



# Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**SAN JUAN WATER  
DISTRICT**

GRANITE BAY, CALIFORNIA

*Cover Photo: Hinkle Reservoir* , photo by Tony Barela, Director of Operations

Hinkle Reservoir is a 62 million gallon Hypalon lined and covered earthen reservoir. The water treatment plant is operated at a constant flowrate and the Hinkle Reservoir is used to store excess treated water, with the water level rising and falling with changes in demand and production. Regular maintenance has extended its life; however, it is now in need of replacement. This project will rehabilitate the inlet and outlet structures, repair ancillaries as needed, and replace the approximate 11 acres of cover, liner and interior baffle wall material. Construction was originally planned to commence in FY 2021-22; however, due to the low level of water in Folsom Lake this project was pushed to FY 2022-23.

SAN JUAN WATER DISTRICT  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2023

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## **INTRODUCTORY SECTION**



December 18, 2023

To: Members of the Board of Directors San Juan Water District and  
Ratepayers of the San Juan Water District

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the San Juan Water District (District) for the fiscal year ended June 30, 2023 (fiscal year 2023).

## **REPORT PURPOSE AND ORGANIZATION**

The purpose of this letter is to introduce the basic financial statements and provide an analytical overview of the District's financial activities. The information presented in this ACFR is intended to provide financial information with all the disclosures necessary to enable the District's customers, investment community and general public to assess the District's financial condition. Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, which can be found immediately following the report of the independent auditors.

The ACFR is published in accordance with State law that requires financial statements be published within twelve months of the close of each fiscal year and be presented in conformity with GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. It is also prepared to meet reporting standards set forth by the Government Finance Officers Association (GFOA). This report contains management's representations concerning the finances of the District. Management is responsible for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both protect the District's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free

from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Davis Farr, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free from material misstatement. Information on the audit, and the auditor's opinion, can be found in the Independent Auditor's Report beginning on page 1.

## **ABOUT THE DISTRICT**

Not everyone who reads this report is familiar with our District and it is hard to understand a government's finances without knowing something about the entity and how it operates. Let us tell you a little about the San Juan Water District!

### **History**

The District was formed as a result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company and a group of homeowners in South Placer County. An election was held within the boundaries of the sponsoring districts on February 10, 1954. At this election, voters approved the formation of the San Juan Water District by nearly a two-thirds majority and elected five Directors. The District is a community services district formed under Section 60000 et seq., Title 5, Division 3 of the California Government Code.

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

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

San Juan's retail operations consist of operating and maintaining storage, pumping, transmission and distribution facilities, which deliver water to approximately 10,900 retail service connections located in a portion of Northeast Sacramento County and the Granite Bay area of South Placer County, and providing the administrative,

customer service, water efficiency and engineering support necessary to successfully carry out those functions.

### **Mission Statement**

The District's mission is to ensure the delivery of a reliable water supply of the highest quality at the lowest reasonable price.

### **Water Supply**

The District's existing water supply consists of three separate raw water contracts. The first source of water comes from a settlement contract with the U.S. Bureau of Reclamation (Reclamation) whereby it is required to deliver the District's pre-1914 and post-1914 water rights water from the American River, totaling 33,000 acre-feet. The second source is a water service contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The District secured a long-term (40 year) renewal of this contract in 2006. The third water 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 the U. S. Bureau of Reclamation Folsom Pumping Plant. Total raw water delivery for the fiscal year 2023 was 36,941.05 acre-feet.

In response to the recent drought and in preparation of future drought conditions, the District recently partnered with two nearby water districts, Placer County Water Agency and the Sacramento Suburban Water District, to construct inter-ties to allow water supplies to be shared and transferred if normally available supplies are reduced and/or inadequate to meet immediate demands for either district.

### **Water Efficiency**

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

The District's water efficiency programs include:

- Water Awareness Poster Contest and Calendar – Since 1992, the District and its wholesale agency customers, Citrus Heights and Fair Oaks water districts and Orange Vale Water Company, have promoted water awareness at the elementary school level through an annual water conservation poster contest.

- Rebate Program – The District provides rebates for the purchase of high-efficiency washing machines, and hot water on-demand recirculation systems as well as irrigation efficiency rebates to both residential and non-residential customers.
- Free Programs – District staff provides free indoor and outdoor water audits, leak detection, and recommendations to improve irrigation system performance. Staff also creates landscape water budgets and irrigation schedules to improve efficiency. The District conducts and hosts a variety of workshops on drip systems and proper irrigation techniques, landscape design, soil health, tree maintenance, controller management and other water efficiency topics. A speakers' bureau is available to talk to groups about water efficiency programs and water supply and reliability issues.
- Water Efficient Landscape (WEL) Garden – Located behind the District's administrative office are gardens to inspire visitors to create a water efficient landscape that looks beautiful every season. The garden demonstrates efficient irrigation and non-water-using materials to create a beautiful landscape.

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

The District became 100% metered and began billing all customers on a metered rate on January 1, 2005.

### **Water Treatment Plant**

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

The WTP receives delivery of raw water directly from Folsom Dam outlets. The raw water undergoes an extensive water treatment process to ensure the highest quality of water for all customers. From the WTP, the water flows into the District's 62-million-gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 220 miles of transmission and distribution pipelines, which transport the high-quality treated water to wholesale and retail customers.

During the fiscal year 2023, the District worked on and/or completed several capital improvement projects to improve the water system reliability:

- Hinkle Reservoir Cover and Liner Replacement Design– critical to operations, the Hinkle Reservoir is a 62-million-gallon earthen reservoir, lined and covered with hypalon, which is a flexible membrane used to protect the water from contamination. The hypalon was installed in 1981 with an estimated life of 25 years. Regular maintenance has extended its life, but it is now in need of replacement. The reservoir was taken offline in November 2022 and while it was put back online in June 2023 project completion is not anticipated to occur until February 2024.
- Replacement of the Transmission pipeline in Eureka Road between Barton and Auburn Folsom Road - This project will replace 3,925 linear feet of aged steel transmission pipeline in Eureka Road from Barton Road to Auburn Folsom Road. This aged pipeline replacement will ensure system redundancy by improving the backbone intertie between the Bacon and Lower Granite Bay Zones, allowing either zone to supply the other in the event of a pump station loss.

Other projects underway in the fiscal year 2023-2024 will continue to improve and efficiently maintain District water facilities.

### **Accounting System and Budgetary Controls**

The District operates on a fiscal year that runs from July 1 through June 30. The District's accounting records are maintained using the accrual basis of accounting. The revenues of the District are recognized when they are earned, and the expenses are recognized when they are incurred.

The District staff works with the Finance Department to develop the annual budget. The budget is used as a management tool for projecting and measuring revenues and expenses. The process typically begins in January when managers begin developing their budget requests to fulfill the District's mission, goals and objectives for the next fiscal year. The Finance Department prepares the proposed budget which is presented to the Board of Directors in May for their review. A public hearing is usually held in June, with anticipated finalization and adoption scheduled for the following meeting or ideally no later than June 30th. The District is legally required to adopt a budget by September 1<sup>st</sup> of the budget year.

### **Enterprise Operations**

The District is one legal enterprise but is accounted for as two separate enterprise operations. The financial management and accounting for the two enterprise operations is recorded separately with an operating and a capital outlay fund for each enterprise. However, for financial reporting purposes all four funds are presented in

a consolidated report. As additional information, the accounting for the four funds on a budget versus actual basis is provided.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Outlook**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific economy within which the District operates. The District is located in Northern California approximately 20 miles Northeast of Sacramento and between the Cities of Folsom and Roseville. The District spans two counties in the region with the wholesale-only service area primarily in Sacramento County, and the wholesale/retail service area primarily within Placer County. Consistent with the national economy, the region as a whole has been experiencing a rebound in economic strength. After a two year decline the Placer County unemployment rate ticked upwards to 3.8%, still a relatively low rate of unemployment. Sacramento County also ticked upwards from 2.6% to 4.5%<sup>1</sup>. The national average unemployment rate in June 2023 was 3.6%<sup>1</sup>. Unemployment rates in both Placer and Sacramento County were slightly higher than the national average, but not alarmingly so.

Total assessed property values in both counties have improved. Placer County experienced a 9.2% increase in assessed property values in fiscal year 2022-2023 over the prior fiscal year<sup>2</sup>, and Sacramento County experienced an 8 %<sup>3</sup> increase in fiscal year 2022-2023 values over the prior fiscal year. The San Juan Water District is located in a relatively low growth area of both counties. There were 13 more retail service connections for the current fiscal year, which represents a growth rate of approximately 0.10% for the year.

### **Water Supply Outlook**

As a result of California's severe multi-year drought that began in 2013, the State required the District's retail enterprise to achieve a 36% reduction in water use from June 2015 through February 2016, and a 33% reduction in water use from March through May 2016, as measured against 2013 usage. Over that time period the District achieved an actual overall reduction in use of 35.6%. In June 2016, the State's conservation mandate was lifted.

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1 United States Department of Labor - Bureau of Labor Statistics

2. Placer County Auditor-Controller

3. Sacramento County Auditor-Controller

Though increasing slightly from 2016 to 2021, water demands did not fully rebound to pre-drought/pre-2015 levels. This was anticipated as some customers permanently modified their landscapes to use less water.

In July 2021, Governor Newsom signed an executive order encouraging all Californians to reduce water use by 15% as 50 of the state's 58 counties were declared to be in another drought-related state of emergency. On October 19, 2021, he issued a proclamation extending the drought emergency statewide and further urging Californians to step up their water conservation efforts as the western U.S. faced a potential third dry year.

On May 31, 2018, Governor Brown signed legislation intended to help the state better prepare for droughts and climate change by establishing various water efficiency mandates. The legislation requires: district-wide water budgets that will continue the need for programs to reduce indoor and outdoor water use by residential customers; increase water use efficiencies by commercial customers; and requires agencies to aggressively address distribution system water loss. The State is currently working with stakeholders on the development of various standards and measures necessary to implement these new mandates, which will become effective over the next few years.

