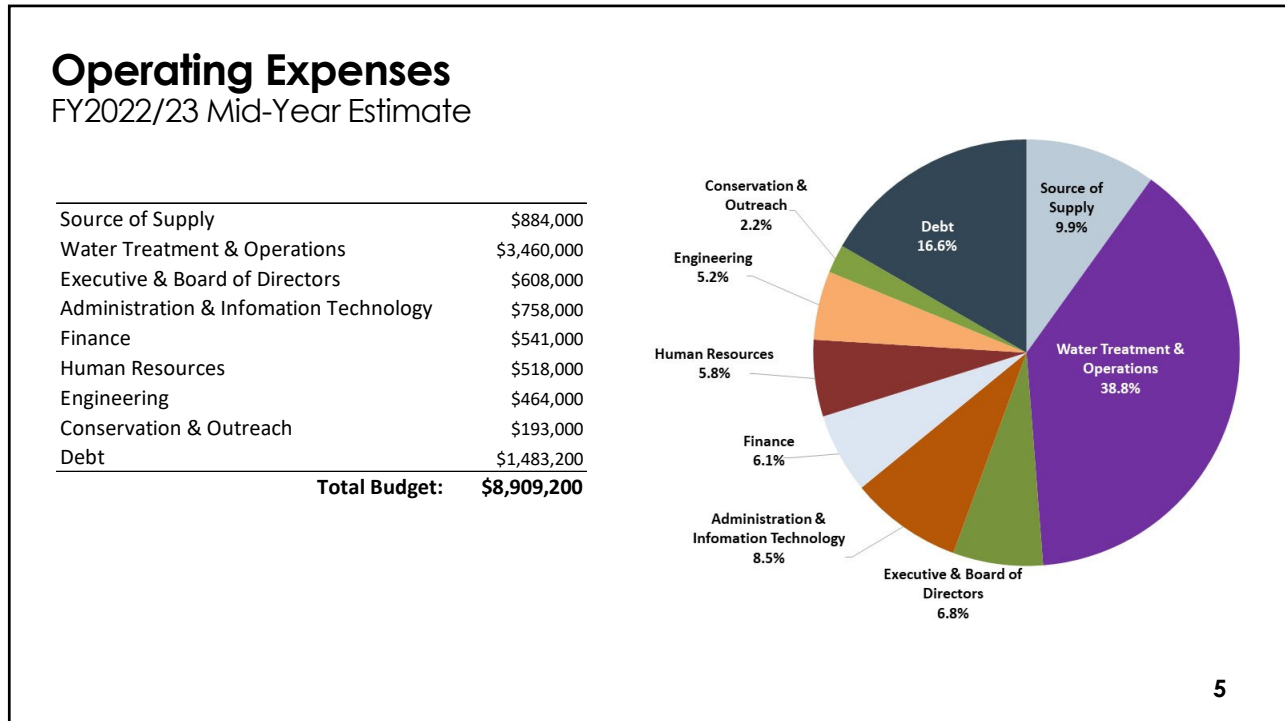
FY2022/23 Mid-Year Estimate

OMR&D Fixed Charges	\$6,900,984
Water Usage Charges	\$2,235,416
Non-Rate Revenue	
Non-Service Area Sales	\$2,697,100
Granite Bay Golf Course	\$12,600
Misc. Operating Revenue	\$70,000
Interest Earnings	\$255,800
Property Taxes	\$1,376,100
Connection Fees	\$220,000

Total: \$13,768,000



4



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 (\$1.7 million)
- Hinkle Debt Reserve:** One year of debt service (\$922 thousand)

"Target Reserves"

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

7

Financial Plan Assumptions

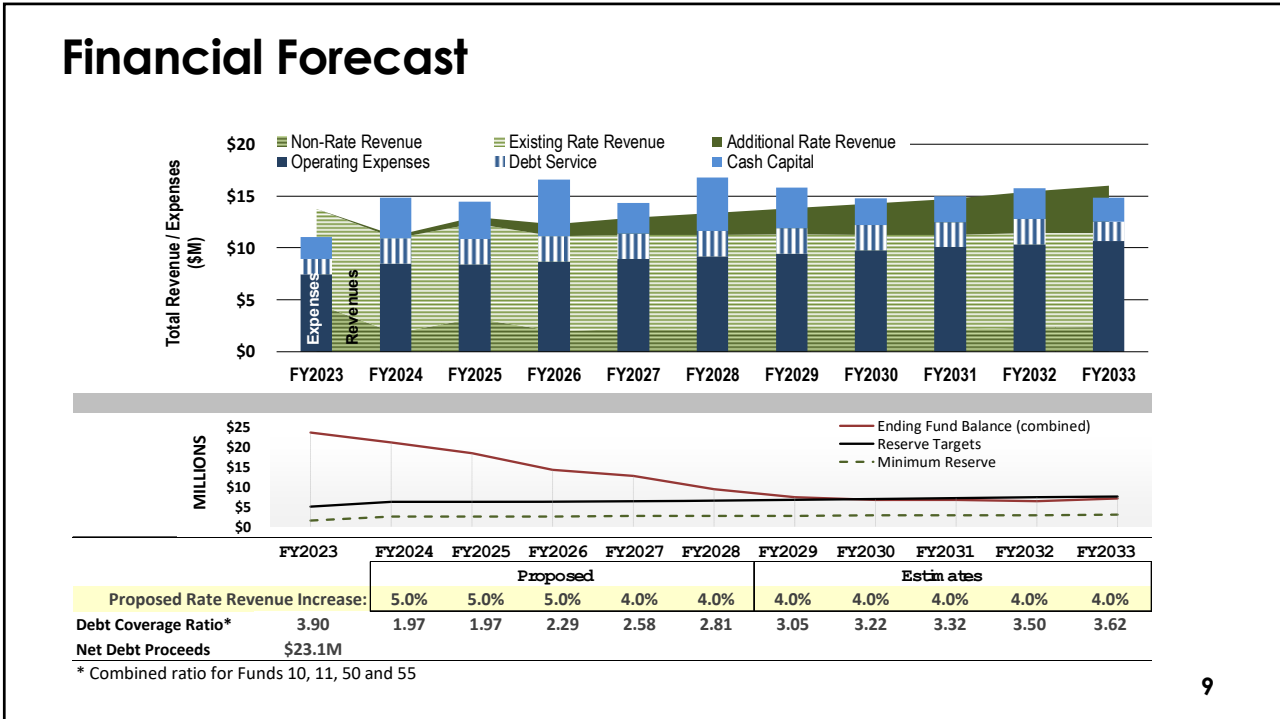
Inflation will be:

- 4% in FY 2024/25
- 3% thereafter
- 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)

8



Historical Increases

To provide context for the proposed rate increases, the table below summarizes previously proposed rate increases, the actual changes to rates over the past 7 year, and the actual changes in rate revenue over the past 7 years.

2017 Proposed Rate Revenue Increases (as published in report):											
CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026		
16%	9%	9%	9%	5%	8%	8%	8%	6%	6%		
Actual Changes in Rates (calculated by assuming no change in water usage):											
CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023					
16%	9%	7%	-9%	7%	0%	0%					
Actual Changes in Rate Revenue (includes change in water usage):											
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023					
2%	15%	8%	1%	1%	-2%	-4%					
Current Proposed Increases in Rate Revenue:							CY 2024	CY 2025	CY 2026	CY 2027	CY 2028
							5%	5%	5%	4%	4%

Fixed and Variable Revenue

Over **83%** of the District's rate revenue requirements (costs) are fixed.

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

Currently, Wholesale rate revenue is **74%** fixed (up from 63% prior to the 2017 study)

This Study proposed to complete the alignment of the District's costs with its rates by increasing the fixed rate revenue to **83%**.

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 cost 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.

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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.) as well as *some maintenance costs* that are correlated with higher water production.

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

- Conservation and outreach costs (less than 1.5 percent of costs)

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

- All remaining costs (salaries, benefits, capital, debt, administration, maintenance, etc.)

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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 finance uncertainty for all agencies.
- Its 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	\$52.96
----------------------	---------

Quarterly O, M, R, & D Service Charges

San Juan Water District	\$609,475
Citrus Heights Water District	\$599,900
Fair Oaks Water District	\$446,525
Orange Vale Water Company	\$209,175
City of Folsom	\$62,275

Quarterly 2023 Hinkle Debt Service Charges

San Juan Water District	\$22,300
Citrus Heights Water District	\$21,675
Fair Oaks Water District	\$16,150
Orange Vale Water Company	\$7,600
City of Folsom	\$2,275

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

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028
Water Usage Rate (\$/AF)					
All Water Deliveries	\$52.96	\$55.61	\$58.39	\$60.73	\$63.16
Hinkle PS Surcharge	\$79.10	(TBD, pending inflationary adjustments)			
Total Quarterly O, M, R, & D Service Charges ¹					
San Juan Water District	\$631,775	\$663,364	\$696,532	\$724,393	\$753,369
Citrus Heights Water District	\$621,575	\$652,654	\$685,286	\$712,698	\$741,206
Fair Oaks Water District	\$462,675	\$485,809	\$510,099	\$530,503	\$551,723
Orange Vale Water Company	\$216,775	\$227,614	\$238,994	\$248,554	\$258,496
City of Folsom	\$64,550	\$67,778	\$71,166	\$74,013	\$76,974
Other Charges (Annual)					
Folsom Direct Portion of 2022	\$19,725	\$19,750	\$19,775	\$19,700	\$19,675
Orange Vale Capital Facility Cl	\$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 rates ¹

	SJWD	CHWD	FOWD	OVWC	Folsom
2022 Water Deliveries (AF) ²	12,140	10,196	7,753	3,880	1,090
Estimated Water Service Costs					
Water Usage Charge ³	\$985,000	\$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	\$3,835,913	\$3,463,783	\$2,482,086	\$1,257,882	\$548,287

With PROPOSED CY 2024 rates ¹

	SJWD	CHWD	FOWD	OVWC	Folsom
2022 Water Deliveries (AF) ²	12,140	10,196	7,753	3,880	1,090
Estimated Water Service Costs					
Water Usage Charge ³	\$642,900	\$540,000	\$410,600	\$205,500	\$143,900
O,M,R & D Service Charge ⁴	\$2,437,900	\$2,399,600	\$1,786,100	\$836,700	\$328,000
Hinkle Reservoir Debt (2023)	\$89,200	\$86,700	\$64,600	\$30,400	\$9,100
Total Water Service Costs	\$3,170,000	\$3,026,300	\$2,261,300	\$1,072,600	\$481,000

	SJWD	CHWD	FOWD	OVWC	Folsom	Overall ⁵
Percent change in total co:	-17.4%	-12.6%	-8.9%	-14.7%	-12.3%	-13.6%

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.

Allocation Methodology Comparison

Member Agencies	Total Fixed Quarterly Charges			
	10-Year Peak Method		10-Year Average Method	
San Juan Water District	\$659,700	31.7%	\$698,625	33.6%
Citrus Heights Water District	\$647,125	31.1%	\$626,300	30.1%
Fair Oaks Water District	\$481,800	23.1%	\$455,975	21.9%
Orange Vale Water Company	\$225,975	10.9%	\$232,225	11.2%
City of Folsom	\$67,400	3.2%	\$68,975	3.3%

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

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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	\$9.6 million
<u>minus Source of Supply Costs</u>	<u>-\$1.36 million</u>
Total	\$8.23 million

Divided by total water sales 30,279 AF *

Proposed Rate: \$271.75 / AF **

Current Rate: \$220.16 / AF (23.4 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.

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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%

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Next Steps

1. Receive comments from Member Agencies
2. December 13 Board Meeting - Board reviews comments from Member Agencies and considers approval of 5-year rate schedule
3. January 1, 2024 - Implement Rates

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Operations Plan Report Card FY 2022-23

On Track

Delayed

Issues

ADMINISTRATION/WATER RESOURCES/IT

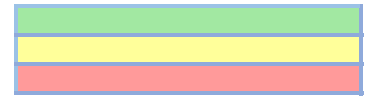
Task - Strategic Plan Goal & Objective	Original Target Date	Updated Target Date	Completion Date	Comments
Update the District's Strategic Plan - All/All	6/2023	6/2024		Moved to FY 23-24
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable - A/5	Ongoing		Ongoing	
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought - A/5	Ongoing		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		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/1,5; C/2; D/5	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			Potential 2024 Activity depending on hydrology.
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation - A/All	Post-14 > 2/2023 Pre-14 > 2/2023 Reclamation > 3/2023		Post-14 > 11/2022 Pre-14 > 11/2022 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/All	The 10 th of the following month		Ongoing	
Plan 2 nd Annual SJWD Employee Kids Day - E/3	7/2023	7/2024		Moved to FY 23-24
Complete Board Ordinance Updates - C/1	6/2023	Ongoing	Ongoing	Updates are completed as needed
Facilitate Records Inventory Process - C/1	6/2023	1/2024		Changed task to Updating Records Retention Schedule

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	
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly - C/2,3	Ongoing		Ongoing	
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing - C3	6/2024			In Process
Improve customer messaging with better utilization of our email communication software and more timely updates on the District website - C/1,5,7	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		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		5/25/2023	
Complete the 2022 Cross Connection Control Program - B/2	12/2022		12/14/2022	
Complete the 2023 Leak Detection Program - B/2	6/2023		6/21/2023	
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		6/3/2023	
Complete the 2023 Valve Exercise Program - B/2	6/2023		6/29/2023	
Complete the 2023 Hydrant Maintenance Program - B/2	6/2023		6/29/2023	
Implement the new District Meter Replacement and Testing Program - B/2	6/2023		6/30/2023	

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
Complete construction of the Eureka Road Pipeline Replacement Project - B/3	1/2023		6/2023	Complete
Complete the design and construction of the Administration Building Electrical Service Upgrade Project - B/3	6/2023	12/2023		Design complete. Anticipate contract award in 8/2023
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs - B/3	6/2023	8/2023		In Construction
Complete design and construction of the Lime Tower Improvements Project - B/3	6/2023	8/2023		Scheduled to be Bid in Jan 2024. Construction in summer of 2024.

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	9/30/2023		In progress - waiting on Technical Package
Complete funding agreement for State Revolving Loan Funds for Eureka Road Transmission Pipeline Replacement Project - D/3a	12/2022	02/28/2023		Completed
Complete Wholesale Financial Plan and Rate Study - D/1	12/2022	06/30/2023		Completed
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	04/30/2024		Delayed due to fallen tree
Fill any open positions within six months - E/5	6/2023		6/2023	Completed
Complete annual performance evaluations by the end of February - E/6	2/2023		2/2023	Completed
Complete revisions to Treatment Plant Shift Operators MOU - E/6	6/2023	3/31/2024		Keeps getting pushed back due to higher priority items
Review and improve Accounts Receivable billing and collection processes - D/4	6/2023	12/31/2023		In progress

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		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		6/2023	In Process
Conduct a student art calendar contest to be distributed to all wholesale agencies - C/2,7	5/2023		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		4/2023	
Purchase and Add 34 Tons of Anthracite Filter Media - B/2	6/2023		4/2023	
Complete Chlorine Maintenance Training - B/2	11/2022		10/2022	
Replace 28 Online Water Turbidity Meters - B/2	12/2022		12/2022	

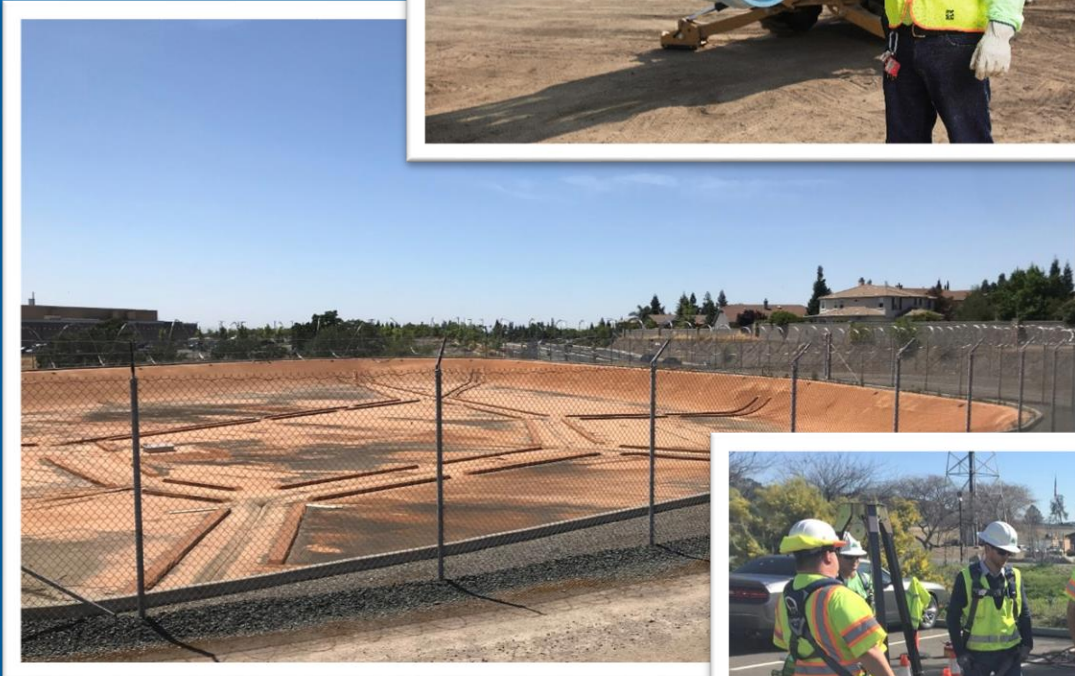
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AGENDA ITEM V-1

SAN JUAN WATER DISTRICT

Granite Bay, California

OPERATIONS PLAN FY 2023-24



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FOREWORD

This document composes the Operations Plan for the San Juan Water District for Fiscal Year 2023-24. It defines the major actions that we plan to undertake during this coming fiscal year, to achieve the goals and strategic objectives laid out in the District's Strategic Plan. The 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.

This Operations Plan is 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. A target date for accomplishing the action is also listed, and District staff will be reporting regularly on the status of completing each action.

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

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	Ongoing
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	C	2,3	Ongoing
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing	C	3	Ongoing
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 2024 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

DISTRIBUTION (Field Services) (con't)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
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
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
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

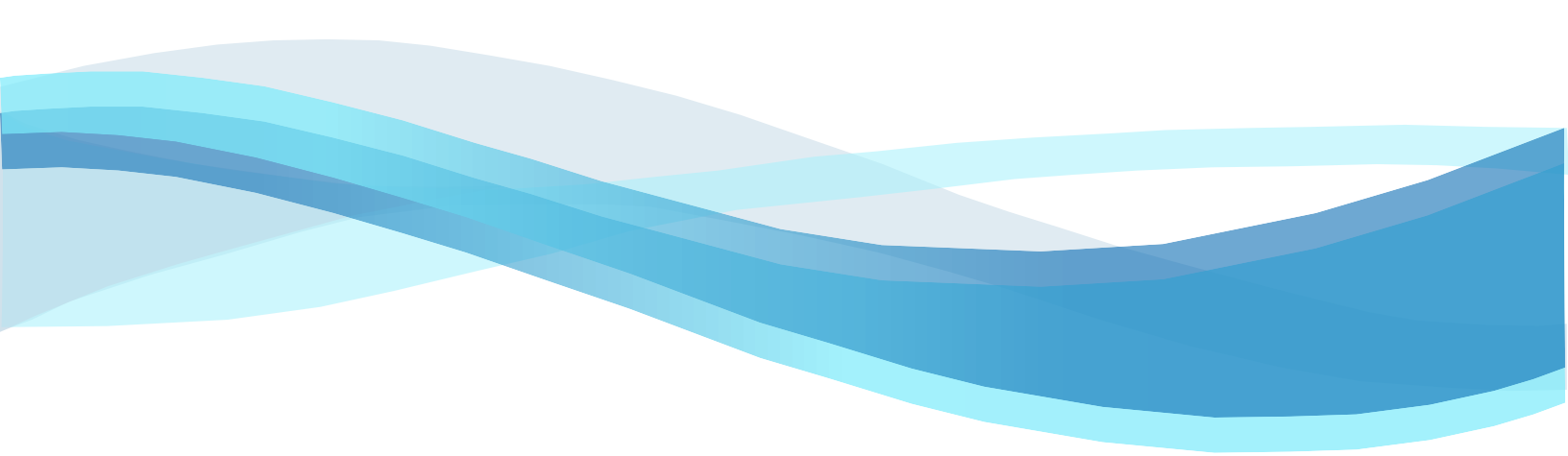
Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete analysis of health care providers	D	3 a.	12/31/2023
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project	D	3 a.	12/31/2023
Present Recommended Wholesale Rate Increases for Board Approval after required 150-Day Comment Period	D	1	12/2023
Update Personnel Manual	E	3	12/2023
Fill any open positions within six months	E	5	Ongoing
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 annually (wholesale)	C	2,7	Ongoing
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements annually	C	1,2,5	Ongoing
Conduct a student art calendar contest to be distributed to all wholesale agencies annually	C	2,7	Ongoing
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement.	C	3,5	Ongoing

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



9935 Auburn Folsom Road | Granite Bay, CA 95746

916-791-0115

www.sjwd.org

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: July 26, 2023
Subject: Proposed Amendments to Board Policy BOD-2.2

RECOMMENDED ACTION

Staff request that the Board of Directors approve changes to Board Policy BOD-2.2, Compensation and Reimbursement for Directors.

BACKGROUND

Board Policy BOD-2.2 defines the policies for compensating members of the Board of Directors when they are providing days of service. The policy includes not just the types of meetings that Board members may be compensated for attending, but also the types of travel expenses that will be paid by the District.

Staff are proposing two edits to the policy. The first would be to clarify that prior approval of the Board is required for any Board member to be reimbursed for expenses associated with any out-of-state travel. The second is to update the terminology associated with airline travel, from the term “coach” to the current term “economy”.

Attached is a copy of Policy BOD-2.2 in mark-up format, showing these proposed edits.

Section	BOD-2 Board of Directors	Date Adopted	10/23/03
Policy	BOD-2.2 Compensation and Reimbursement for Directors	Latest Revision	2/28/18

BOD-2.2 Compensation and Reimbursement for Directors

2.2.1 Compensation and Reimbursement for Board and Committee Meetings

Members of the Board of Directors of the District will be entitled to receive \$125 per day for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, as provided for in this policy.

Applicable law provides that a Director can be compensated for up to 10 days per calendar month for each day's attendance at meetings of the Board, or for each day's service rendered as a Director. The District encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the District, and to inform others of the activities and interests of the District. The General Manager will provide to the Board on a quarterly basis a list of meetings attended by each Director for which the Director was compensated under this policy. Directors will be compensated (for up to 10 days per calendar month) for attending the following types of meetings:

- Meetings of the Board of Directors of the District;
- Meetings of committees of the Board of Directors of the District, as a committee member or alternate committee member;
- Meetings of joint powers authorities, associations and other organizations of which the District is a member or participant, as the liaison representative of the Board and/or the liaison representative alternate who has been appointed to represent the District on the governmental entity or committee;
- Meetings of a County Board of Supervisors, Local Agency Formation Commission or a special district or legislative or regulatory body that has on its agenda a matter that is of interest to the District;
- Meetings or office visits as requested by the General Manager;
- Meetings, water industry events or office visits of a substantial duration concerning substantive District business as requested and approved for payment by the General Manager or the Board President; and
- Conferences, seminars, meetings, and other events dealing with matters of interest to the District.

When making any trips on official business of the Board, or in attending any conferences, Directors will be compensated for each day sessions are attended. If the conference is of sufficient distance that travel on the same day is unreasonable, then Directors will be compensated for up to one travel day before and one travel day after the meeting or conference. For out of state events, attendance at the event ~~will~~must be ~~discussed~~approved in advance ~~by~~with the Board of Directors.

2.2.2 Director Travel and Reimbursement Policy

It is the policy of the San Juan Water District to reimburse Directors for any expenses incurred in the performance of his/her duties required or authorized by the Board, and that expenses be reimbursed in a manner that conforms to an "accountable plan" under Internal Revenue Service regulations. Such expenses will be reported on the District's "Statement of Reimbursable Expenses", which includes the following information: (a.) cost of each separate expense (incidental expenses may be totaled by category); (b.) date expense was incurred; (c.) destination (for travel and transportation); (d.) business purpose and/or benefit gained; and (e) receipts confirming the expense. This form must be submitted to the Director of Finance or Board Secretary within 60 days of incurring the expense, who will have authority to provide reimbursement of expenses that conforms to the requirements under this policy.