California's increasing regulatory focus on reducing water use over the last decade or so, and financial lessons learned during drought periods, prompted the District, and many other water agencies, to begin to modify its rate methodology to shift charges from being primarily volumetric based to being focused on fixed cost recovery regardless of usage. This refinement provides better long-term alignment of revenues with costs.

Based upon the previous 5 Year Retail Financial Plan, the District applied its rate increases to the daily (fixed) base rate, as opposed to the volumetric rate. This resulted in a shift in the proportion of total revenue derived from the base rate from 55%, to close to 68% of total rate revenues. The financial plan and rate schedule adopted by the Board in January 2022 continues this shift towards the base rate for one more year, at which point approximately 72% of retail revenues will be derived from the base rate, which aligns more closely with the ratio of the District's fixed versus variable costs. The same adjustments are being made to the Wholesale rates. This rebalancing has helped strengthen the District's financial stability and reduced the need for special drought related rate increases.

### **Long-term Financial Planning**

In order to ensure funds are available to meet both operating and capital needs, the District (for both Wholesale and Retail Operations) established a financial planning process with development of a Master Plan that contains a review of current

infrastructure, and that recommends projects for a 20 to 30-year period. The District then estimates current and future operating needs and works with a rate consultant to develop a water rate study and financial plan.

The District's last Wholesale and Retail Financial Plan's resulted in a five-year rate plan. The last rate increase went into effect in January 2021. The District completed an update to the Retail Financial Plan, resulting in a three-year rate schedule adopted by the Board of Directors at the January 26, 2022, board meeting. Rates increase approximately 8% for each of the next three years, commencing with February 2022.

The District is finalizing its Wholesale Financial Plan and Rate Study and anticipates board adoption of the new five-year rate schedule in either December 2023 or January 2024.

### **Relevant Financial Policies**

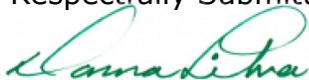
The District's adopted budget document contains a listing and explanation of relevant financial policies, including reserve policies. Information regarding District reserves can be found in Note H to the Financial Statements.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Juan Water District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish as easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report was made possible by the dedicated services of the entire staff of Finance, Retail Operations (Water Efficiency, Customer Service, Engineering Services, and Field Services), and Wholesale Operations. This specifically includes the continuing support of the Board of Directors of the District in the planning and implementation of the financial affairs of the District.

Respectfully Submitted,



Donna Silva, CPA  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**San Juan Water District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

SAN JUAN WATER DISTRICT  
List of Elected and Appointed Officials June 30, 2023

**BOARD OF DIRECTORS – ELECTED OFFICIALS**

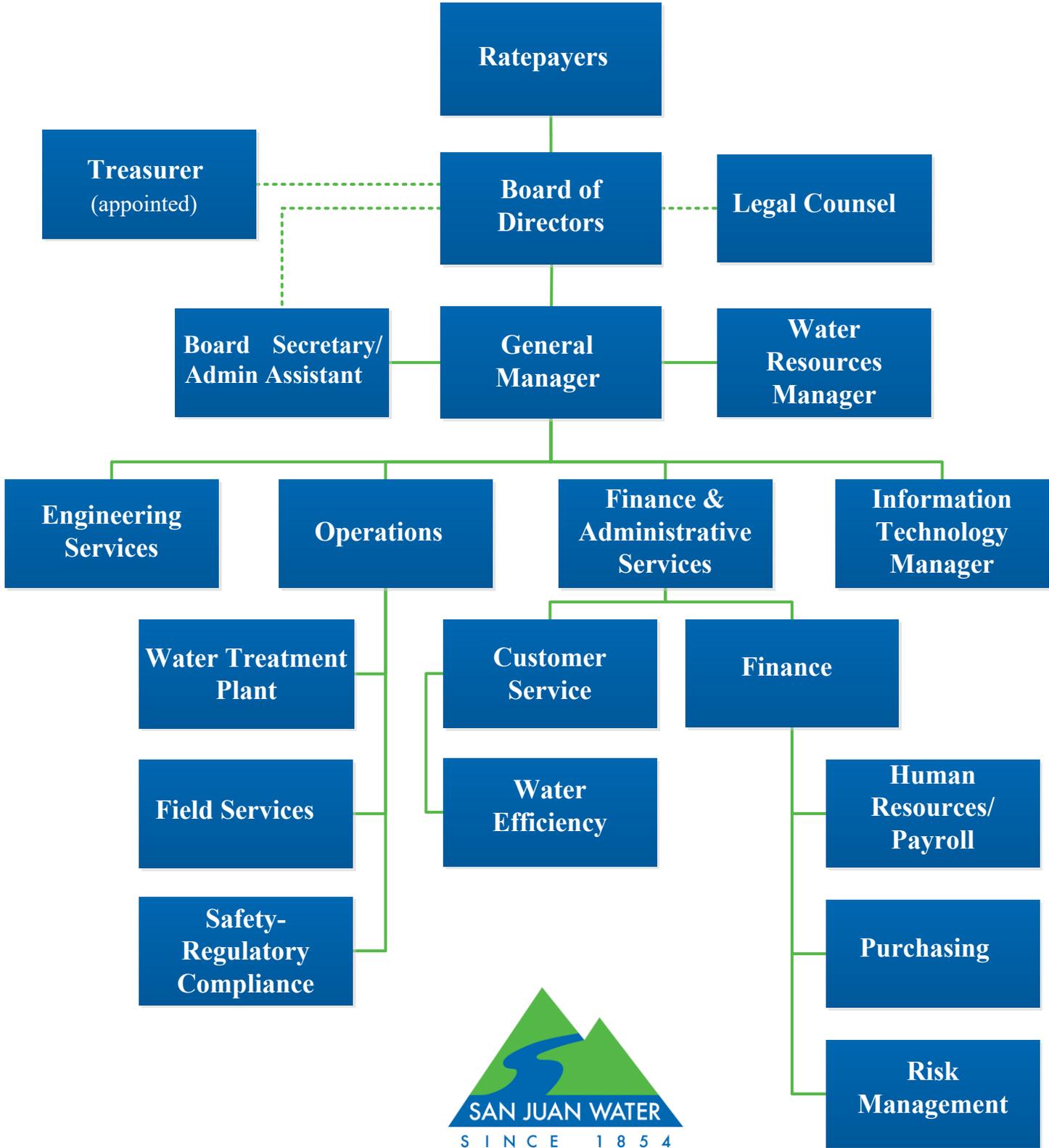
<u>Title</u>	<u>Name</u>	<u>Term</u>
President	Dan Rich	12/2022 – 12/2026
Vice President	Manuel Zamorano	12/2022 – 12/2026
Director	Edward J. “Ted” Costa	12/2022 – 12/2026
Director	Kenneth H. Miller	12/2020 – 12/2024
Director	Pamela Tobin	12/2020 – 12/2024

**STAFF – APPOINTED OFFICIALS**

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

# Organization Chart by Functional Area

As of June 30, 2023



## **FINANCIAL SECTION**

## **Independent Auditor's Report**

Board of Directors  
San Juan Water District  
Granite Bay, California

### **Report on the Audit of the Financial Statements**

We have audited the financial statements of the governmental activities and each major fund of the San Juan Water District (the "District") as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position and cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Juan Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matters***

As described further in Note 1 to the financial statements, during the year ended June 30 2023, the District implemented Government Accounting Standard (GASB) No. 96: Subscription Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, pension and other post employment benefit schedules*, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The *supplemental sub-fund statements and schedules and capital asset rollforward schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *supplemental statements and schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *supplemental statements and schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section and statistical section* but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 18, 2023

# MANAGEMENT’S DISCUSSION AND ANALYSIS

In order to enhance the information provided in the transmittal letter, management offers this narrative overview and analysis of the financial activities of the San Juan Water District (District) for the fiscal year ended June 30, 2023 (Fiscal Year 2023). We encourage readers to consider the information here in conjunction with that transmittal letter, which can be found on pages i-viii of this report. The information is intended to provide a better understanding of the District’s financial operations and performance.

## HIGHLIGHTS

The District’s activities vary, sometimes significantly, from year to year resulting in changes to the District’s revenues, expenses and capital project spending, and overall cash flows. Operating revenues were stable with just an 8.60% increase over the prior year. Operating expenses were 8.20% higher than the prior year. Non-Operating Revenues and Expenses combined were 178% more than the prior year and capital contributions were 79% greater. Those activities that affected District revenues and expenses most notably for the period ending June 30, 2023, are highlighted below, in order of magnitude.

- Revenue from Contributed Assets increased by \$2,214,565 from the prior year. When the District determines existing District facilities are inadequate to serve a development project, or a new single service connection, the new service or services are not allowed to connect into the system until the applicant makes arrangements with the District for a main line extension or for water facilities improvements in accordance with Ordinance 130000. Usually this results in the developer or applicant constructing the new facilities and donating them to the District. In the prior year there were two developments who donated assets. In the current year there were four development projects leading to the increase in the revenue from Contributed Assets.
- Investment Income increased by \$1,301,903 from the prior year. This 229% increase is primarily due to the interest revenue earned, which totaled \$664,578 for FY22-23. Interest rates increased to 3.167 % in the current year from 0.861 % as of June 30, 2022. The majority of the interest income stems from the District’s investment in the State of California Local Agency Investment Fund (LAIF). While the District is able to withdrawal 100% of its contributions, plus interest, at any time, it is required to report on the market value of the pool. The District recognized a \$69,687 unrealized market value gain on its investment in LAIF.
- Capital Charges and Other Capital Revenue increased by \$1,047,462 over the prior year, a 40.21% increase. This increase is driven by an increase in Capital Facility Fees collected in both the wholesale and retail divisions. While all new development pays these fees, the timing is dependent upon when the developers choose to move forward with their projects. The real estate market

prompted many developers to move forward with their projects in the current fiscal year, resulting in the increase in these revenues over the prior year.

Pension Expense: the District had a pension revenue of \$1,041,377 in the prior year due to the District's commitment to paying off its unfunded pension liability and a 21.3% investment return experienced by CalPERS. This year the District still maintains pension revenue in the current year of \$533,209, however, given the pension funds 6.1% investment loss in the subsequent fiscal year, the District once again has an unfunded pension liability.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The four sections of the District's financial statements are: 1) introductory section, 2) financial section, 3) supplemental information section, and 4) statistical section.