The District's annual budget will set an appropriate level of funding for reimbursement of Board member's travel expenses. A Board member will not be entitled to receive in excess of the budgeted amount per fiscal year for reimbursement of travel expenses, unless the Board of Directors approves a Board member's request to increase this amount for the Board member for the applicable fiscal year. The General Manager will be responsible for identifying when a travel request would cause the budgeted amount to be exceeded, and discuss whether the Board member would like to request approval of the Board for additional funds.

- a. Each Board member will be reimbursed for travel, lodging, and other expenses actually and reasonably incurred in the performance of service rendered. All activities for which expense reimbursement is sought must be in accordance with approved policies of the Board.
- b. Normally, travel will be arranged through the Board Secretary. If a Board member has personal travel that will occur on either end of the District travel, the Director may coordinate personal travel plans with the Board secretary. In any case, the incremental cost of personal travel will be at the Board member's own expense.
- c. Airline travel will be based on the least expensive ~~economy~~ tickets at the time of purchase.
- d. If personal vehicle is used, the reimbursement will be based on the mileage reimbursement rates as set by the IRS. The reimbursement will be limited to either the amount of automobile mileage reimbursement; or regular ~~economy~~ airfare plus transfers (or cost of rental car if it would have been necessary), fees, tips, etc.; whichever is less. If alternative transportation is used, the limiting airfare for reimbursement will be determined by the Board secretary, and will generally be based on the fares paid for other attendees, if any, or the 21-day advance purchase ~~economy~~ airfare.
- e. Rental cars will be limited to no larger than the intermediate size, unless there are multiple people requiring a larger vehicle.
- f. Lodging will be at the standard conference hotel room, or as assigned in the conference registration process, or of similar cost. Lodging reimbursed by the District is limited to the night before the conference through the night after the conclusion of the conference. In the case where the cost of the airfare for a Saturday night stay plus the additional lodging cost is less than the ~~economy~~ airfare for the conference nights, the Board member may choose this option. If the conference or meeting is local, no lodging will be provided.
- g. Meals will be reimbursed for actual expenses (receipts required) or at the per diem rate approved for the applicable city under the IRS accountable plan (no receipts needed).
- h. If a spouse or other family member/s attend/s a conference, seminar or meeting with a Board member, the cost for travel, meals, registration and any other incremental expenses related to such spouse or family member will be paid by the Board member.

Travel advances are available to Board members upon request. Receipts must be provided and expenses documented on an expense reimbursement form, with any remaining advanced funds returned to the District.

A Director shall not attend a conference or training event for which there is an expense to the District if it occurs after they have announced their pending resignation or have not filed for re-election, or if it occurs after an election in which it has been determined that they will not retain their seat on the Board of Directors except as formally authorized by action of the Board of Directors.

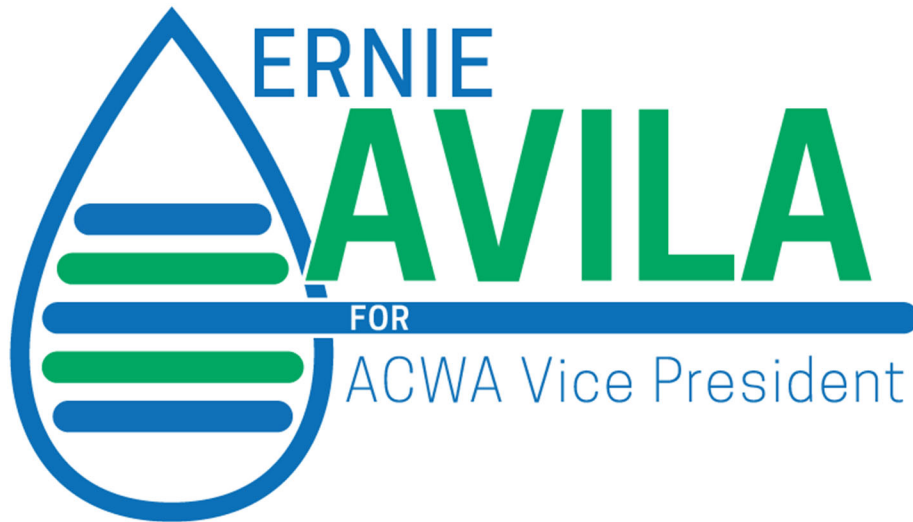
Board members returning from conferences or seminars for which expenses have been reimbursed may submit a brief oral or written report to the Board.

2.2.3 Benefits for Directors

Directors will be covered by the District’s Workers Compensation Insurance policy while acting as a Board of Directors or acting under its orders.

Revision History:

Revision Date	Description of Changes	Requested By
2/28/18	Combine Policies 2300 and 2500; further define types of meetings; offer per diem rate vs. receipts; remove list of pre-approved meetings to allow Director to incur expenses in the performance of his/her duties	Personnel Committee



“The Association of California Water Agencies (ACWA) truly represents the nexus of knowledge and leadership in water for California. We are emerging from difficult times on many fronts, notably a multi-year drought and we need to lock into strategies to keep water in the public eye with ACWA and member agencies as the trusted sources of information. With over 40 years of experience in the water world, I am dedicated to continuing ACWA’s leading role on state-wide water issues, including the protection of water rights. United between all water users, we can inform the needed investments state-wide in storage, groundwater recharge, conveyance, desalination, recycling, reuse and conservation to strengthen our water systems for future generations.” – Ernesto (Ernie) Avila, P.E.

ACWA BOARD MEMBER

- Executive Committee of the ACWA Board of Directors
- ACWA Board of Directors
- ACWA Region 5 Board of Directors
- ACWA Foundation Steering Committee

ACWA COMMITTEES

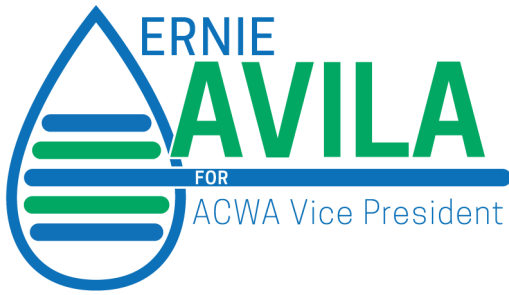
- Local Government Committee, Chair
 - Property Tax Working Group
 - Housing Densification Working Group
 - Paving Standards Working Group
- Federal Affairs Committee
- Foundation Fundraising Working Group

CONTRA COSTA WATER DISTRICT

- Contra Costa Water District, Board President
- Operations & Engineering, Committee Chair
- East Bay Leadership Council, Director
- Los Vaqueros Reservoir Joint Powers Authority, Director

PROFESSIONAL EXPERIENCE

- Vice-President, Avila and Associates Consulting Engineers, Inc.
- Monterey Peninsula Water Management District, General Manager
- Director of Engineering, Contra Costa Water District
- Northern California Salinity Coalition, Executive Director
- California Urban Water Agencies, Executive Director



Ernesto (Ernie) Avila, PE Board President Contra Costa Water District

Recent ACWA and Regional Water Coalition Experience

Association of CA Water Agencies (ACWA). I have had the pleasure of supporting ACWA over twenty years at the regional and state level. My recent ACWA experience has included serving on ACWA's:

- Executive Committee of the ACWA Board of Directors
- Board of Directors
- Region 5 Board
- Local Government Committee (Chair)
 - Property Tax Working Group
 - Housing Densification Working Group
 - Paving Standards Working Group
- Federal Affairs Committee
- Foundation Steering Committee
 - Foundation Fundraising Working Group



As part of these efforts, I led ACWA's assessment of potential water industry impacts associated with Sacramento-based housing initiatives including Auxiliary Dwelling Units, Commercial Properties and Transit Center Hubs and led a workshop to consider potential ACWA next steps associated with these new initiatives and their related changes to water agency fees and charges. I led the ACWA Region 5 session on *Safe Drinking Water Issues Affecting Disadvantaged Communities*, and helped with the development of the *ACWA New Water System Approval Fact Sheet*. I also participated in the ACWA Foundation Steering Committee including several related Ad Hoc committees and contributed to Federal Affairs Committee work groups associated with the Water Infrastructure Finance and Innovation Act (WIFIA) .

Multi-State Salinity Coalition (MSSC). For over 20 years, I have served as Program Director and Board member of MSSC which consists over 30+ water agencies from New Mexico, northern and southern California, Nevada, Colorado, Arizona and Texas. The MSSC mission is to promote advancements in technologies for desalination, reuse, salinity control strategies (watersheds and agriculture), water/energy efficiencies and related policies that will assist communities in meeting their water needs. I also helped to establish relationships regarding salinity management and desalination with water agencies in Australia, Mexico and Israel. In February 2023, the MSSC awarded me with the **MSSC "Salt of the Earth" National Award** for outstanding commitment, leadership, vision and dedication to our water industry.

Contra Costa Water District (CCWD). As President of CCWD, I helped to form the coalition of eight northern California water agencies that make up the Los Vaqueros Reservoir Joint Powers Authority (LVJPA). Once completed, the expanded reservoir will improve the Bay Area's regional water supply reliability and water quality while protecting Delta fisheries and providing additional Delta ecosystem benefits. I currently serve as the CCWD Director to the LVJPA.

California Urban Water Agencies (CUWA). As Executive Director, I led CUWA's effort in the development of Department of Water Resources (DWR) Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use as part of the Water Conservation Act of 2009 (Senate Bill X7-7) with our southern and northern California water agency members. I also made certain that CUWA's finances and practices were sound and transparent.

Northern California Salinity Coalition. As Executive Director, I led a coalition of ten San Francisco Bay Area water agencies in crafting grant application strategies and DWR outreach that would demonstrate the value of supporting watershed management, brackish desalination and groundwater project associated with salinity management. Working with the Coalition agencies, we secured the largest Proposition 50 grant funding for our region.

Professional Work Experience (40 years)

- Vice-President, Avila and Associates Consulting Engineers, Inc.
- General Manager, Monterey Peninsula Water Management District
- Director of Engineering, Contra Costa Water District
- Associate Engineer, East Bay Municipal Water District
- Construction Manager, CH2M Hill
- Professional Civil Engineer (California – C41727)

Community Service Experience

- Contra Costa Water District, President of the Board
- John Muir Community Health Fund Board of Directors (Treasurer)
- Association of California Engineering Companies – Chair of the Healthcare Trust (non-profit)
- Knights of Columbus, Scholarship Chair
- St. Francis of Assisi School Board, President
- City of Concord, CA – Planning Commission, Chair
- City of Concord, CA – Design Review Board
- City of Walnut Creek, CA – Transportation Commission, Vice-Chair

Education and Related Credentials

- B.S. – Civil Engineering, Santa Clara University
- M.B.A. – St. Mary's College of California
- Professional Civil Engineer (California – C41727)
- California Farm Bureau Member

AGENDA ITEM V-3

Michael Saunders, MD
Georgetown Divide Utility District, Director
Candidate ACWA Vice-President
Outline and Statement of Qualifications



Appointed Offices:

Georgetown Divide Public Utility District - Finance Committee (2018)

Elected Offices:

Georgetown Divide Public Utility District - 5 years (2018-2022), (2022-2026)

Served as Treasurer, Vice-President, President

Currently Legislative Liaison

El Dorado County LAFCO - Alternate Special District Commissioner (2019 to present)

Budget Workgroup, Small to Medium Water District MSR workgroup, Recruitment Committee, Grand Jury committee

Regional Offices

Mountain Counties Water Resources Association - WUE workgroup

Regional Water Authority (RWA) - Board Member, Executive Board Member

Regional Activities:

Consumnes, American, Bear, Yuba (CABY) Integrated Regional Water Management Group

Participated in helping to define the vulnerability, economic, and support levels for the communities within El Dorado County.

State Level Workgroups

Department of Water Resources

DWR Workgroup Member for Water Use Efficiency Workgroups

- Water Loss Workgroup
- Annual Water Supply and Demand Assessment Workgroup

DWR Stakeholder participant

- County Drought Advisory Group
- Water Use Studies (LAM, Variances; Indoor, Outdoor, CII budgets)

Association of California Water Agencies (ACWA)

Workgroups:

- Diversity, Equity, and Inclusion Workgroup
- Headwaters Workgroup
- Water Use Efficiency Workgroup
- State Infrastructure Workgroup

Committees:

- Membership Committee

ACWA Region 3

- ACWA Region 3 Board Member (2022 - present)
- ACWA Region 3 Regional Issue Forum Planning workgroup
 - *“Protecting Communities in the New Era of Wildfire: The Important Role of Water Purveyors”*

My background includes a Bachelor of Science (BS) in Nutritional Biochemistry from Cornell University and a Doctor of Medicine (MD) from Howard University. My journey in water issues began with an empty horse water trough one hot summer day when there was no water. I began as a community volunteer on the Finance Committee where I began to learn about the finances of my water District. I was elected to the Georgetown Divide Public Utility District (GDPUD) Board in 2018. I am now in my 5th year as a Board member in my second term of office. I have served as the Treasurer, Vice-President, and President of the Board. I currently serve as the Board's Legislative Liaison.

I learned about water systems, delivery, infrastructure and our issues starting at the local level as a Board member, becoming more expansive through working with our Urban Water Management Plan and managing the District's water supply through drought mandates, water contingency plans, and wildfires. My understanding of the County water issues began as I actively participated in the Consumnes, American, Bear, Yuba (CABY) Integrated Regional Water Management Group including helping to define all of the vulnerability, economic, and support levels for the communities within El Dorado County. At the County level, I am the Alternate Special District Commissioner for LAFCO. I was part of the LAFCO workgroup for Small to Medium Water Districts Municipal Service Reviews and I have reviewed all the MSRs for the County learning of all of our County water districts infrastructures, finances, and challenges. As an Executive board member of the Regional Water Authority, I have had the opportunity to learn more on groundwater basins, and working on trying to get a Federally recognized water bank and working on conjunctive use efforts between surface water storage and groundwater storage.

At the State Level, I have worked on the Water Use Efficiency and County Drought Advisory Groups with the Department of Water Resources (DWR) beginning in 2019. This experience allowed me to understand about the challenges and issues throughout the State. This also gave me the opportunity to provide recommendations and solutions specific to rural, mountain counties that were not being addressed and began my active role in advocating for rural, mountain water agencies.

I have been an active participant with ACWA, attending conferences, workgroups, webinars, regional tours, board meetings, symposiums. I have been an advocate for issues attending State and Federal symposiums and legislative days, working and advocating through County, Regional, State and National committees, workgroups, task forces, legislative meetings, testimonies, letters, coalition letters, and hearings. The work with the DEI workgroup helped form ACWA's new foundation.

The ACWA Regional Board has allowed me to play a leadership role in our Region. Working closely with our regional board members and member agencies, we gathered information on issues in which we were able to work with ACWA staff to facilitate a meeting with State Water Resource Control Board members. I continue to outreach and work with our members and agencies to highlight the issues and challenges that our region faces and bring them to the various committees and workgroups.

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: July 26, 2023
Subject: General Manager's Monthly Report (June)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production

Item	May 2023	May 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	May 2023	April 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:

- None

SYSTEM OPERATIONS

Distribution Operations:

Item	June 2023	May 2023	Difference
Leaks and Repairs	14	11	+3
Mains Flushed	0	2	-2
Valves Exercised	537	188	+349
Hydrants Maintenance	204	74	+130
Back Flows Tested	64	0	+64
Customer Service Calls	45	50	-5

Distribution System Water Quality:

Water Quality Samples Taken	# Failed Samples	Supporting Information
40 Lab 26 In-House	0	

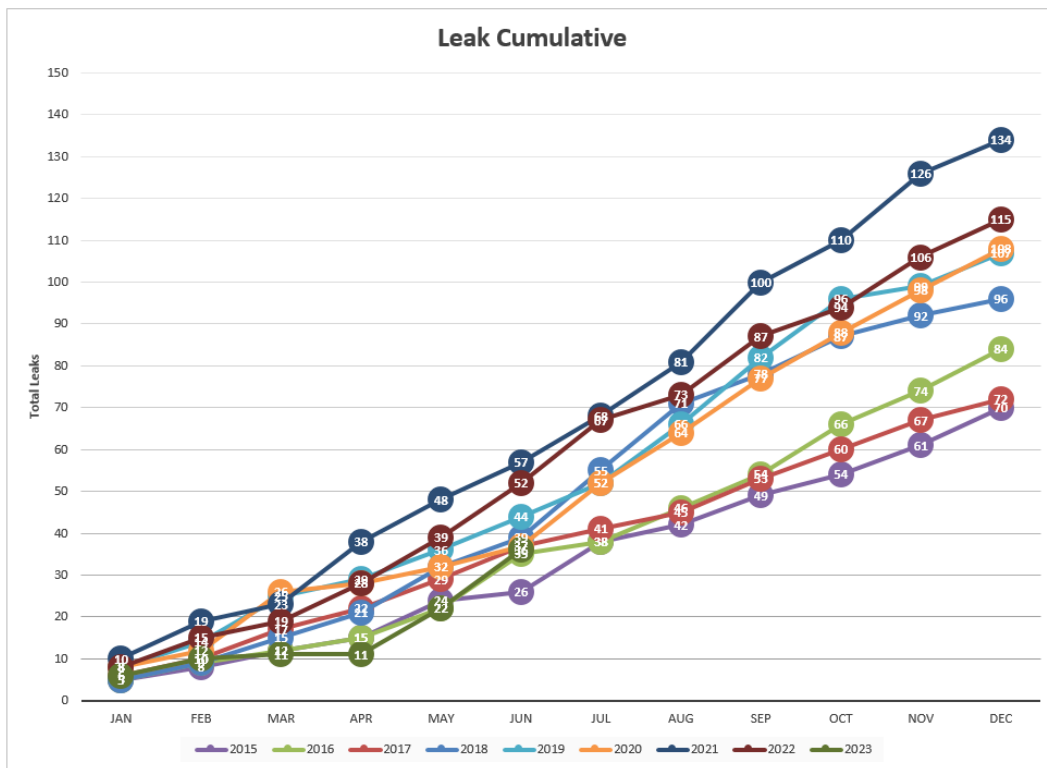


Figure 1: Annual Distribution System Leaks

Other Items of Interest:

- None

CUSTOMER SERVICE ACTIVITIES

Billing Information for Month of June

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
4956	626	203	18

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)
7	104	12	27

Other Activities

- None

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.
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
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

Project Title	Description	Status	Issues / Notes
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
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	Consultant preparing final draft
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 – June 2023

Training Course	Staff
Personal Protective Equipment	Field Service & Treatment
Wildfire Smoke	Staff
Traffic Control and Flagger	Field Service, Water Efficiency & SRCC

FINANCE/BUDGET

See attached



San Juan Water District, CA

Wholesale Operating Income Statement Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

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	1,455,120.83	12,297,936.15	-1,294,036.15
43000 - Rebate	1,000.00	1,000.00	597.86	2,025.64	-1,025.64
45000 - Other Operating Revenue	0.00	0.00	2.20	277.66	-277.66
49000 - Other Non-Operating Revenue	112,100.00	112,100.00	13,440.45	171,033.82	-58,933.82
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	1,469,161.34	12,476,401.83	-1,359,401.83
Expense					
51000 - Salaries and Benefits	3,959,700.00	3,959,700.00	283,598.95	3,693,219.90	266,480.10
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	112,958.64	709,497.30	107,202.70
54000 - Professional Services	1,782,100.00	1,782,100.00	6,847.96	404,091.39	1,378,008.61
55000 - Maintenance	525,600.00	525,600.00	10,764.25	427,543.95	98,056.05
56000 - Utilities	205,000.00	205,000.00	2,807.53	216,342.98	-11,342.98
57000 - Materials and Supplies	788,500.00	788,500.00	88,773.90	816,321.49	-27,821.49
58000 - Public Outreach	56,500.00	56,500.00	250.00	32,884.53	23,615.47
59000 - Other Operating Expenses	596,600.00	596,600.00	8,136.75	453,398.64	143,201.36
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	514,137.98	7,119,638.42	2,872,061.58
Fund: 010 - WHOLESALE Surplus (Deficit):	1,125,300.00	1,125,300.00	955,023.36	5,356,763.41	-4,231,463.41
Total Surplus (Deficit):	1,125,300.00	1,125,300.00	955,023.36	5,356,763.41	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESAL	1,125,300.00	1,125,300.00	955,023.36	5,356,763.41	-4,231,463.41
Total Surplus (Deficit):	1,125,300.00	1,125,300.00	955,023.36	5,356,763.41	



San Juan Water District, CA

Wholesale Capital Income Statement Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

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	1,121.85	1,321,640.34	-48,640.34
44000 - Connection Fees	200,000.00	200,000.00	3,151.00	278,363.55	-78,363.55
49000 - Other Non-Operating Revenue	126,000.00	126,000.00	0.00	325,648.79	-199,648.79
49792 - Proceeds from Issuance of Debt	23,120,600.00	23,120,600.00	846,424.00	846,424.00	22,274,176.00
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	850,696.85	2,772,076.68	22,520,723.32
Expense					
55000 - Maintenance	70,000.00	70,000.00	0.00	56,460.26	13,539.74
61000 - Capital Outlay	25,361,900.00	25,361,900.00	27,292.21	21,175,261.33	4,186,638.67
Expense Total:	25,431,900.00	25,431,900.00	27,292.21	21,231,721.59	4,200,178.41
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	-139,100.00	-139,100.00	823,404.64	-18,459,644.91	18,320,544.91
Total Surplus (Deficit):	-139,100.00	-139,100.00	823,404.64	-18,459,644.91	

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	823,404.64	-18,459,644.91	18,320,544.91
Total Surplus (Deficit):	-139,100.00	-139,100.00	823,404.64	-18,459,644.91	



San Juan Water District, CA

Retail Operating Income Statement Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

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	1,030,270.43	12,030,702.36	3,083,497.64
45000 - Other Operating Revenue	631,500.00	631,500.00	71,962.52	478,522.78	152,977.22
49000 - Other Non-Operating Revenue	149,000.00	149,000.00	13,440.44	219,817.42	-70,817.42
Revenue Total:	15,894,700.00	15,894,700.00	1,115,673.39	12,729,042.56	3,165,657.44
Expense					
41000 - Water Sales	0.00	0.00	0.00	13,673.43	-13,673.43
51000 - Salaries and Benefits	5,730,600.00	5,730,600.00	424,527.18	5,359,844.46	370,755.54
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	259,698.31	3,221,587.79	-86,787.79
54000 - Professional Services	1,514,600.00	1,514,600.00	14,463.47	631,289.27	883,310.73
55000 - Maintenance	376,500.00	376,500.00	13,000.89	297,951.97	78,548.03
56000 - Utilities	412,500.00	412,500.00	7,180.71	415,912.36	-3,412.36
57000 - Materials and Supplies	640,400.00	640,400.00	45,299.45	546,580.58	93,819.42
58000 - Public Outreach	80,000.00	80,000.00	0.00	39,314.81	40,685.19
59000 - Other Operating Expenses	781,400.00	781,400.00	43,619.81	714,041.99	67,358.01
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	807,789.82	11,519,136.21	3,671,463.79
Fund: 050 - RETAIL Surplus (Deficit):	704,100.00	704,100.00	307,883.57	1,209,906.35	-505,806.35
Total Surplus (Deficit):	704,100.00	704,100.00	307,883.57	1,209,906.35	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	704,100.00	704,100.00	307,883.57	1,209,906.35	-505,806.35
Total Surplus (Deficit):	704,100.00	704,100.00	307,883.57	1,209,906.35	



San Juan Water District, CA

Retail Capital Income Statement Group Summary

For Fiscal: 2022-2023 Period Ending: 06/30/2023

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	1,121.85	1,321,640.35	-48,640.35
44000 - Connection Fees	500,000.00	500,000.00	38,566.00	3,365,361.70	-2,865,361.70
49000 - Other Non-Operating Revenue	148,800.00	148,800.00	29,703.00	420,808.29	-272,008.29
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	69,390.85	5,107,810.34	2,925,789.66
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	327,118.80	4,952,075.48	8,520,024.52
Expense Total:	13,682,100.00	13,682,100.00	327,118.80	4,952,075.48	8,730,024.52
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	-5,648,500.00	-5,648,500.00	-257,727.95	155,734.86	-5,804,234.86
Total Surplus (Deficit):	-5,648,500.00	-5,648,500.00	-257,727.95	155,734.86	

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	-257,727.95	155,734.86	-5,804,234.86
Total Surplus (Deficit):	-5,648,500.00	-5,648,500.00	-257,727.95	155,734.86	