The Introductory Section includes the letter of transmittal, list of Board of Directors and Staff, and organization chart.

The Financial Section includes the auditor's report, management's discussion and analysis and basic financial statements. The District's basic financial statements are comprised of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items reported as net position. When evaluated over a period of time, increases, or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position reflects the revenues and expenses for the fiscal year ended. The Statement of Cash Flows shows the sources and uses of cash in the operating, non-capital, capital, related financing, and investing activities. The notes provide in-depth information that is vital to gaining a full understanding of the data provided in the financial statements. The notes to the financial statements begin on page 17.

The Required Supplementary Information Section provides information on the funding progress of the District's pension and postemployment benefits plans.

The Supplemental Information Section provides additional information on administrative and general expenses and budget versus actual comparisons.

The Statistical Section provides additional information not contained in the financial section on District activities.

## **FINANCIAL ANALYSIS OF THE DISTRICT**

Unlike a private company, as a government agency, the District does not seek to make a profit. The District has two major financial goals, which are:

1. Recovering the cost of providing services to its constituents and other customers, and
2. Securing the financial resources needed to maintain and improve the capital facilities used in providing those services.

The financial statements assist a reader in determining whether the District is meeting these goals. In general, net position provides a realistic indicator of a government's financial position. For the fiscal year ending June 30, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$108,667,107. In the prior year, assets exceeded liabilities by \$91,900,063.

A summary of the Statement of Net Position follows:

**Condensed Statement of Net Position**

	2023	2022	Change
<b>Assets</b>			
Current Assets	\$ 33,295,912	\$ 43,025,657	\$ (9,729,745)
Capital Assets, Net	115,590,202	87,946,620	27,643,582
Other Noncurrent Assets	452,914	3,154,630	(2,701,716)
Total Assets	<u>149,339,028</u>	<u>134,126,907</u>	<u>15,212,121</u>
<b>Deferred Outflows of Resources</b>			
Deferred Amounts on Refunding	1,266,287	1,347,549	(81,262)
Deferred Pensions Related Outflows	8,077,424	2,681,777	5,395,647
Deferred Other Post Employment	-	-	-
Benefits Related Outflows	1,613,579	1,037,264	576,315
Total Deferred Outflows of Resources	<u>10,957,290</u>	<u>5,066,590</u>	<u>5,890,700</u>
<b>Liabilities</b>			
Current Liabilities	8,349,855	4,651,448	3,698,407
Noncurrent Liabilities	40,452,646	35,088,741	5,363,905
Total Liabilities	<u>48,802,501</u>	<u>39,740,189</u>	<u>9,062,312</u>
<b>Deferred Inflows of Resources</b>			
Deferred Amounts on Refunding	338,982	376,646	(37,664)
Deferred Pensions Related Inflows	1,746,583	5,657,573	(3,910,990)
Deferred Other Post Employment	-	-	-
Benefits Related Inflows	370,689	1,053,544	(682,855)
Lease Related	370,456	465,482	(95,026)
Total Deferred Inflows of Resources	<u>2,826,710</u>	<u>7,553,245</u>	<u>(4,726,535)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	83,718,447	56,229,119	27,489,328
Restricted	4,329,966	1,026,250	3,303,716
Unrestricted	20,618,694	34,644,694	(14,026,000)
Total Net Position	<u>\$ 108,667,107</u>	<u>\$ 91,900,063</u>	<u>\$ 16,767,044</u>

As shown in the table above, total assets increased \$15.2 million or 11.3% compared to the prior fiscal year. Capital assets increased by \$27.6 million primarily due to \$2.2 million in capital asset additions, offset by current year depreciation and disposals and \$25.3 million in construction-in-progress for capital improvement projects under construction throughout the District. A notable project would be the Hinkle Reservoir Rehabilitation with a cost of 21.8 million as of June 30, 2023. This project is set to be completed in February 2024.

Deferred outflows of resources increased by 116.3% or \$5.8 million. The increase is attributable to pension and OPEB related deferred outflows of \$5.9 million, predominately due to difference between the District's actual contributions and the District's proportionate share of the pooled plans contributions between the prior and current year, offset by a decrease in deferred charges on refunding \$81,262, which is due to the refunding of the 2012 Refunding Bonds.

Total liabilities increased by \$9.1 million, 22.8% from the prior year. The majority of the increase is due to the increase in pension liability by \$5.1 million as discussed above and in note 9.

Deferred inflows of resources decreased by \$4,726,535 or 62.6%. Most of the decrease is due to pension related deferred inflows of \$3,910,990 and \$682,855 is due to OPEB related inflows.

The District realized an overall increase in net position of \$16.7 million for the year ended June 30, 2023. The components of net position as of June 30, 2023, are:

- **Net Investment in Capital Assets:** This is the largest portion of the District's net position, 77%, and reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. In the prior year, net investment in capital assets represented 62% of net position. The District utilizes capital assets to serve its customers; therefore, these assets are not available for future spending. While the District's investment in capital assets is reported net of related debt, the funds needed to repay this debt must be contributed from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- **Restricted Net Position:** The District charges capital facility fees to new development. A portion of the fee is designed to help pay for the expansion of the system to accommodate new development. As such, a portion of the fees collected, but not spent by the end of a fiscal year, are restricted for future use on the designated capital projects. As of June 30, 2023, the District held \$4,329,966 of capital facility fee revenues earmarked for such expansionary projects.
- **Unrestricted Net Position:** This represents resources available to the District to utilize in the future for various needs. The Board of Directors has designated the unrestricted net position for various specific purposes. An explanation of

these reserve funds can be found in Note 8 in the financial statements. Unrestricted Net Position decreased by \$14.0 million due to the Hinkle Reservoir Rehabilitation project. The District was able to secure a 1.2% per annum interest rate loan through the State Water Board California's Drinking Water State Revolving Fund (SRF) for the Hinkle Reservoir Rehabilitation project. This loan is not disbursed until expenses are submitted to SRF for reimbursement, therefore the District had to fund the project through their unrestricted fund until funds received from the SRF. As of June 30, 2023, the District had submitted for reimbursement and received \$846,424 from the SRF.

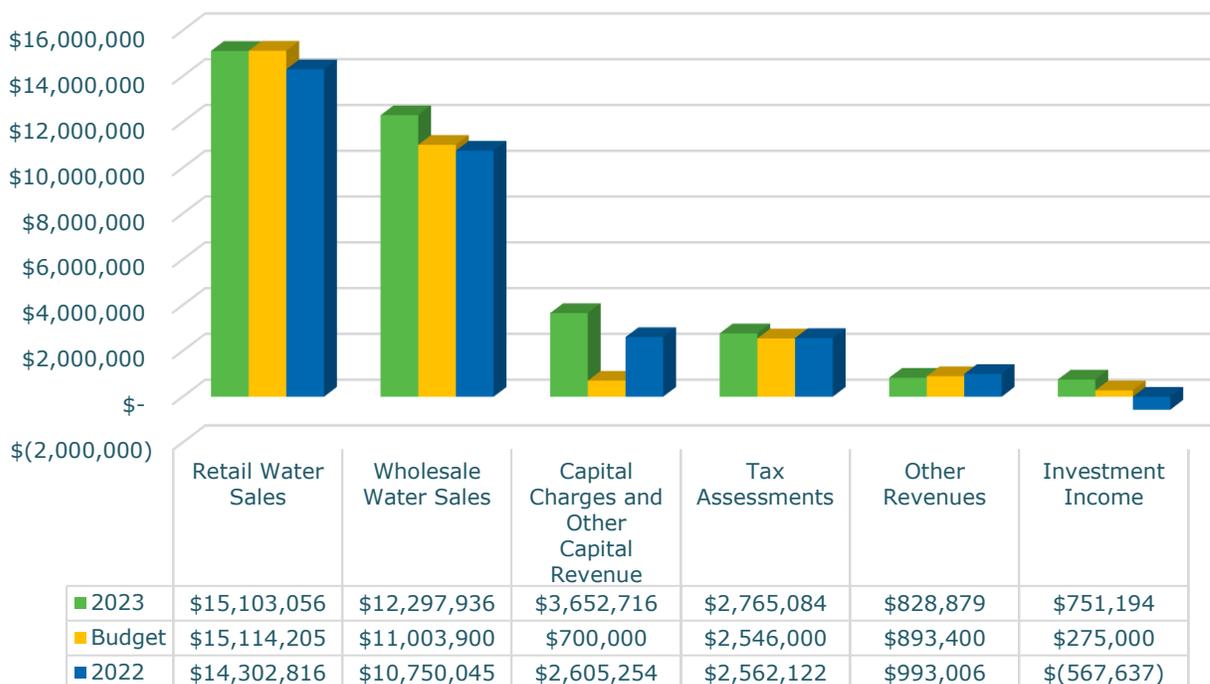
**Condensed Statement of Revenues, Expenses and Changes in Net Position**

	2023	2022	Change
<b>Revenues</b>			
Retail Water Sales	\$ 15,103,056	\$ 14,302,816	\$ 800,240
Wholesale Water Sales	12,297,936	10,750,045	1,547,891
Capital Charges and Other Capital Revenue	3,652,716	2,605,254	1,047,462
Tax Assessments	2,765,084	2,562,122	202,962
Other Revenues	828,879	993,006	(164,127)
Investment Income	751,194	(567,637)	1,318,831
<b>Total Revenues</b>	<b>35,398,865</b>	<b>30,645,606</b>	<b>4,753,259</b>
<b>Expenses</b>			
Transmission and Distribution	4,543,970	4,182,100	361,870
Source of Supply	4,206,450	4,116,474	89,976
Depreciation	4,121,918	3,978,340	143,578
Water Treatment	3,429,895	3,273,651	156,244
Administration and General	3,080,725	3,027,298	53,427
Interest Expense	1,010,509	1,180,615	(170,106)
Engineering	870,265	731,305	138,960
Customer Service	854,064	731,226	122,838
Water Efficiency	480,448	508,747	(28,299)
Retirement Benefits (OPEB)	262,821	193,666	69,155
Other Non-Operating Expenses	38,993	107,730	(68,737)
Retirement (OPEB) & Pension Benefits	(533,211)	(1,041,377)	508,166
<b>Total Expenses</b>	<b>22,366,847</b>	<b>20,989,775</b>	<b>1,377,072</b>
<b>Change in Net Position Before</b>			
<b>Contributed Assets</b>	<b>13,032,018</b>	<b>9,655,831</b>	<b>3,376,187</b>
Contributed Assets	3,735,026	1,520,460	2,214,566
Change in Net Position	16,767,044	11,176,291	5,590,753
Net Position, Beginning of Year	91,900,063	80,723,772	11,176,291
<b>Net Position, End of Year</b>	<b>\$ 108,667,107</b>	<b>\$ 91,900,063</b>	<b>\$ 16,767,044</b>

As shown in the table above, the District's net position increased by \$16.7 million for the period ended June 30, 2023. Revenues increased 14.4%, which was largely due to increases from water sales, capital facility fees and investment income, as further discussed below. Expenses increased 6.6% or \$1.3 million mainly because of the \$508,166 increase in retiree medical (OPEB) and Pension Benefit expenses and \$820,828 in operation's expenses. Contributed assets (infrastructure donated by

developers upon completion of their projects), increased by \$2.2 million, due to a real estate market driven increase in development activity. Year over year changes and variances from the budget are more fully described and depicted below.