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
191235	Solar Site Access Culvert Replacemei	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	982,288.08	19,620,742.77	-18,638,454.69
195255	Bacon Pump Station Security Improv	0.00	25,935.63	-25,935.63
195265	Douglas Booster Pump Station Elect	0.00	23,110.20	-23,110.20
201111	Hinkle Reservoir Overflow Channel L	0.00	5,109.07	-5,109.07
201117	Backwash Hood Rehabilitation (Two)	0.00	63,358.71	-63,358.71
201126	Lime Tower Design and Replacemen	0.00	101,997.55	-101,997.55
201144	Hinkle Reservoir Temporary Tanks ai	0.00	30,749.14	-30,749.14
201153	Thickener Access Ladders (3)	0.00	43,713.23	-43,713.23
205156	Field Services Sewer Lift Station	0.00	16,484.90	-16,484.90
211148	Admin Building Electrical Improvem	0.00	17,475.00	-17,475.00
215105	Eureka Road 18" T-main Design	115,699.94	3,139,327.24	-3,023,627.30
215114	Bacon Pump Station Generator Rep	5,520.00	168,681.00	-163,161.00
215117	Upper Granite Bay Pump Station Ge	-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	0.00	0.00
225147	Bacon BPS #3 and #4 - New Motors	0.00	7,320.86	-7,320.86
225166	Meter Replacement Program Route	0.00	69,582.88	-69,582.88
225170	Meter Replacement Program Route	0.00	135,954.80	-135,954.80
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 M	0.00	8,791.28	-8,791.28
235100	Bacon PBS #5 - New VFD/Componen	0.00	14,655.90	-14,655.90
235104	FY 2022-23 Air/Vacuum Relief Valve	0.00	137,447.95	-137,447.95
235106	Failed Service Lateral Replacements	0.00	283,020.93	-283,020.93
235116	Fire Hydrant Replacements (10 hydr	0.00	73,871.64	-73,871.64
235118	Twin Rocks/Vogel Valley Probe Mete	0.00	4,718.49	-4,718.49
235120	Blow Off Valve Replacement	0.00	6,042.74	-6,042.74
Project Totals:		1,070,090.61	24,715,820.24	-23,645,729.63

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	1,070,090.61	24,681,860.34	-23,611,769.73
CIP - Asset Unplanned	0.00	33,959.90	-33,959.90
Group Totals:	1,070,090.61	24,715,820.24	-23,645,729.63

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Administration	0.00	26,266.28	-26,266.28
Engineering	116,407.71	3,950,630.57	-3,834,222.86
Field Services	0.00	692,024.32	-692,024.32
Water Treatment Plant	953,682.90	20,046,899.07	-19,093,216.17
Type Totals:	1,070,090.61	24,715,820.24	-23,645,729.63

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
010-030-57120	Maintenance - Facility	-121,487.50	0.00	-121,487.50
011-20030	Retentions Payable	0.00	23.42	23.42
011-700-49792	Proceeds from Debt Issuance	-832,195.40	0.00	-832,195.40
011-700-61120	Capital Outlay - Improvemen...	0.00	-846,424.00	-846,424.00
011-700-61140	Capital Outlay - Buildings & I...	0.00	394,704.31	394,704.31
		0.00	13,109.71	13,109.71

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-700-61145	Capital Outlay - WTP & Impro...	0.00	196,808.25	196,808.25
011-700-61155	Capital Outlay - Reservoirs & ...	0.00	20,503,024.98	20,503,024.98
011-700-61160	Capital Outlay - Equipment a...	0.00	43,713.23	43,713.23
050-030-57120	Maintenance - Facility	0.00	23.43	23.43
055-20030	Retentions Payable	-116,407.71	0.00	-116,407.71
055-700-61135	Capital Outlay - Pump Station...	0.00	425,626.31	425,626.31
055-700-61140	Capital Outlay - Buildings & I...	0.00	13,109.72	13,109.72
055-700-61150	Capital Outlay - Mains/Pipeli...	0.00	3,639,710.50	3,639,710.50
055-700-61153	Capital Outlay - Meters and E...	0.00	291,951.60	291,951.60
055-700-61155	Capital Outlay - Reservoirs & ...	0.00	19,235.39	19,235.39
055-700-61160	Capital Outlay - Equipment a...	0.00	21,203.39	21,203.39
	GL Account Totals:	-1,070,090.61	24,715,820.24	23,645,729.63



Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	6,357,954.64	1,379,181.87	3,971,434.92	16,342,084.71	28,050,656.14
10510 - Accounts Receivable	1,258,589.66	0.01	459,060.04	-0.01	1,717,649.70
11000 - Inventory	4,751.65	0.00	364,834.09	93,674.71	463,260.45
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:	67,392,282.81	1,379,181.88	38,591,151.08	16,435,759.41	123,798,375.18
Total Asset:	67,392,282.81	1,379,181.88	38,591,151.08	16,435,759.41	123,798,375.18
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	108,740.27	0.00	108,740.27
Total Type 1000 - Assets:	0.00	0.00	108,740.27	0.00	108,740.27
Type: 2000 - Liabilities					
20010 - Accounts Payable	110,317.28	434,760.70	130,305.84	248,421.42	923,805.24
20100 - Retentions Payable	0.00	982,288.08	0.00	125,169.91	1,107,457.99
20150 - Customer Deposits	1,148.98	0.00	0.00	0.00	1,148.98
21200 - Salaries & Benefits Payable	34,240.01	0.00	64,349.49	0.00	98,589.50
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 06/30/2023

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	119,283.54	0.00	119,283.54
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:	24,947,043.74	1,417,048.78	16,789,126.89	373,591.33	43,526,810.74
Total Liability:	24,947,043.74	1,417,048.78	16,897,867.16	373,591.33	43,635,551.01
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	12,476,401.83	2,772,076.68	12,729,042.56	5,107,810.34	33,085,331.41
Total Expense	7,119,638.42	21,231,721.59	11,519,136.21	4,952,075.48	44,822,571.70
Revenues Over/Under Expenses	5,356,763.41	-18,459,644.91	1,209,906.35	155,734.86	-11,737,240.29
Total Equity and Current Surplus (Deficit):	42,445,239.07	-37,866.90	21,693,283.92	16,062,168.08	80,162,824.17
Total Liabilities, Equity and Current Surplus (Deficit):	67,392,282.81	1,379,181.88	38,591,151.08	16,435,759.41	123,798,375.18



San Juan Water District, CA

Check Report

By Vendor Name

Date Range: 06/01/2023 - 06/30/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
	Void	06/06/2023	Regular	0.00	0.00	59053
	Void	06/21/2023	Regular	0.00	0.00	59098
	Void	06/21/2023	Regular	0.00	0.00	59100
	Void	06/27/2023	Regular	0.00	0.00	59117
03406	Alpha Analytical Laboratories Inc.	06/06/2023	Regular	0.00	190.00	59038
03406	Alpha Analytical Laboratories Inc.	06/13/2023	Regular	0.00	900.00	59064
03406	Alpha Analytical Laboratories Inc.	06/21/2023	Regular	0.00	291.00	59090
03406	Alpha Analytical Laboratories Inc.	06/27/2023	Regular	0.00	1,620.00	59105
01073	Amarjeet Singh Garcha	06/13/2023	Regular	0.00	4,200.00	59065
01039	American Family Life Assurance Company of Co	06/23/2023	Bank Draft	0.00	298.71	Q386906-23-20
01039	American Family Life Assurance Company of Co	06/23/2023	Bank Draft	0.00	298.71	Q386906-23-20
01026	American River Ace Hardware, Inc.	06/13/2023	Regular	0.00	203.51	59066
01026	American River Ace Hardware, Inc.	06/27/2023	Regular	0.00	116.31	59106
03838	Aria Service Group	06/06/2023	EFT	0.00	1,557.00	408636
03838	Aria Service Group	06/27/2023	EFT	0.00	1,564.00	408682
01328	Association of California Water Agencies / Joint	06/06/2023	EFT	0.00	7,384.66	408637
01328	Association of California Water Agencies / Joint	06/27/2023	EFT	0.00	7,791.62	408683
01027	Association of California Water Agencies	06/13/2023	Regular	0.00	2,000.00	59067
03932	ATS Communications, Inc.	06/27/2023	EFT	0.00	25,201.90	408684
03739	Azteca Systems Holdings, LLC	06/21/2023	Regular	0.00	956.25	59091
03789	Banner Bank	06/06/2023	Regular	0.00	82,049.86	59039
03853	Brower Mechanical CA LLC	06/13/2023	EFT	0.00	11,196.00	408657
01235	BSK Associates	06/13/2023	EFT	0.00	200.00	408658
03080	California State Disbursement Unit	06/23/2023	Bank Draft	0.00	1,741.26	PAY000000000
03080	California State Disbursement Unit	06/09/2023	Bank Draft	0.00	1.50	PAY000000000
03080	California State Disbursement Unit	06/09/2023	Bank Draft	0.00	1,741.26	PAY000000000
03080	California State Disbursement Unit	06/23/2023	Bank Draft	0.00	1.50	PAY000000000
03078	CalPERS Health	06/05/2023	Bank Draft	0.00	44,906.87	1002377207
03078	CalPERS Health	06/05/2023	Bank Draft	0.00	50,750.97	1002377207
03078	CalPERS Health	06/05/2023	Bank Draft	0.00	48,059.41	1002377207
03130	CalPERS Retirement	06/09/2023	Bank Draft	0.00	40,103.58	1002384080
03130	CalPERS Retirement	06/23/2023	Bank Draft	0.00	41,035.01	1002394581
01310	Capital Rubber Co., Ltd	06/27/2023	Regular	0.00	829.05	59107
03946	Cartwright Nor Cal	06/13/2023	Regular	0.00	420.26	59068
03530	Certex USA, Inc.	06/27/2023	EFT	0.00	750.00	408685
03221	Chemtrade Chemicals Corporation	06/06/2023	EFT	0.00	35,823.26	408638
03221	Chemtrade Chemicals Corporation	06/27/2023	EFT	0.00	43,844.22	408686
01366	Citistreet/CalPERS 457	06/09/2023	Bank Draft	0.00	7,922.93	1002384082
01366	Citistreet/CalPERS 457	06/23/2023	Bank Draft	0.00	7,918.57	1002394584
01372	City of Folsom	06/27/2023	Regular	0.00	38.12	59108
01374	City of Sacramento - Department of Utilities	06/27/2023	Regular	0.00	500.00	59109
01375	City of Sacramento	06/06/2023	Regular	0.00	3,178.50	59040
01375	City of Sacramento	06/21/2023	Regular	0.00	3,178.50	59092
01378	Clark Pest Control of Stockton	06/13/2023	Regular	0.00	1,643.00	59069
03235	Construction Supply Holdings II, LLC	06/21/2023	Regular	0.00	1,110.59	59093
03235	Construction Supply Holdings II, LLC	06/27/2023	Regular	0.00	689.21	59110
02214	County of Placer Engineering & Surveying	06/21/2023	Regular	0.00	10,622.63	59094
03890	Datalink Networks, Inc.	06/06/2023	EFT	0.00	1,616.00	408639
01521	DataProse, LLC	06/13/2023	EFT	0.00	7,940.97	408659
01509	Domenichelli & Associates, Inc.	06/06/2023	EFT	0.00	1,237.50	408640
03163	Economic Development Department	06/23/2023	Bank Draft	0.00	103.89	0-219-964-384
03163	Economic Development Department	06/23/2023	Bank Draft	0.00	10,567.69	0-219-964-384
03163	Economic Development Department	06/09/2023	Bank Draft	0.00	10,777.03	1-532-247-520
03163	Economic Development Department	06/29/2023	Bank Draft	0.00	24.20	1-860-293-600