**Comparative Revenues by Source  
(Current Year, Budget, Prior Year)**



The graph above shows revenue sources, in order of magnitude, as compared to the budget and the prior year.

**Water Sales:**

Wholesale water sales were up \$1.5 million from the prior year while Retail water sales were up by \$800,240 for a combined increase of \$2.3 million over the prior year. The budget anticipated a decline in wholesale water sale revenue.

- **Retail Water Sales:** For the period ended June 30, 2023, the District supplied 10,083 acre-feet of water to 10,876 retail connections, compared to 10,934 acre-feet of water to 10,776 connections in the prior fiscal year. This, combined with an effective 8% rate increase that went into effect on January 1, 2023, resulted in total retail water sale revenues of \$15.1 million, an increase of \$800,240 or 5.6%, from the prior year. The District was expecting a 5% decline in water demand due to voluntary conservation messaging. It anticipated increased revenues in spite of lower demand, due to the mid-year rate increase. Actual revenues were just .08% less than those anticipated in the budget
- **Wholesale Water Sales:** The District has five core wholesale water customers. It periodically enters into separate agreements with other agencies to provide for

the sale of water that is surplus to the needs of the core customers. In the prior fiscal year, the District sold 31,882-acre feet of water to the core customers. A 4.4% increase in sales was anticipated in the FY 2022-23 budget. Actual sales were 28,712-acre feet, a 10.34% decrease from the prior year. However, during the fiscal year the District had agreements in place with three entities outside of the wholesale service area as follows:

- Sacramento Suburban Water District (SSWD): SSWD relies primarily on groundwater to serve its customers but occasionally purchases raw water from the Placer County Water Agency (PCWA). When they do so, they pay the District to treat the raw water on their behalf. SSWD is only able to purchase raw water from PCWA when the estimated March-November unimpaired inflow to Folsom Reservoir is at least 1.6 million acre-feet, creating uncertainty in their surface water supply availability. During the fiscal year the District and SSWD negotiated two separate, concurrent agreements wherein the District sold SSWD treated water, as opposed to simply treating SSWD's water purchased from others. A total of 3,170-acre feet of water was sold to SSWD under these agreements, yielding revenues of \$928,147. It treated 1,757-acre feet of PCWA water and 2,063-acre feet of SSWD's CVP flood flow water for SSWD generating additional revenues of \$841,227 for combined revenues from SSWD of \$1.7 million. Revenues from SSWD were \$667,551 more than the prior year and \$1.1 million more than budgeted sales.
- City of Roseville: two different take or pay contracts resulting in payments of \$129,003.
- Carmichael Water District: 29-acre feet delivered generating revenues of \$2,941.

#### Capital Charges:

Revenues from Capital Charges increased 40.2% or \$1,047,462. These are fees paid by developers to defray the impact of their development on existing rate payers. The fees are required to be paid prior to connecting to the system, but otherwise the timing of the payments are at the discretion of the developers. Favorable market conditions resulted in a significant increase in payments received as compared to both the prior year and the budget.

#### Tax Assessments:

Revenues from Property Taxes increased by \$202,962 or 7.9%, a result of increasing assessed values within both Sacramento and Placer counties.

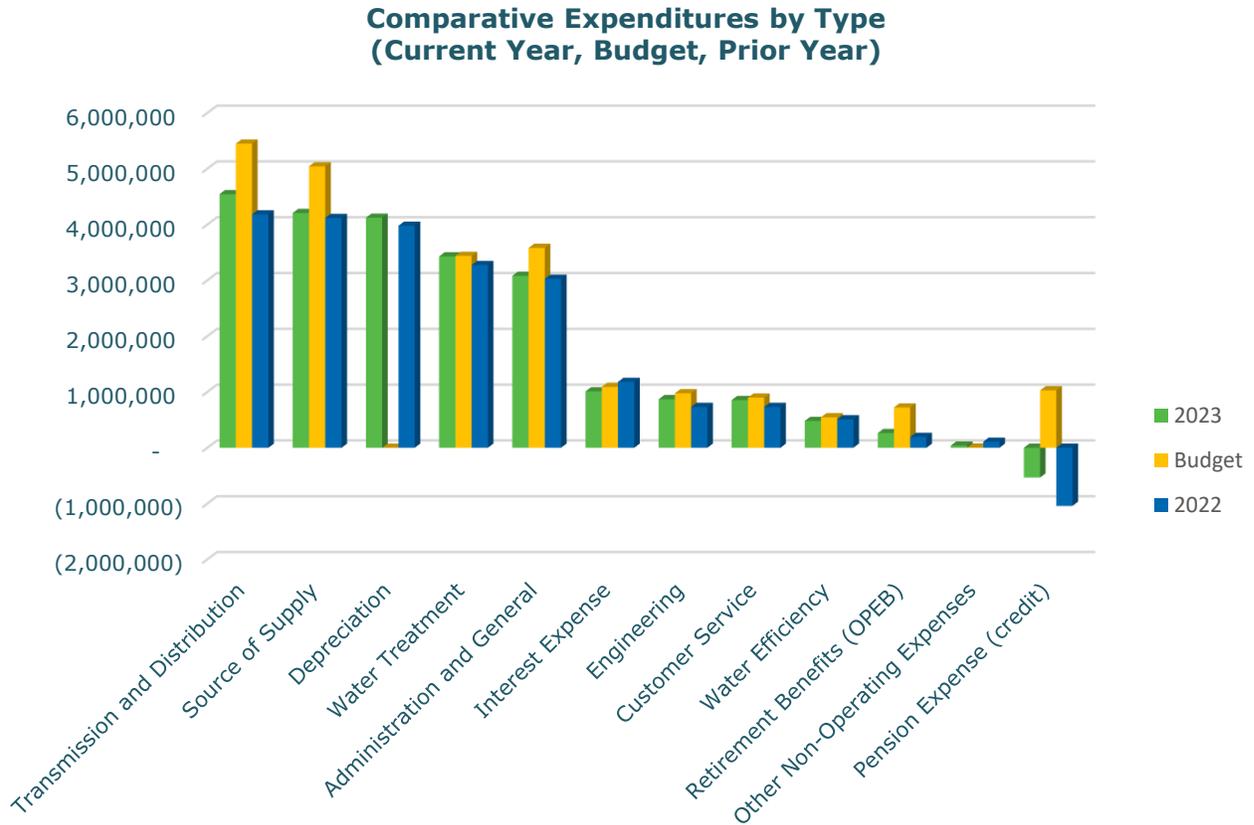
#### Other Revenues:

Revenue from other operating and non-operating activities decreased by \$164,127 from the prior year, a 16.5% decrease. Cost recovery was lower than the previous year as there was less activity on engineering and field services projects during the year.

Investment Income:

Total cash and investments decreased by \$10.3 million. However, due to market value changes investment income increased \$1.3 million as compared to the prior year. The District realized interest income of \$664,578, however this was offset by unrealized losses.

The graph below depicts expenditures by type, in order of magnitude, as compared to the budget and prior year.



Transmission and Distribution

These expenses, originating from the Retail Field Services Department, increased just 8.7% over the prior year, but were 16.6% less than anticipated in the budget. This is primarily due to the implementation of the meter replacement program and the service lateral replacement program, both of which were initially budgeted as expenses, but are actually reflected in the increase in capital assets.

Source of Supply

Source of Supply represents the costs incurred to procure water. It includes both the costs to receive the wholesale water, and the costs incurred by the retail division to buy the treated water from the wholesale division. It is the second largest expense category and was stable relative to the prior year, increasing only 2.2%. It was 16.6% less than anticipated in the budget due to lower than anticipated costs for the environmental review needed to renew the Districts Warren Act contract.

### Depreciation

Depreciation increased by \$143,578 or 3.6% due to asset additions. The District does not budget for depreciation.

### Water Treatment

These expenses originate primarily from the District's Water Treatment Plant. Actual expenses were \$156,244 greater than the prior year, but \$8,605 less than budgeted. The budget had anticipated general price increases, some but not all of which were realized.

### Administration and General

Actual expenses were slightly more than the prior year by 1.8% and were \$500,175, or 14.0% less than the budget. This category includes many departments such as the Board of Directors, Executive, Finance, Human Resources, Information Technologies, etc. so the increase is due to a combination of small items coming in lower than anticipated.

### Interest Expense

Debt Interest decreased by \$170,106 or 14.4% due to maturation of existing debt and the refunding of the 2012 Refunding Bonds with a loan at a significantly lower interest rate.

### OPEB and Pension Expenses

Other Post-Employment Benefits (OPEB) and Pension Expenses both varied significantly from the prior year and the budget.

OPEB, or retiree medical, expenses were up relative to the prior year due to lower than projected earnings in the trust. The District budgets for OPEB expenses on the cash basis of accounting, only incorporating contributions made to the trust and the actual premiums paid for retiree medical insurance. The financial statements are prepared on a full accrual basis of accounting with the accruals required by GASB 75.

Pension expense was actually a revenue this year due to the effect of the 21.3% investment gain earned by the pension fund in FY 2020-21 being amortized over a five-year period. Like OPEB, pension expenses are budgeted based on cash payments expected to be remitted to CalPERS during the year while the pension expense is calculated in conformance with GASB 68.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The District's investment in capital assets as of June 30, 2023, net of accumulated depreciation, is \$115,590,202. This investment includes land, buildings, water treatment plant, distribution system, construction in progress, vehicles, equipment, office equipment and furniture. At June 30, 2022, this amount was \$87,994,284.

The increase of \$27,643,582 from the prior fiscal year is largely due to construction in progress for the Hinkle Reservoir project and an increase in pipelines. At June 30,

2023, the District had \$53,494,036 in pipelines. At June 30, 2022, the District had \$49,102,549.

Additional information on capital assets can be located in Note 4.

Changes in capital asset amounts for Fiscal Year 2023 were as follows:

<b>Capital Assets</b>	2022 Balance*	Additions	Disposal	Transfers	2023 Balance
Non-Depreciable Assets	\$ 2,897,864	\$ 25,881,738	\$ -	\$ (484,178)	\$ 28,295,424
Depreciable Assets	160,497,856	5,836,098	(2,911,417)	484,178	163,906,715
Accumulated Depreciation	(75,401,436)	(4,121,918)	2,911,417		(76,611,937)
Total Capital Assets, Net	\$ 87,994,284	\$ 27,595,918	\$ -	\$ -	\$ 115,590,202

\* - The beginning balance has been restated to reflect the implementation of GASB 96: Subscription Based IT Arrangements. See Note 6.

Changes in capital asset amounts for Fiscal Year 2022 were as follows:

<b>Capital Assets</b>	2021 Balance	Additions	Disposal	Transfers	2022 Balance
Non-Depreciable assets	\$ 9,823,192	\$ 1,160,256	\$ (63,095)	\$ (8,022,489)	\$ 2,897,864
Depreciable assets	149,024,978	4,181,096	(778,371)	8,022,489	160,450,192
Accumulated Depreciation	(72,114,448)	(3,979,199)	692,211		(75,401,436)
Total Capital Assets, Net	\$ 86,733,722	\$ 1,362,153	\$ (149,255)	\$ -	\$ 87,946,620

### Debt Administration

As of June 30, 2023, the District had three different debt issues outstanding in an aggregate amount of \$31,163,174. Of this amount, \$2,162,245 represents the current portion due in Fiscal Year 2023. For more information on Long-Term Liabilities, refer to Note 6.

<b>Long-Term Liabilities</b>	2023	2022	2021	2020	2019
2017 Revenue Bonds	\$ 22,140,000	\$ 22,795,000	\$ 23,425,000	\$ 24,030,000	\$ 24,615,000
2012 Revenue Bonds	-	-	8,605,000	9,135,000	9,635,000
2022 Refunding Loan	8,152,537	8,152,537	-	-	-
Hinkle Reservoir Rehabilitation Loan	846,424	-	-	-	-
Subscription Liability (SBITA)	24,213	-	-	-	-
Total	\$ 31,163,174	\$ 30,947,537	\$ 32,030,000	\$ 33,165,000	\$ 34,250,000

The 2017 Revenue Refunding Bonds advance refunded the 2009 Certificates of Participation and were issued with ratings of "AA" from Standard & Poor's Rating Group.

The 2012 Refunding Certificates of Participation (COP) were issued with ratings of "AA" from Standard & Poor's Ratings Group and upgraded to "AA+" by Fitch Ratings, Inc. They were refunded in 2022 with the 2022 Refunding Loan at a favorable interest rate of 1.6%.

The Hinkle Reservoir Rehabilitation loan represents the State Water Board California's Drinking Water State Revolving Fund (SRF) loan with a 1.2% annum interest rate. The estimated final SRF loan amount is \$23,120,621. The funds from the SRF loan are disbursed as expenses and are submitted by the District to the State Water Board California's Drinking Water State Revolving Fund for reimbursement. The District

must pay interest annually, by September 1st of each year, until one year after completion of construction. Beginning no later than one year after completion of construction, the District must make annual payment of the principal of the project funds, together with all interest accruing thereon by September 1, 2025. The Hinkle Reservoir Rehabilitation project is set to be completed in January 2024.

The District has entered into a three-year subscription-based IT arrangements for one software application and is required to make annual payments (principal and interest) of \$25,000 over the arrangement terms in accordance with the newly established GASB 96 - Subscription Based IT Arrangements. See Note 6.

## **BUDGET AND RATES**

The District adopts annual non-appropriated budgets for planning and control purposes. The budgets are adopted on a modified cash basis. Budgetary controls are set at the department level. The General Manager has the authority to reallocate budgeted funds between accounts within a fund or project.

The District's budget contains four funds: one operating budget each for wholesale and retail, and one capital budget each. On June 28, 2023, the Board approved the Fiscal Year 2023-2024 operating and capital budget in a total amount of \$54,977,500.

The District completed a 10-year Retail Financial Plan and Rate study in 2021 that resulted in a 3-year rate schedule, commencing February 1, 2022. Under the approved schedule retail water rates will effectively increase by 8% in each year through 2024. The District's wholesale rate schedule has been unchanged in agreement since the last increase in January 2021. The District is currently finalizing the Wholesale Financial Plan and Rate Study and anticipates a new five-year wholesale rate schedule will be in place in January 2024.

## **CONDITIONS AFFECTING CURRENT FINANCIAL POSITION**

With the anticipated adoption of the 5-year Wholesale Rate Schedule the District will have substantially achieved alignment between its fixed and variable costs, and its fixed and variable rate, in both the retail and wholesale rate structures. This alignment brings stability to the District's finances as costs and revenues should move in the same direction, at generally the same time. The District has been successful in securing low interest rate loans to finance its largest capital projects and has implemented long term infrastructure replacement programs that will ensure the reliability of the treatment and distribution now and into the future.

Inflation over the past three years was higher than anticipated in the 2021 Retail Financial Plan and rate study. The District will be commencing a Retail Financial Plan and rate update study in the calendar year 2024 and will take the appropriate steps to mitigate any negative impacts caused by inflation over the previous three-year period.

The Taxpayer Protection and Government Accountability Act is a voter initiative that has qualified for the November 2024 ballot. While the language is vague, and the

measure is being challenged at the California Supreme Court, if it remains on the ballot, and is approved by voters, it could have a significant negative impact on the District's ability to sets rates at levels sufficient to fund its long-term capital improvement plan and could hamper the District's ability to fund its ongoing operation and maintenance costs as well.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, San Juan Water District, 9935 Auburn-Folsom Road, Granite Bay, CA 95746.

## **BASIC FINANCIAL STATEMENTS**

**SAN JUAN WATER DISTRICT**

**Statement of Net Position**

**June 30, 2023**

Assets:

Current Assets:

Cash and investments (note 2)	\$ 27,633,618
Accounts receivables	4,749,699
Taxes receivable	121,802
Interest receivable	131,739
Leases receivable (note 3)	89,691
Prepaid items	152,207
Inventories	417,156
Total Current Assets	<u>33,295,912</u>

Noncurrent Assets:

Leases receivable (note 3)	309,593
Capital assets, not being depreciated (note 4)	28,295,424
Capital assets, net of accumulated depreciation (note 4)	87,294,778
Investment in electrical power (note 5)	143,321
Total Noncurrent Assets	<u>116,043,116</u>
Total Assets	<u>149,339,028</u>

Deferred Outflows of Resources:

Deferred amounts on refunding	1,266,287
Pension related (note 9)	8,077,424
Other postemployment benefits related (note 10)	1,613,579
Total Deferred Outflows of Resources	<u>10,957,290</u>

Liabilities:

Current Liabilities:

Accounts payable	4,549,432
Accrued liabilities	476,457
Interest payable	440,286
Deposits payable	111,620
Due within one year:	
Compensated absences (note 6)	480,622
Long-term debt (note 6)	2,291,438
Total Current Liabilities	<u>8,349,855</u>

Noncurrent Liabilities:

Compensated absences (note 6)	676,646
Long-term debt (note 6)	30,507,622
Net other postemployment benefit liability (note 10)	4,078,375
Net pension liability (note 9)	5,190,003
Total Noncurrent Liabilities	<u>40,452,646</u>
Total Liabilities	<u>48,802,501</u>

Deferred Inflows of Resources:

Deferred amounts on refunding	338,982
Pension related (note 9)	1,746,583
Other postemployment benefits related (note 10)	370,689
Lease related (note 3)	370,456
Total Deferred Inflows of Resources	<u>2,826,710</u>

Net Position:

Net investment in capital assets (note 7)	83,718,447
Restricted - capital facility fees	4,329,966
Unrestricted	20,618,694
Total Net Position	<u>\$ 108,667,107</u>

See accompanying notes to the basic financial statements.

**SAN JUAN WATER DISTRICT**  
**Statement of Revenues, Expenditures,**  
**and Changes in Net Position**  
**Fiscal Year Ended June 30, 2023**

Operating Revenues:	
Water sales - wholesale	\$ 12,297,936
Water sales - retail	15,103,056
Other charges for services	600,234
Total Operating Revenues	<u>28,001,226</u>
Operating Expenses:	
Source of supply:	
Water charged to retail service area	3,221,588
Placer County Water Agency	383,938
Wheeling charges	248,799
Bureau pumping	183,610
Other public agencies	168,515
Administration and general	3,080,725
Water treatment	3,429,895
Transmission and distribution	4,543,970
Customer service	854,064
Engineering	870,265
Water efficiency	480,448
Depreciation and amortization	4,121,918
Retirement benefits (OPEB)	262,821
Pension expense (credit)	(533,211)
Total Operating Expenses	<u>21,317,345</u>
Operating Income (Loss)	<u>6,683,881</u>
Non-Operating Revenues (Expenses):	
Tax assessments	2,765,084
Investment income	751,194
Lease revenue	108,840
Other revenue	119,805
Interest expense	(1,010,509)
Other expenses	(38,993)
Total Non-Operating Revenues (Expenses)	<u>2,695,421</u>
Income (Loss) before Capital Contributions	<u>9,379,302</u>
Capital Contributions:	
Contributed assets	3,735,026
Capital charges and other capital revenue	3,652,716
Total Capital Contributions	<u>7,387,742</u>
Change in Net Position	16,767,044
Net position at beginning of year	<u>91,900,063</u>
Net position at end of year	<u>\$ 108,667,107</u>

See accompanying notes to the basic financial statements.