Check Report

Date Range: 06/01/2023 - 06/30/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03776	EETS Inc.	06/13/2023	EFT	0.00	4,450.00	408660
02516	Ehnat, Stephen	06/27/2023	Regular	0.00	407.00	59111
01554	Electrical Equipment Co	06/27/2023	Regular	0.00	708.37	59112
03950	Emerald Site Services	06/13/2023	Regular	0.00	1,971.08	59070
01574	Endress + Hauser, Inc.	06/13/2023	EFT	0.00	17,193.61	408661
03923	English Crane Service LLC	06/21/2023	Regular	0.00	1,155.00	59095
01604	Fastenal Company	06/06/2023	EFT	0.00	3,743.83	408641
01611	Ferguson Enterprises, Inc	06/13/2023	EFT	0.00	6.62	408662
01611	Ferguson Enterprises, Inc	06/27/2023	EFT	0.00	39.36	408687
03350	Firecode Safety Equipment, Inc.	06/06/2023	Regular	0.00	2,581.54	59041
03702	Flowline Contractors, Inc.	06/13/2023	EFT	0.00	15,600.00	408663
03702	Flowline Contractors, Inc.	06/21/2023	EFT	0.00	629,089.98	408673
03702	Flowline Contractors, Inc.	06/27/2023	EFT	0.00	58,477.00	408688
01644	Franchise Tax Board	06/13/2023	Regular	0.00	75.00	59071
01644	Franchise Tax Board	06/27/2023	Regular	0.00	75.00	59113
03790	Global Machinery International West LLC	06/21/2023	EFT	0.00	3,830.80	408674
03091	Granite Bay Ace Hardware	06/06/2023	Regular	0.00	121.50	59042
03091	Granite Bay Ace Hardware	06/13/2023	Regular	0.00	1,157.23	59072
03721	Granite Bay LLC	06/13/2023	Regular	0.00	1,132.08	59073
01721	Hach Company	06/06/2023	EFT	0.00	1,511.18	408642
01721	Hach Company	06/27/2023	EFT	0.00	1,230.70	408689
01741	HDR Engineering, Inc.	06/06/2023	EFT	0.00	3,758.50	408643
01741	HDR Engineering, Inc.	06/27/2023	EFT	0.00	8,691.50	408690
03810	Hildebrand Consulting, LLC	06/13/2023	Regular	0.00	5,520.00	59074
01416	ICONIX Waterworks (US) Inc.	06/21/2023	EFT	0.00	484.26	408675
03383	Inferrera Construction Management Group, Inc	06/13/2023	Regular	0.00	98,983.72	59075
03164	Internal Revenue Service	06/06/2023	Bank Draft	0.00	60,427.98	270356033749
03164	Internal Revenue Service	06/23/2023	Bank Draft	0.00	603.19	270357425117
03164	Internal Revenue Service	06/23/2023	Bank Draft	0.00	59,255.64	270357425117
03164	Internal Revenue Service	06/30/2023	Bank Draft	0.00	525.70	270358162458
03884	JLR Environmental Consulting, LLC	06/21/2023	EFT	0.00	25,330.00	408676
03943	Kashi Enterprises LLC	06/13/2023	Regular	0.00	453.42	59076
01917	Kennedy/Jenks Consultants, Inc.	06/06/2023	EFT	0.00	12,207.00	408644
01917	Kennedy/Jenks Consultants, Inc.	06/21/2023	EFT	0.00	20,950.11	408677
03679	L and D Landfill Limited Partnership	06/06/2023	Regular	0.00	30,011.57	59043
03628	Lees Automotive Repair Inc.	06/13/2023	EFT	0.00	331.69	408664
03947	Leshchik, Vitaliy	06/13/2023	Regular	0.00	1,821.05	59077
03945	LOA Properties Inc.	06/13/2023	Regular	0.00	2,004.04	59078
03868	Lords Electric Inc	06/06/2023	EFT	0.00	73,625.00	408645
02024	MCI WORLDCOM	06/06/2023	Regular	0.00	52.80	59044
02027	Mcmaster-Carr Supply Company	06/13/2023	EFT	0.00	340.44	408665
02027	Mcmaster-Carr Supply Company	06/21/2023	EFT	0.00	52.55	408678
02027	Mcmaster-Carr Supply Company	06/27/2023	EFT	0.00	141.19	408691
03888	Medina, Michael	06/06/2023	Regular	0.00	487.50	59045
03888	Medina, Michael	06/21/2023	Regular	0.00	185.00	59096
01472	Mel Dawson, Inc.	06/13/2023	EFT	0.00	4,185.14	408666
03948	Meyer, Douglas	06/13/2023	Regular	0.00	3,259.43	59079
03692	MGT of America, LLC	06/06/2023	Regular	0.00	25,584.00	59046
01916	Miller, Ken	06/21/2023	EFT	0.00	340.19	408679
02093	NDS Solutions, Inc	06/13/2023	Regular	0.00	5,472.09	59080
02093	NDS Solutions, Inc	06/27/2023	Regular	0.00	107.57	59114
03949	Norcal Homes & Development LLC	06/13/2023	Regular	0.00	2,706.52	59081
02131	ODP Business Solutions, LLC	06/06/2023	Regular	0.00	577.40	59047
02131	ODP Business Solutions, LLC	06/13/2023	Regular	0.00	419.94	59082
02131	ODP Business Solutions, LLC	06/27/2023	Regular	0.00	440.31	59115
02150	Pace Supply Corp	06/06/2023	Regular	0.00	7,652.45	59048
02150	Pace Supply Corp	06/21/2023	Regular	0.00	21,837.26	59097
02150	Pace Supply Corp	06/27/2023	Regular	0.00	11,101.33	59116
02158	Pacific Storage Company	06/27/2023	EFT	0.00	94.24	408692
02146	PG&E	06/21/2023	Regular	0.00	6,092.19	59099
03917	Philips, April R	06/06/2023	Regular	0.00	88.66	59049

Check Report

Date Range: 06/01/2023 - 06/30/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02225	Polydyne, Inc	06/06/2023	EFT	0.00	5,834.36	408646
03150	Professional Id Cards Inc	06/06/2023	Regular	0.00	34.00	59050
01736	Quadient Leasing USA, Inc. - Lease	06/06/2023	EFT	0.00	462.81	408647
02275	Ramos Oil Recyclers Inc	06/06/2023	Regular	0.00	592.66	59051
02283	Recology Auburn Placer	06/21/2023	Regular	0.00	721.59	59101
02223	Rexel Inc (Platt - Rancho Cordova)	06/06/2023	Regular	0.00	3,593.51	59052
02223	Rexel Inc (Platt - Rancho Cordova)	06/27/2023	Regular	0.00	2,135.62	59118
03782	RGM Kramer Inc	06/06/2023	Regular	0.00	3,911.00	59054
03782	RGM Kramer Inc	06/13/2023	Regular	0.00	4,132.00	59083
03782	RGM Kramer Inc	06/27/2023	Regular	0.00	2,192.00	59119
03092	Rich, Dan	06/21/2023	EFT	0.00	1,010.03	408680
03183	River City Printers LLC	06/13/2023	EFT	0.00	8,606.06	408667
02328	Rocklin Windustrial Co	06/13/2023	Regular	0.00	111.15	59084
02328	Rocklin Windustrial Co	06/27/2023	Regular	0.00	38.03	59120
03681	RS Americas, Inc.	06/06/2023	EFT	0.00	76.05	408648
03681	RS Americas, Inc.	06/27/2023	EFT	0.00	3,452.70	408693
02357	Sacramento Municipal Utility District (SMUD)	06/21/2023	Regular	0.00	17,566.76	59102
02406	Savage Enterprises	06/06/2023	EFT	0.00	900.00	408649
03944	Sheba Development LLC	06/13/2023	Regular	0.00	3,481.82	59085
02452	Sierra National Construction, Inc.	06/13/2023	Regular	0.00	64,539.21	59086
02459	Sierra Safety Company	06/27/2023	Regular	0.00	65.00	59121
03337	Simon, Marlene	06/21/2023	Regular	0.00	250.00	59103
02517	Steve P Rados, Inc.	06/06/2023	EFT	0.00	1,558,947.27	408650
03830	Stoel Rives LLP	06/13/2023	EFT	0.00	10,396.50	408668
01641	Sun Life Assurance Company of Canada	06/01/2023	Bank Draft	0.00	11,191.28	1002652
03930	Supreme Supply Co., Inc.	06/06/2023	EFT	0.00	24,014.62	408651
01411	SureWest Telephone	06/27/2023	Regular	0.00	3,246.58	59122
02572	Thatcher Company of California, Inc.	06/06/2023	EFT	0.00	15,228.00	408652
02572	Thatcher Company of California, Inc.	06/27/2023	EFT	0.00	15,228.00	408694
03799	Thirkettle Corporation	06/13/2023	Regular	0.00	44,304.98	59087
03799	Thirkettle Corporation	06/27/2023	Regular	0.00	44,304.98	59123
02622	Total Compensation Systems, Inc.	06/06/2023	Regular	0.00	854.99	59055
03942	TotalEnergies Renewables USA, LLC	06/06/2023	Regular	0.00	7,226.27	59056
02563	Trimble Inc	06/27/2023	EFT	0.00	3,361.88	408695
03846	U.S. Bancorp Asset Management, Inc.	06/13/2023	EFT	0.00	982.17	408669
02651	United Parcel Service Inc	06/13/2023	Regular	0.00	30.00	59088
02651	United Parcel Service Inc	06/21/2023	Regular	0.00	87.94	59104
02651	United Parcel Service Inc	06/27/2023	Regular	0.00	90.00	59124
03298	United Rentals (North America), Inc.	06/06/2023	EFT	0.00	1,801.51	408653
03298	United Rentals (North America), Inc.	06/27/2023	EFT	0.00	1,432.60	408696
03921	University of Texas at Arlington	06/06/2023	EFT	0.00	4,500.00	408654
02667	US Bank Corporate Payments Sys (CalCard)	06/08/2023	Bank Draft	0.00	18,181.10	474-262927-23
03936	Utilis Inc.	06/13/2023	EFT	0.00	44,950.00	408670
03077	VALIC	06/09/2023	Bank Draft	0.00	4,543.18	273511
03077	VALIC	06/23/2023	Bank Draft	0.00	4,540.71	275267
02678	Valin Corporation	06/27/2023	EFT	0.00	7,009.12	408697
02690	Verizon Wireless	06/06/2023	Regular	0.00	2,850.83	59057
02690	Verizon Wireless	06/27/2023	Regular	0.00	3,096.15	59125
01687	W. W. Grainger, Inc.	06/06/2023	Regular	0.00	1,517.64	59058
01687	W. W. Grainger, Inc.	06/13/2023	Regular	0.00	272.26	59089
01687	W. W. Grainger, Inc.	06/27/2023	Regular	0.00	104.15	59126
02710	WageWorks, Inc	06/13/2023	EFT	0.00	116.00	408672
03387	WageWorks, Inc	06/13/2023	EFT	0.00	349.00	408671
03387	WageWorks, Inc	06/27/2023	EFT	0.00	349.00	408698
01486	WAPA - Department of Energy	06/06/2023	EFT	0.00	805.89	408655
03791	Water Systems Consulting, Inc.	06/06/2023	EFT	0.00	22,539.53	408656
02766	Youngdahl Consulting Group, Inc.	06/27/2023	Regular	0.00	13,162.50	59127
03849	Zamorano, Manuel	06/21/2023	EFT	0.00	107.91	408681

Check Report

Date Range: 06/01/2023 - 06/30/2023

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03445	Zlotnick, Greg	06/06/2023	Regular	0.00	366.96	59059

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	191	82	0.00	573,859.42
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	25	25	0.00	425,521.87
EFT's	116	63	0.00	2,764,273.03
	332	174	0.00	3,763,654.32

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	191	82	0.00	573,859.42
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	25	25	0.00	425,521.87
EFT's	116	63	0.00	2,764,273.03
	332	174	0.00	3,763,654.32

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	6/2023	3,763,654.32
			3,763,654.32



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2022 - 06/30/2023

Payment Date Range -

Payable Number	Description	Units	Price	Post Date	1099 Account Number	Payment Number	Payment Date	Amount	Shipping Dist Amount	Tax	Discount	Net	Payment
Vendor Set: 01 - Vendor Set 01													
02556 - Costa, Ted								736.67	0.00	0.00	0.00	736.67	736.67
Exp Reimb 05-2023	ACWA Spring Conf Meals & Shared Gas			5/11/2023		408717	7/12/2023	172.57	0.00	0.00	0.00	172.57	172.57
	ACWA Spring Conf Meal	0.00	0.00			010-010-52110			86.28				
						050-010-52110			86.29				
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			010-010-52110			282.05				
						050-010-52110			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 Milea	0.00	0.00			010-010-52110			170.10				
						050-010-52110			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 Milea	0.00	0.00			010-010-52110			505.02				
						050-010-52110			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			010-010-52110			704.10				
						050-010-52110			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			010-010-52110			53.96				
						050-010-52110			53.95				
Vendors: (4) Total 01 - Vendor Set 01:								3,603.01	0.00	0.00	0.00	3,603.01	3,603.01
Vendors: (4) Report Total:								3,603.01	0.00	0.00	0.00	3,603.01	3,603.01



Payroll Set: 01-San Juan Water District

<u>Employee Number</u>	<u>Employee Name</u>	<u>Pay Code</u>	<u># of Payments</u>	<u>Units</u>	<u>Pay Amount</u>
0690	Costa, Ted	Reg - Regular Hours	12	76.00	9,500.00
			0690 - Costa Total:	76.00	9,500.00
0670	Miller, Ken	Reg - Regular Hours	11	37.00	4,625.00
			0670 - Miller Total:	37.00	4,625.00
1003	Rich, Daniel	Reg - Regular Hours	11	39.00	4,875.00
			1003 - Rich Total:	39.00	4,875.00
0650	Tobin, Pamela	Reg - Regular Hours	12	117.00	14,625.00
			0650 - Tobin Total:	117.00	14,625.00
1039	Zamorano, Manuel	Reg - Regular Hours	11	33.00	4,125.00
			1039 - Zamorano Total:	33.00	4,125.00
			Report Total:	302.00	37,750.00



Payroll Set: 01-San Juan Water District

Account	Account Description	Units	Pay Amount
010-010-58110	Director - Stipend	151.00	18,875.00
	010 - WHOLESALE Total:	151.00	18,875.00
050-010-58110	Director - Stipend	151.00	18,875.00
	050 - RETAIL Total:	151.00	18,875.00
	Report Total:	302.00	37,750.00



Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	57	302.00	37,750.00
		Report Total:	302.00	37,750.00

2022/23 Actual Deliveries and Revenue - By Wholesale Customer Agency

July 2022 - June 2023								
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	11,130	\$ 3,216,339	11,195	\$ 3,221,588	65	0.6%	\$ 5,249	0.2%
Citrus Heights Water District	7,521	\$ 2,740,003	7,595	\$ 2,745,981	74	1.0%	\$ 5,978	0.2%
Fair Oaks Water District	6,696	\$ 2,019,285	4,732	\$ 1,859,953	(1,963.67)	-29.3%	\$ (159,332)	-7.9%
Orange Vale Water Co.	3,600	\$ 1,049,380	3,760	\$ 1,062,334	159.65	4.4%	\$ 12,954	1.2%
City of Folsom	1,130	\$ 316,479	1,045	\$ 309,559	(84.62)	-7.5%	\$ (6,920)	-2.2%
Granite Bay Golf Course	300	\$ 10,605	385	\$ 13,603	84.80	28.3%	\$ 2,998	28.3%
Sac Suburban Water District	2,600	\$ 572,416	5,233	\$ 1,382,343	2,633	101.3%	\$ 809,927	141.5%
Water Transfer	3,442	\$ 2,395,632	3,504	\$ 2,438,768	62	1.8%	\$ 43,136	1.8%
TOTAL	36,419	\$ 12,320,139	37,449	\$ 13,034,128	1,029.81	2.8%	\$ 713,990	5.8%

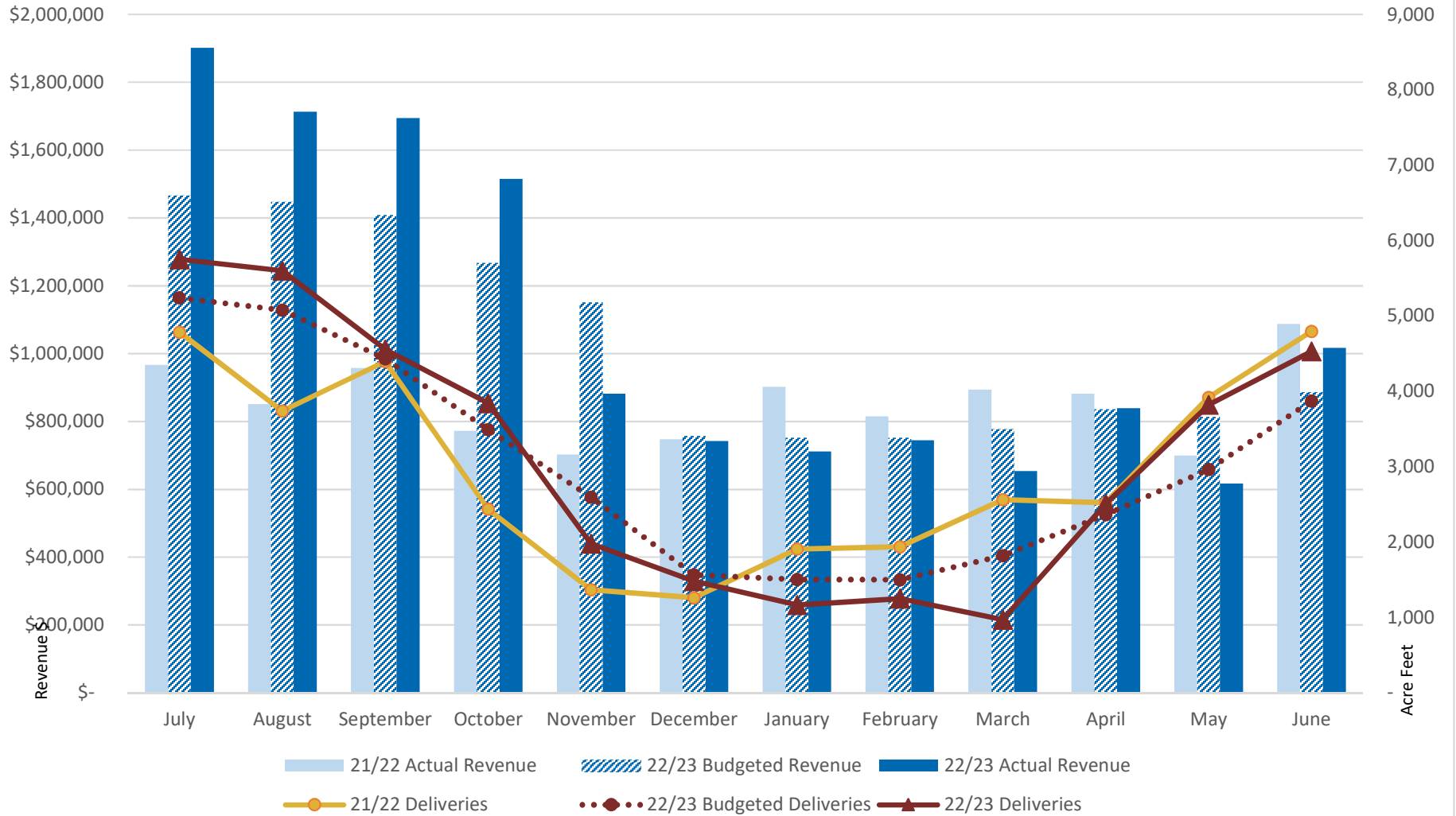
	33,819.00			
		32,215	Budgeted Deliveries	36,419.00
		(1,603.50)	Actual Deliveries	37,448.81
		-4.74%	Difference	1,029.81
				2.8%
			Budgeted Water Sale Revenue	\$ 12,320,139
			Actual Water Sale Revenue	\$ 13,034,128
			Difference	\$ 713,990
				5.8%

Conclusion:

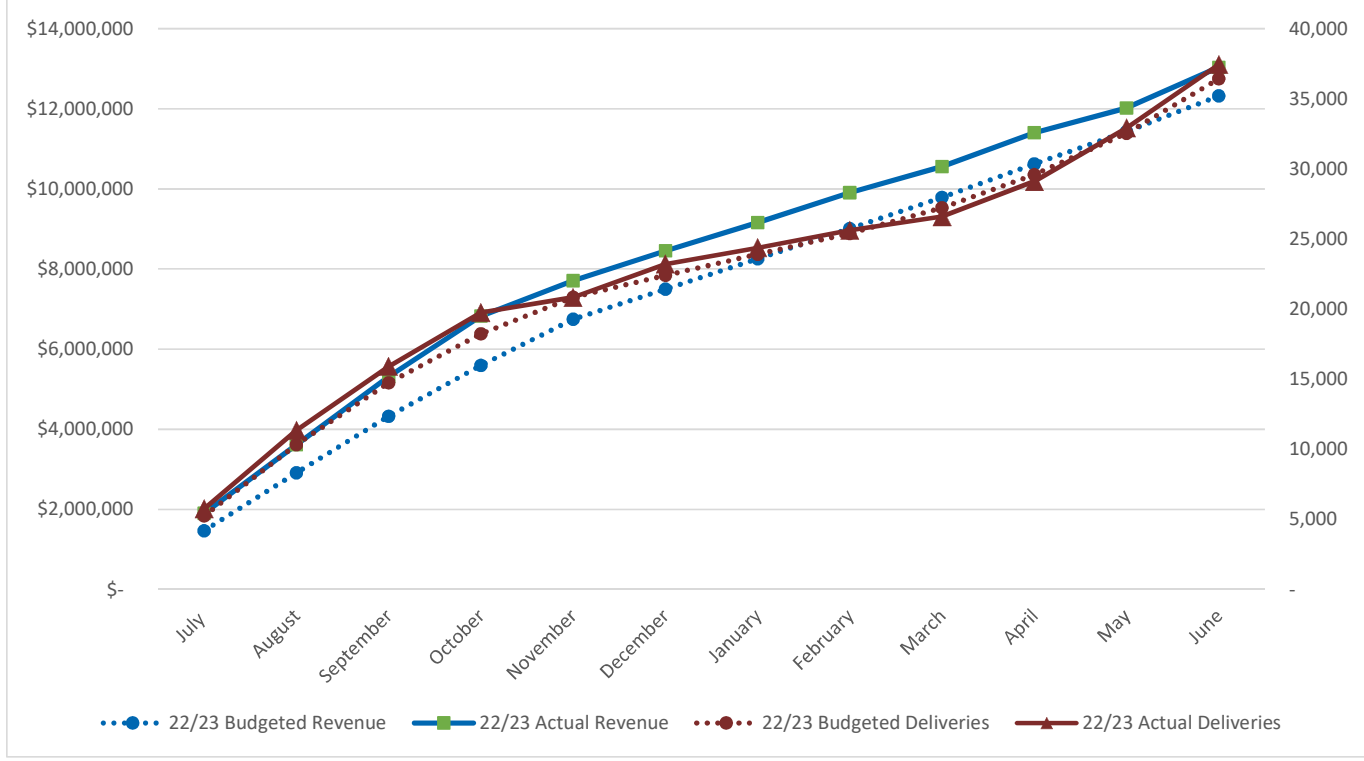
Actual deliveries for July through October were greater than anticipated, while deliveries for November through March were less than anticipated, which was beneficial to operations while the Hinkle Reservoir was offline. April through June deliveries were higher than anticipated, leaving total deliveries for the year close to our budget estimate, with a positive 2.8% variance. As shown in the numbers above, the main drivers of the variance are lower demands from the FOWD, offset by sales to SSWD that weren't anticipated in the budget. Excluding SSWD, deliveries for the year were 4.75% less than anticipated in the budget. The budget anticipated the water transfer and reduced demands for the duration of the Hinkle Reservoir project.

Because the majority of revenues come from the quarterly service charge, and because of the revenues from the sales to SSWD, revenues are actually 5.8% 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



Cumulative Water Deliveries and Revenues FY 2022-23



June 29, 2023

Board of Directors
Granite Bay, California

This letter is provided in connection with our engagement to audit the financial statements of the San Juan Water District (the District) as of and for the year ending June 30, 2023. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified. Additionally, as a part of our audit, we inquire with those whose duties include oversight of the financial reporting process (review and acceptance of audit reports, etc.) to ascertain whether or not anyone on the Board has knowledge of matters that might have a bearing on the auditor's risk assessment for the District's annual audit.

Example of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of the District are thought by the Board of Directors to be weak
- Known or suspected misstatements in the accounting records of the District
- Known or suspected use of improper accounting practices by the District
- Any awareness of pressure upon the District or District management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to matters involving amounts that would be significant to the financial statements of the District taken as a whole. If additional time is required to respond to the concerns of the Board of Directors, we will estimate for the District the costs involved.

Please respond within 45 days from the date of this letter if the Board of Directors has any matters to report that meet the above criteria.

Our Responsibilities

As stated in our engagement letter dated April 13, 2023, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with Government Auditing Standards for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the District's Annual Comprehensive Financial Report (ACFR) includes only the information identified in our report. We have no responsibility for determining whether the Introductory Section or Statistical Section is properly stated. We require that we receive the final version of the ACFR in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to the entity's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;

- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

We performed preliminary audit procedures in May 2023 and will return to perform the final audit in October 2023 with the plan of completing the audit and finalizing the ACFR in December 2023.