**SAN JUAN WATER DISTRICT**  
**Statement of Cash Flows**  
**Fiscal Year Ended June 30, 2023**

Cash Flows from Operating Activities:	
Cash received from customers	\$ 27,589,462
Cash paid to suppliers for goods and services	(9,529,303)
Cash paid to employees for services	(6,779,694)
Net Cash Provided by (Used for) Operating Activities	<u>11,280,465</u>
Cash Flows from Noncapital Financing Activities:	
Tax assessments received	<u>2,752,166</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,752,166</u>
Cash Flows from Capital and Related Financing Activities:	
Capital charges received	3,732,646
Payments from lease receivable	97,325
Acquisition and construction of capital assets	(27,982,812)
Proceeds from the sale of capital assets	39,875
Proceeds from loan payable	846,424
Principal paid on debt	(783,432)
Interest paid on debt	(964,916)
Net Cash Used for Capital and Related Financing Activities	<u>(25,014,890)</u>
Cash Flows from Investing Activities:	
Investment income	<u>662,800</u>
Net Cash Flows Provided by Investing Activities	<u>662,800</u>
Net Increase in Cash and Cash Equivalents	(10,319,459)
Cash and cash equivalents at beginning of year	<u>37,953,077</u>
Cash and cash equivalents at end of year	<u>\$ 27,633,618</u>

(Continued)

See accompanying notes to the basic financial statements.

**SAN JUAN WATER DISTRICT**  
**Statement of Cash Flows (Continued)**  
**Fiscal Year Ended June 30, 2023**

Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating income	\$ 6,683,881
Nonoperating expenses paid	(38,993)
Adjustments to reconcile operating income	
to net cash provided (used) by operating activities:	
Depreciation and amortization	4,121,918
(Increase) decrease in accounts receivable	(329,509)
(Increase) decrease in prepaid expenses	(99,446)
(Increase) decrease in inventories	(162,181)
(Increase) decrease in investment in electrical power	613
(Increase) decrease in deferred pension related outflows	(5,395,647)
(Increase) decrease in OPEB related deferred outflows	(576,315)
Increase (decrease) in accounts payable	2,915,883
Increase (decrease) in accrued liabilities	53,460
Increase (decrease) in unearned revenues	(13,998)
Increase (decrease) in deposits payable	(33,121)
Increase (decrease) in compensated absences	217,234
Increase (decrease) in deferred pension related inflows	(3,910,990)
Increase (decrease) in OPEB related deferred inflows	(682,855)
Increase (decrease) in net OPEB liability	729,116
Increase (decrease) in net pension liability	7,801,415
	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 11,280,465</u>
Noncash Investing, Capital and Financing Activities:	
Contributed assets	<u>\$ 3,735,026</u>

See accompanying notes to the basic financial statements.

**SAN JUAN WATER DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2023**

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# SAN JUAN WATER DISTRICT

## Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2023

### (1) Summary of Significant Accounting Policies

The basic financial statements of the San Juan Water District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### (a) Reporting Entity

The District was incorporated March 4, 1954 as a community service district under community service district law of the State of California (Section 60000 et. seq., Title 5, Division 3 of the California Government Code). The District is governed by a five member Board of Directors elected by the voters within specific geographic divisions for staggered, four year terms, every two years. The District provides water to retail customers in Sacramento and Placer Counties and sells water on a wholesale basis to other agencies. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has created the San Juan Suburban Water District Financing Corporation (the Corporation) to provide assistance to the District in the issuance of debt. Although legally separate from the District, the Corporation is "blended" as if it were part of the primary government because it shares a common Board of Directors with the District and its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Corporation is reflected as debt of the District in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

#### (b) Basis of Presentation

The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that period of determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(1) Summary of Significant Accounting Policies (Continued)**

(c) Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of the fund are included on the balance sheet. Net position is segregated into amounts recorded as net investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

In the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position, business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Earned and unbilled water services are accrued as revenue.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenses. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues, if necessary.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for enterprise funds include source of supply, the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Cash and Investments

For the purposes of the Statement of Cash Flows, the District's cash and cash equivalents include restricted and unrestricted cash on hand or on deposit, and demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(1) Summary of Significant Accounting Policies (Continued)**

(e) Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. In determining fair value, the District's custodians use various methods including market and income approaches. Based on these approaches, the District's custodians utilize certain assumptions that market participants would use in pricing the asset or liability. The District's custodians utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Various inputs are used in determining the value of the District's investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 – quoted prices in active markets for identical investments, Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 – significant unobservable inputs (including the District's own assumptions in determining the fair value of instruments).

(f) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

(g) Inventories

Inventories are stated at cost, on a weighted average method. Inventories consist of materials and supplies.

(h) Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Donated assets and capital assets received in a service concession arrangement are valued at estimated acquisition value on the date received. Depreciation is calculated using the straight line method over the following useful lives:

Buildings and structures	10-50 years
Improvements other than buildings	7-35 years
Machinery and equipment (including furniture)	5-50 years
Meters and endpoints	10-25 years
Plant and pipelines	10-80 years
Pump stations/pressure control stations	12-40 years
Reservoirs and improvements	25-50 years
Vehicles	10 years
Software	10 years
Intangible assets	Varies based on asset

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(1) Summary of Significant Accounting Policies (Continued)**

The cost of maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to operations when incurred. It is the District's policy to capitalize all capital assets with a cost of \$5,000 or more. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Water lines constructed by private developers and then dedicated to the District are recorded as capital contributions when they pass inspection by the District. The estimated value of the lines are capitalized as pipelines, reservoirs, pumping stations and buildings. The District is responsible for future maintenance once it accepts the water lines.

(i) Long-Term Liabilities

Long-term liabilities and other long-term obligations are reported on the Statement of Net Position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Amortization of bond premiums or discounts and deferred amounts on refunding is included in interest expense.

(j) Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits (up to a maximum). These benefits will be paid to employees upon separation from service from the District in accordance with the vesting policy. The cost of vacation and sick pay is accrued in the period earned with an offsetting liability in compensated absences. The current portion is calculated as the amount that is estimated to be used during the next year and the remaining portion is included in the long-term liabilities.

(k) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, and information about the plan (OPEB Plan), have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to the liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(1) Summary of Significant Accounting Policies (Continued)**

(l) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

(m) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until the earnings process is complete. Deferred amounts on refunding result from the difference in carrying amount of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District has three items that qualify for reporting in this category, deferred outflows related to refunding of debt, pensions and OPEB.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until the earnings process is complete. Deferred amounts on refunding may be reported as deferred inflows of resources. The District has four items that qualify for reporting in this category, deferred inflows related to refunding of debt, leases, pensions and OPEB.

(n) Property Taxes

The District receives property taxes from both Sacramento and Placer Counties. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of March 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on January 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. At that time, delinquent accounts are assessed a penalty of 10%. Accounts that remain unpaid on June 30 are charged an additional 12 % per month.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(1) Summary of Significant Accounting Policies (Continued)**

Unsecured property tax is levied on July 1 and due on July 31, and becomes delinquent on August 31. The penalty percentage rates are the same as secured property tax.

The District elected to receive the property taxes from the Counties under the Teeter plan. Under this program the District receives 100% of the levied property taxes in periodic payments with the Counties assuming responsibility for delinquencies.

(o) Water Charge to the Retail Service Area

For accounting purposes a charge is made to the retail service area for water used at a wholesale rate. This amount is recorded as income to the wholesale unit and as expense to the retail area.

(p) Net Position

The net position amount is the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets, as well as any deferred amounts on debt refunding. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors or grantors. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

(q) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(r) Implementation of New Accounting Standard

In May 2020, GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(1) Summary of Significant Accounting Policies (Continued)**

The District is a participant in subscription-based IT arrangements as detailed in Footnote 6. The District recognizes a subscription-based IT payable and right to use IT assets in the financial statements.

At the commencement of the arrangement, the District initially measures the payable at the present value of payments expected to be paid during the arrangement term. Subsequently, the payable is reduced by the principal portion of payments made. The right to use assets are initially measured at the initial amount of the subscription-based IT payable. Subsequently, the right to use assets are amortized over the life of the arrangement term.

**(2) Cash and Investments**

Cash and investments are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 4,635,168
Investments	<u>22,998,450</u>
Total cash and investments	<u>\$ 27,633,618</u>

Cash and investments were comprised of the following at June 30, 2023:

Cash on hand	\$ 300
Deposits with financial institutions	<u>4,634,868</u>
Total cash	<u>4,635,168</u>
Local agency investment fund (LAIF)	13,418,037
U.S. treasury bond/note obligations	4,582,902
U.S. federal agency securities	2,634,107
Medium-term corporate notes	1,290,126
Asset-backed security/collateralized mortgage obligations	121,159
Federal agency collateralized mortgage obligations	223,903
Municipal bond/note	364,742
Supra-national agency bond/note	210,148
Money market mutual funds	<u>153,326</u>
Total investments	<u>22,998,450</u>
Total cash and investments	<u>\$ 27,633,618</u>

## SAN JUAN WATER DISTRICT

### Notes to the Basic Financial Statements

**Fiscal Year Ended June 30, 2023**

**(2) Cash and Investments (Continued)**

The table below identifies the investment types that are authorized by the District's investment policy:

Authorized Investment Type	Maximum Maturity	Maximum Total of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Federal Agency Securities	5 years	None	None
U.S. Instrumentalities	5 years	30%	5%
Registered Warrants, Notes & Bonds of CA	5 years	None	5%
Registered Notes & Bonds of Other 49 States	5 years	None	5%
Local Agency Bonds, Notes & Warrants	5 years	None	5%
Banker's Acceptances	180 days	40%	5%
High Grade Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$75M
Time Deposits	2 years	5%	5%
Medium-Term Corporate Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	5%
Collateralized Mortgage Obligations	5 years	20%	5%
Mortgage-Backed or Other Pay-Through	5 years	20%	5%
Equipment Lease-Backed Certificates	5 years	20%	5%
Consumer Receivable Pass-Through Certificates	5 years	20%	5%
Consumer Receivable-Backed Bonds	5 years	20%	5%
Local Government Investment Pools (LGIP)	N/A	None	None

Investments Authorized by Debt Agreements

Investments held by the bond/COP fiscal agents (trustees) are governed by the provisions of the various debt indenture agreements rather than the general provisions of the District's investments policy or the California Government Code.