Audit Approach

In addition to our standard audit approach, we have identified significant audit risk areas for the San Juan Water District and plan to modify our audit approach as follows:

- Risk of errors in implementing GASB 96, the Subscription Based IT Arrangements Standard: We will obtain a listing of the District's subscription-based arrangements and review the District's determination of the applicability of the standard. We will review the District's calculations and journal entries to record the subscription assets and liabilities, as applicable. We will ensure the District has properly reflected the arrangements in the financial statements and footnote disclosures.
- New SRF loan transactions: We will evaluate new debt transactions including reviewing the agreements and journal entries to ensure they are recorded properly and the footnotes contain complete and accurate disclosures.
- Federal grant compliance: Due to the SRF expenditures exceeding \$750,000, the District will be subject to a federal Single Audit for the fiscal year ended June 30, 2023. We will perform testing in accordance with the Office of Management and Budget Uniform Guidance.
- Each year we are required to incorporate an element of unpredictability into our audit approach. This year, we plan to test a sample of employee's payroll transactions to ensure gross pay and payroll taxes are calculated correctly and supported by the District's records.

If any member of the Board of Directors has information relevant to our audit (matters involving amounts that would be significant to the financial statements of the District taken as a whole), please contact the undersigned at (949) 783-1740 or JFarr@davisfarr.com.

Sincerely,



Jennifer Farr
Partner

Pam Tobin 7/10/2023

ACWA Immediate Past President:

From Donna Pangborn, Clerk of the ACWA Board: Past Presidents are granted an honorary life membership in the Association. That status gives you complimentary conference registration, which is likely to include meals functions going forward.

GO-2.4 Immediate Past President

2.4.1 Purpose

The Immediate Past President is a voting member of the Board and Executive Committee, automatically assuming the position at the conclusion of his/her elected term as President. In the event the most Immediate Active Past President is unavailable to serve, the most recent and available active Past President in succession will serve in this capacity.

ACWA By-Laws: 7/31/2015

Section 10. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

2.4.2 Duties and Authority

The Immediate Past President provides advice and counsel to the President and Vice President and functions within the boundaries established by the Association's Bylaws and decisions of the Board. The Immediate Past President:

- Serves as a voting member of the Board.
- Serves as a voting member of the Executive Committee.
- Serves as a chair/vice chair or participant on committees or task forces as appointed by the President or Board.
- Represents the Association at meetings and events when requested.
- Performs such other duties from time to time as may be assigned by the President or Executive Director.

2.4.3 Term of Office

The term of office for the Immediate Past President will commence on January 1 of the calendar year following election of the President and Vice President and will terminate on December 31 of the following odd-numbered year two years later.

2.4.4 Compensation

The Immediate Past President will serve without compensation from the Association.

Immediate Past President: ACWA does not cover the cost of regional tours and programs for past presidents. That is a cost the affiliated agency has historically paid for the past president.

- It is consistent with San Juan's policy for reimbursing Director expenses. San Juan's policy encourages participation in organizations like ACWA, and ACWA past president is a significant position with ACWA and serves/votes on the ACWA Executive Committee.

- This is nothing new and should not be a surprise to the Board, i.e., it has long been ACWA policy that when the term of a President expires, the President will automatically continue in a policy role as a past president.
- The common practice of other water agencies has been to reimburse the reasonable and necessary expenses of a Director who serves as ACWA past president, so it would be out of the ordinary for San Juan not to reimburse these expenses. I know from personal knowledge that YWA (Yolo Water Agency), for example, reimbursed Brent Hastey's expenses as ACWA past president as well as IRWD (Irvine Water District) has reimbursed that is also practice with Steve Lamar's district, as well.
- As long as the San Juan policy encourages Directors to participate in ACWA, and reimburses their reasonable and necessary expenses, the Board would be deviating from this policy if it decided not to reimburse my expenses as past president.
- Ken's question as to who ACWA's president or past president represents (the district or the organization) seems off point. For example, presumably the president of RWA would represent both his or her district and the organization as a whole. The same would be true of ACWA. there are other statewide and regional organizations that Board members participate in and get their expenses reimbursed.

ACWA Conferences/Regional Programs: Spring Conference (Registration paid by ACWA)

- Fall Conference (Registration paid by ACWA)
- D.C. Conference (Registration paid by ACWA)
- State Legislative Days (historically local & reimbursement by SJWD)
- There are 10 Regions that Annually hold their Regional Program and Tours
 - For most local regions to this area, most will not require lodging or air travel. (costs reimbursement by SJWD and based on participation)
- ACWA Executive Committee Meeting & Board Meetings are local and don't require lodging or air travel.
- Other Meetings like SLC (State Leg are also local and often a hybrid between in-person and ZOOM)
- Continued participation on the ACWA Foundation 501C3 for policy and program(s) in development on committee(s). (meets no more than once a month for board meetings) Committee(s) are now being formed for scholarships, fundraising, etc.

There were several points to consider in making appointments: There are 10 Regions represented at ACWA and any one of the regions can collect forms for committees that members wish to serve on. In addition, each region has its own Region such as Region 4 which no one from SJWD or SJWD family submitted to serves on. Those are not appointed by the President or Vice Present they are elected position within each Region.

There are Limited Committees and Unlimited Committees. Limited Committees are limited by numbers of positions by each region. However, anyone can attend, ask questions, and make comments, but just the committee members vote on items moved by positions taken by the committee. Unlimited Committees are unrestricted, and anyone can participate in or attend.

- Limited Committees:
 - Only one (1) individual from an agency can serve on a given committee.
 - Consider the number of committees on which an agency has representatives to obtain the best representation of the agencies within the region.
 - Balance agency representation on committees
 - Committee Representation Should Reflect:
 - Comprehensive regional representation
 - A complete statewide representation (Ag/Urban north/south, inland/costal, small/large)
 - Different types of agencies (particularly the State Legislative Committee to ensure all enabling acts for ACWA members are represented, examples: Municipal Water Districts, Irrigation Districts, and County Water Districts.
 - Balance between agency elected official and staff members.
 - The Finance Committee requires the region chair and vice chair and a representative from the regions who have financial backgrounds.
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13 Committees

Agriculture Committee: **Unlimited** Committee: no one from SJWD or the SJWD family requested a spot on this committee.

Business Development Committee: **Unlimited** Committee: no one from SJWD or the SJWD family requested a spot on this committee. Mark Emmerson from Carmichael WD was the only person from Region 4 who asked to be on the committee and was appointed to that committee.

Communications Committee (**Limited to 40 people**) – Lucy Eidam Crocker (SJWD) no one else from SJWD or the SJWD family requested a spot on this committee.

Energy Committee **Unlimited** Committee: Ted Costa (SJWD)

Federal Affairs Committee **Limited** (5 per region) –Greg Zlotnick (SJWD)

Finance Committee (2 per region) – no one else from SJWD or the SJWD family requested a spot on this committee. You must have financial background to be on this committee.

Groundwater Committee: **Unlimited** Committee – Greg Zlotnick (SJWD) no one else from SJWD or the SJWD family requested a spot on this committee.

Local Government Committee: **Limited** Committee (3 per region) - no one from SJWD or the SJWD family requested a spot on this committee. Ron Greenwood -Carmichael plus there was one open seat for region 4 unfilled.

Membership Committee **Unlimited** Committee: - no one from SJWD or the SJWD family requested a spot on this committee.

State Leg Committee: **Limited** (4 per region) – no one from SJWD or the SJWD family requested a spot on this committee. Ryan Ojakian – SSWD & Ron Davis – Carmichael are on the committee.

Water Management Committee **Limited** Committee (4 per region) – Greg Zlotnick/Paul Helliker (SJWD) attend this committee meeting frequently. No other SJWD family requested a spot on this committee. The committee meetings are open to all ACWA members and most of the Water Management Committee working groups are open to any ACWA members that are interested in participating and the working group has over 100 participants. Paul Helliker has consistently been a participant.

Water Quality Committee: **Unlimited** - no one from SJWD or the SJWD family requested a spot on this committee but can attend.

Other Special Committees: Foundation Steering Committee: Greg Zlotnick (SJWD)

**Finance Committee Meeting Minutes
San Juan Water District
July 18, 2023
4:00 p.m.**

Committee Members: Ted Costa, Director (Chair)
Ken Miller, Director (Member)

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

Members of the Public: Attendee

- 1. Review General Manager Reimbursements (W & R)**
The committee reviewed the June 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 June 2023 (W & R)**
The committee reviewed the June 2023 check register and found them to be in order.
- 3. Other Finance Matters (W & R)**
GM Helliker informed the committee that the Wholesale Financial Plan will be discussed at the July Board meeting and that the 150-day notice was sent out last week, followed up with a corrected notice due to a grammatical error.
- 4. Public Comment**
There were no public comments.

The meeting was adjourned at 4:05 p.m.

Engineering Committee Meeting Minutes
San Juan Water District
July 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
Greg Turner, Water Treatment Manager
Mark Hargrove, Senior Engineer
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Mike

Topics: Vehicle #35 Replacement (R)
Vehicle #3 and #25 Replacement (W)
Air Release Valve Replacement Program (R)
Baldwin Channel Improvements Project (W)
Wholesale Master Plan Project (W)
Other Engineering Matters
Public Comment

1. Vehicle #35 Replacement (R)

Mr. Larsen provided a written staff report which will be attached to the meeting minutes. He explained that the replacement is being requested early due to the CARB requirements. In addition, he informed the committee that the funding available in the FY 2023-24 budget is less than the amount being requested; however, the difference will be offset by using District staff for a capital project, rather than a contractor.

The Engineering Committee recommends consideration of a motion by the Board to authorize the purchase of a replacement vehicle for vehicle #35 with a Ford F450, with Scelzi utility bed, and Auto Crane from Downtown Ford, in the amount of \$149,010.06

2. Vehicle #3 and #25 Replacement (W)

Mr. Turner provided a written staff report which will be attached to the meeting minutes. He explained that the two vehicles are past their useful lives. In addition, he explained that by replacing them this year, the District will postpone the need for electrical upgrades associated with switching to all-electric equivalents and their necessary support infrastructure, as required when the CARB requirements go into effect January 2024.

The Engineering Committee recommends consideration of a motion by the Board to authorize the purchase of replacement for vehicles/dumps #3 and #25 with Ford F650 dump trucks with Scelzi Dump Body from Future Ford, in the amount of \$216,909.57

3. Air Release Valve Replacement Program (R)

Mr. Hargrove provided a written staff report which will be attached to the meeting minutes. He explained that this is a continuation of the current contract with Bennett Engineering Services for design services for construction in Spring 2024.

The Engineering Committee recommends consideration of a motion by the Board to authorize and approve Amendment No. 1 for professional engineering services to Bennett Engineering Services Inc. for the Air Release Valve Replacement Program

4. Baldwin Channel Improvements Project (W)

Mr. Hargrove provided a written staff report which will be attached to the meeting minutes. He explained that the work to be done is lining the channel between the Hinkle overflow and the culvert at Auburn Folsom Road. He explained the need for lining the channel and how this portion of the work was delayed until the right-of-way agreement with the United States was completed. In addition, he explained that the project bid came in higher than the budgeted amount; therefore, he worked with the contractor to obtain some cost savings which is not reflected in the staff report since that was negotiated yesterday. He explained that even with this cost savings, the work will be over the current budget, so staff is looking at pushing some other projects to a future budget year.

The Engineering Committee recommends consideration of a motion by the Board to authorize and approve the award of a construction contract for the construction of the Baldwin Channel Improvements Project

5. Wholesale Master Plan Project (W)

Mr. Pierson provided a written staff report which will be attached to the meeting minutes. He explained that this is for additional work needed to address the comments that were received from several of the Wholesale Customer Agencies specifically on the subject of water supply reliability, which initiated additional discussions and meetings with the District, and a complete revision to the water supply reliability chapter of the Wholesale Master Plan. He explained that the amount being requested should be enough to address any future comments as well.

The Engineering Committee recommends consideration of a motion by the Board to authorize and approve Amendment No. 2 for professional engineering services to Water Systems Consulting, Inc. for the Wholesale Master Plan Project

6. Other Engineering Matters

GM Helliker informed the committee that a presentation on the Hinkle Reservoir Replacement Project will be conducted by Mr. Greg Turner, WTP Manager, at the July Board meeting.

7. Public Comment

There were no public comments.

The meeting was adjourned at 4:23 p.m.