Interest Rate Risk

Interest rate risk is the risk that market rate changes could adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

## SAN JUAN WATER DISTRICT

### Notes to the Basic Financial Statements

**Fiscal Year Ended June 30, 2023**

**(2) Cash and Investments (Continued)**

Information about the sensitivity of the fair values of the District's investments (including investments held by the bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2023:

	Total	Remaining Investment Maturities		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Local agency investment fund (LAIF)	\$13,418,037	\$13,418,037	\$ -	\$ -
U.S. treasury bond/note obligations	4,582,902	1,204,491	332,088	3,046,323
U.S. federal agency securities	2,634,107	797,157	724,981	1,111,969
Medium-term corporate notes	1,290,126	-	458,882	831,244
Asset-backed security/collateralized mortgage obligations	121,159	-	9,867	111,292
Federal agency collateralized mortgage obligations	223,903	26,976	96,665	100,262
Municipal bond/note	364,742	99,234	159,294	106,214
Supra-national agency bond/note	210,148	73,499	136,649	-
Money market mutual funds	153,326	153,326	-	-
<b><u>Disclosures Relating to Credit Risk</u></b>	<b><u>\$22,998,450</u></b>	<b><u>\$15,772,720</u></b>	<b><u>\$ 1,918,426</u></b>	<b><u>\$ 5,307,304</u></b>

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating as categorized by the nationally recognized statistical rating organization (NRSRO) required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual credit ratings by Moody's as of year-end for each investment type.

Investment Type	Total as of June 30, 2023	Minimum Legal Rating	Minimum Rating		
			Aaa	P1 to Aa3	Not Rated
Local agency investment fund (LAIF)	\$ 13,418,037	N/A	\$ -	\$ -	\$ 13,418,037
U.S. treasury bond/note obligations	4,582,902	N/A	4,582,902	-	-
U.S. federal agency securities	2,634,107	N/A	2,634,107	-	-
Medium-term corporate notes	1,290,126	A	-	1,290,126	-
Asset-backed security/collateralized mortgage obligations	121,159	AA	68,897	-	52,262
Federal agency collateralized mortgage obligations	223,903	N/A	223,903	-	-
Municipal bond/note	364,742	AA	36,724	328,018	-
Supra-national agency bond/note	210,148	A	210,148	-	-
Money market mutual funds	153,326	AAA	153,326	-	-
	<b><u>\$ 22,998,450</u></b>		<b><u>\$ 7,910,007</u></b>	<b><u>\$ 1,618,144</u></b>	<b><u>\$ 13,470,299</u></b>

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(2) Cash and Investments (Continued)**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure of custodial risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must be equal to at least 100% of the total amount deposited by public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the carrying amount of the District's deposits were \$4,634,868 and the balances in financial institutions were \$3,781,569. Of this amount, \$3,671,231 was not insured by federal depository insurance.

Investment in LAIF

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are transferred on the basis of \$1 and not fair value. This external pool has no limitations or restrictions on participant withdrawals.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(2) Cash and Investments (Continued)**

Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2023:

Investments by Fair Value Level	Totals	Level			Not Subject to Categorization
		1	2	3	
Local agency investment fund (LAIF)	\$13,418,037	\$ -	\$ -	\$ -	\$13,418,037
U.S. treasury bond/note obligations	4,582,902	-	4,582,902	-	-
U.S. federal agency securities	2,634,107	-	2,634,107	-	-
Medium-term corporate notes	1,290,126	-	1,290,126	-	-
Asset-backed security/collateralized mortgage obligations	121,159	-	121,159	-	-
Federal agency collateralized mortgage obligations	223,903	-	223,903	-	-
Municipal bond/note	364,742	-	364,742	-	-
Supra-national agency bond/note	210,148	-	210,148	-	-
Money market mutual funds	153,326	-	-	-	153,326
Total Investments	<u>\$22,998,450</u>	<u>\$ -</u>	<u>\$ 9,427,087</u>	<u>\$ -</u>	<u>\$13,571,363</u>

Local Agency Investment Funds, U.S. Agency Securities, and Corporate Notes are classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes or specified fair value factors. The fair values of certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on the certificates to a schedule of aggregated contractual maturities on such time deposits, which are level 2 inputs.

**(3) Leases Receivable**

The District is a lessor in 3 noncancellable leases for use of District property for cell towers. The leases range from 25 to 30 years. The lessees are required to make fixed monthly or annual escalating payments starting at \$600 per month to \$7,560 per year. The District is also a lessor in a 20 year noncancellable lease for transmission capacity with annual payments ranging from \$27,072 to \$48,960. The District recognized \$83,511 in lease revenue and \$16,951 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2023, the lease receivable is \$399,284 and deferred inflows of resources is \$370,456.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(4) Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance at July 1, 2022 *	Additions	Disposals	Transfers	Balance at June 30, 2023
Capital Assets, not being Depreciated:					
Land	\$ 264,484	\$ -	\$ -	\$ 22,500	\$ 286,984
Construction in progress	2,633,380	25,881,738	-	(506,678)	28,008,440
Total Capital Assets not being Depreciated	<u>2,897,864</u>	<u>25,881,738</u>	<u>-</u>	<u>(484,178)</u>	<u>28,295,424</u>
Capital Assets, not being Depreciated:					
Pipelines	77,232,584	4,615,789	(313,830)	86,528	81,621,071
Water treatment plant	41,959,155	-	-	83,103	42,042,258
Land improvements	931,941	394,704	-	67,008	1,393,653
Reservoirs	7,301,335	-	(2,488,907)	-	4,812,428
Pumping stations	13,865,166	211,858	-	218,458	14,295,482
Buildings	1,555,874	8,744	-	-	1,564,618
Vehicles and equipment	16,078,750	254,610	(108,680)	-	16,224,680
Software	1,525,387	-	-	-	1,525,387
Meters and endpoints	-	350,393	-	29,081	379,474
Subscription based technology arrangements	47,664	-	-	-	47,664
Total Capital Assets being Depreciated	<u>160,497,856</u>	<u>5,836,098</u>	<u>(2,911,417)</u>	<u>484,178</u>	<u>163,906,715</u>
Less Accumulated Depreciation:					
Pipelines	(38,399,381)	(1,813,753)	313,830	-	(39,899,304)
Water treatment plant	(18,748,278)	(1,017,227)	-	-	(19,765,505)
Land improvements	(719,433)	(20,511)	-	-	(739,944)
Reservoirs	(4,181,159)	(119,645)	2,488,907	-	(1,811,897)
Pumping stations	(4,837,371)	(423,385)	-	-	(5,260,756)
Buildings	(1,258,694)	(26,693)	-	-	(1,285,387)
Vehicles and equipment	(6,617,642)	(580,819)	108,680	-	(7,089,781)
Software	(639,478)	(95,391)	-	-	(734,869)
Meters and endpoints	-	(662)	-	-	(662)
Subscription based technology arrangements	-	(23,832)	-	-	(23,832)
Total Accumulated Depreciation	<u>(75,401,436)</u>	<u>(4,121,918)</u>	<u>2,911,417</u>	<u>-</u>	<u>(76,611,937)</u>
Total Capital Assets being Depreciated, net	<u>85,096,420</u>	<u>1,714,180</u>	<u>-</u>	<u>484,178</u>	<u>87,294,778</u>
Capital Assets, net	<u>\$ 87,994,284</u>	<u>\$ 27,595,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,590,202</u>

\* - The beginning balance has been restated to reflect the implementation of GASB 96: Subscription Based IT Arrangements.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(5) Investment in Electrical Power**

The District participates in the California-Oregon Transmission Project (Project), a Joint Powers Authority (JPA), which is a project of the Department of Energy, Western Area Power Administration. The Project is governed by a Management Committee, which is chaired by a representative of the Transmission Agency of Northern California with each participant in the project having representation on the Management Committee.

The District applied as a Community Services District and a Central Valley Project Contractor, and received allocation of 1MW (megawatt) of power (capacity and associated energy) in exchange for an investment as a participant in the construction of the transmission line. Subsequent to the original allocation from the Department of Energy, the District purchased one additional megawatt of power from Trinity County Public Utility District. The cost of the purchase was \$75,000, plus a prorated share in the construction of the transmission line. Through a partial assignment of the District's California-Oregon Transmission Project entitlement to the Department of Energy, Western Area Power Administration, the District receives preferential energy rates and a discount on the US Bureau of Reclamation pumping from Folsom Lake.

The District has a 0.069 percent equity interest in the net position of the Project as defined in the Long-Term Participation Agreement. The District also has an obligation to finance 0.1333 percent of the net losses of the Project. The District is billed monthly for its share of the operations and maintenance costs of the Project. The District's net investment and its share of the operating results of the Project are reported as Investment in Electrical Power. The Project unaudited interim financial statements for the year ended June 30, 2023 are available from the California-Oregon Transmission Project at P.O. Box 15140, Sacramento, CA, 95866.

The following is the summarized financial information for the Project as of and for the year ended June 30, 2023:

Statement of Net Position:

Assets	<u>\$ 276,561,080</u>
Liabilities	\$ 53,399,197
Deferred Inflows	1,009,368
Net position	<u>222,152,515</u>
Liabilities and Net Position	<u>\$ 276,561,080</u>

Statement of Revenues, Expenditures, and Changes in Net position:

Operating revenues	\$ 18,418,354
Operating expenses	<u>21,679,634</u>
Operating loss	(3,261,280)
Net non-operating revenues (expenses)	(3,161,424)
Adjustment to net position for capital improvements	<u>5,534,279</u>
Change in Net Position	<u>\$ (888,425)</u>
District's share of net position	<u>\$ 143,321</u>

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(6) Long Term Liabilities**

The District's long-term liability activity and outstanding balances for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022*	Additions	Reductions	Balance at June 30, 2023	Current Portion
2022 Refunding Loan	\$ 8,152,537	\$ -	\$ -	\$ 8,152,537	\$ 1,482,245
2017 Revenue Refunding Bonds	22,795,000	-	(655,000)	22,140,000	680,000
Hinkle Reservoir Rehabilitation Loan	-	846,424	-	846,424	-
Add: Unamortized premiums	<u>1,740,867</u>	<u>-</u>	<u>(104,981)</u>	<u>1,635,886</u>	<u>104,980</u>
Total Bonds and Notes Payable	32,688,404	846,424	(759,981)	32,774,847	2,267,225
Subscription Liability	47,664	-	(23,451)	24,213	24,213
Compensated Absences	<u>940,034</u>	<u>1,060,597</u>	<u>(843,363)</u>	<u>1,157,268</u>	<u>480,622</u>
	<u>\$ 33,676,102</u>	<u>\$ 1,907,021</u>	<u>\$ (1,626,795)</u>	<u>\$ 33,956,328</u>	<u>\$ 2,772,060</u>

\* - The beginning balance has been restated to reflect the implementation of GASB 96: Subscription Based IT Arrangements.

Loans Payable

On January 31, 2022, the District entered into a loan agreement with Sterling National Bank to refinance the 2012 Revenue Refunding Bonds. The District borrowed \$8,152,537 with an interest rate of 1.63%. Annual principal payments, ranging from \$707,214 to \$882,454 are due on June 30 through June 30, 2032 and semi-annual interest payments ranging from \$7,192 to \$121,812 are due on June 30 and December 30 through June 30, 2032. The repayment of the loan will be payable from and secured by a pledge of and lien of the net revenues of the Water System.

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 1,482,245	\$ 121,358	\$ 1,603,603
2025	789,228	108,726	897,954
2026	803,104	95,862	898,966
2027	812,400	82,770	895,170
2028	824,998	69,529	894,527
2029-2032	<u>3,440,562</u>	<u>141,364</u>	<u>3,581,926</u>
Total	<u>\$ 8,152,537</u>	<u>\$ 619,609</u>	<u>\$ 8,772,146</u>

2017 Revenue Refunding Bonds

On June 22, 2017, the District issued \$26,125,000 of Revenue Refunding Bonds with interest ranging from 3.0% to 5.0%. These 2017 Revenue Refunding Bonds were issued to refund the 2009 Certificates of Participation. The loan agreement defines events of default as 1) default in the principal payments; 2) default in the interest payments; 3) default by the District of any of the covenants, agreements, or conditions; 4) the filing by the District of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America. Upon the occurrence of an event of default, the principal of the bonds could be declared immediately due and payable. Annual principal payments, ranging from \$565,000 to \$2,470,000 are due on February 1,

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(6) Long Term Liabilities (Continued)**

2018 through February 1, 2039 and semi-annual interest payments ranging from \$112,966 to \$521,381 are due on February 1 and August 1 through February 1, 2039.

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 680,000	\$ 881,921	\$ 1,561,921
2025	710,000	847,296	1,557,296
2026	745,000	811,067	1,556,067
2027	785,000	772,983	1,557,983
2028	825,000	732,900	1,557,900
2029-2032	3,740,000	2,488,434	6,228,434
2033-2037	9,795,000	1,823,568	11,618,568
2038-2039	4,860,000	172,412	5,032,412
Total	<u>\$ 22,140,000</u>	<u>\$ 8,530,581</u>	<u>\$ 30,670,581</u>

Hinkle Reservoir Rehabilitation Loan

On May 12, 2022, the District entered into a loan agreement with the California State Water Resources Control Board to finance the Hinkle Reservoir Rehabilitation Project. The loan agreement allows the District to borrow up to \$23,120,621, at an interest rate of 1.2% per annum. As of June 30, 2023, the District had received loan proceeds of \$846,424. The District anticipates receiving the remaining loan proceeds in Fiscal Year 2023-24. Annual principal payments are due one year after project completion. The District anticipates project completion in February 2024. The final payment schedule will be available subsequent to project completion. The repayment of the loan will be payable from and secured by a pledge of and lien of the Enterprise Fund revenues and any reserve fund established for the loan.

Pledged Revenue

The District is required by its 2022 Loan and 2017 Revenue Refunding Bonds to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 115% of debt service payments on any future debt issued and deposit the net revenues in a revenue fund pledged for such future debt service payments. The Hinkle Reservoir Rehabilitation Loan Agreement requires the District to collect rates and charges sufficient to yield net revenues equal to 120% of the maximum annual debt service with respect to all outstanding system obligations senior to, and on parity with, the loan and 100% of the maximum annual debt service with respect to all outstanding obligations subordinate to the loan. At June 30, 2023, the District's net revenues were 771% of debt service payments.

Arbitrage Rebate Liability

Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all "Non-purpose Investments" allocable to "Gross Proceeds" of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(6) Long Term Liabilities (Continued)**

make rebate payments at least once every five years and upon final retirement or redemption of the bonds.

Subscription-Based Information Technology (IT) Arrangements

The District has entered into a three-year subscription-based IT arrangements for one software application and is required to make annual principal and interest payments of \$25,000 over the arrangement terms. The payable at June 30, 2023, was \$24,213. The asset at June 30, 2023, was \$47,664.

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 24,213	\$ 2,336	\$ 26,549

**(7) Net Investment in Capital Assets**

Net investment in capital assets consist of the following at June 30, 2023:

Capital assets, gross	\$ 192,202,139
Less: accumulated depreciation	<u>(76,611,937)</u>
Net capital assets	115,590,202
Add: Deferred costs on bond refunding	1,266,287
Less: Debt used for capital purposes	(31,163,174)
Less: Deferred charge on refunding	(338,982)
Less: Unamortized premium	<u>(1,635,886)</u>
Net investment in capital assets	<u>\$ 83,718,447</u>

**(8) Net Position**

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designation may be modified, amended or removed by Board action. Designations included the following as of June 30, 2023:

	<u>Wholesale</u>	<u>Retail</u>	<u>Total</u>
Capital reserves	\$ 2,124,026	\$ 13,504,258	\$ 15,628,284
Operating reserves	<u>2,067,200</u>	<u>2,923,210</u>	<u>4,990,410</u>
Total Unrestricted, Designated Net Position	<u>\$ 4,191,226</u>	<u>\$ 16,427,468</u>	<u>\$ 20,618,694</u>

**(9) Defined Benefit Pension Plan**

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The Public Employees' Pension Reform Act of 2013 (PEPRA) created a new benefit and contribution level for new employees meeting certain criteria. PERS acts as a common investment and administrative agent for participating public employers within the State of California.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(9) Defined Benefit Pension Plan (Continued)**

All permanent full and part-time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times the monthly average salary of their highest twelve (Tier 1) and thirty-six (Tier 2 and PEPPRA) consecutive months full-time equivalent monthly pay. Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law ("PERL"), the California Public Employees' Pension Reform Act of 2013 ("PEPPRA"), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plans' authority to establish and amend the benefit terms are set by the PERL and PEPPRA and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plans' provisions and benefits in effect for the year ended June 30, 2023 are summarized as follows:

	<u>Miscellaneous Tier I Rate Plan</u>	<u>Miscellaneous Tier II Rate Plan</u>	<u>Miscellaneous PEPPRA Rate</u>
Hire date	(Prior to February 14, 2009)	(On or after February 14, 2009)	(On or after January 1, 2013)
Benefit formula (at full retirement)	3.0% @ 60	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	2.0% to 3.0%	1.0% to 2.5%

The District made payments of \$369,695 toward its unfunded actuarial liability during the year ended June 30, 2023.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(9) Defined Benefit Pension Plan (Continued)**

Tier I and Tier II Miscellaneous Plans are closed to new members that are not already CalPERS eligible participants.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023 the employer contributions for the Plan (all rate plans combined) were \$985,542.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the District reported a net pension liability of \$5,190,003 representing the District's proportionate share of the net pension liability.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2023 is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures as required by GASB Statement No. 68.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 was as follows:

Proportion - June 30, 2022	-0.13753%
Proportion - June 30, 2023	<u>0.11092%</u>
Change - Increase (Decrease)	0.24845%

For the year ended June 30, 2023, the District recognized pension expense of (\$533,211). At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(9) Defined Benefit Pension Plan (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 531,824	\$ -
Differences between actual and expected experience	211,156	(141,423)
Differences between projected and actual investment earnings	2,198,145	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(1,605,160)
Change in employer's proportion	4,150,757	-
Pension contributions subsequent to measurement date	985,542	-
Total	\$ 8,077,424	\$ (1,746,583)

The \$985,542 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense (credit) as follows:

Fiscal Year Ended June 30	
2024	\$ 1,740,182
2025	1,748,299
2026	1,091,751
2027	765,067
	\$ 5,345,299

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuation for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(9) Defined Benefit Pension Plan (Continued)**

Discount Rate

The discount rate used by CalPERS to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

<u>Investment Type</u>	<u>Assumed Asset Allocation</u>	<u>Real Return <sup>1,2</sup></u>
Global Equity - Cap-Weighted	30.0%	4.54%
Global Equity Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
Total	<u>100.0%</u>	

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(9) Defined Benefit Pension Plan (Continued)**

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability (Asset)	\$ 11,760,541	\$ 5,190,003	\$ (215,919)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**(10) Other Post Employment Benefits (OPEB)**

Description of the Plan

The District provides health care benefits to eligible retired District employees and survivor dependents as defined by their participating tier (first or second) and coverage level (basic or Medicare supplement) with a choice of several plans through an agent single-employer defined benefit plan established July 28, 2012. This is contracted with the California Public Employees’ Retirement System (CalPERS) through the Public Employees’ Medical and Hospital Care Act (PEMHCA). State statutes assign the authority to establish and amend the benefit provisions of the agent multiple-employer health care plans administered by CalPERS to the respective employer entities.

The District does not issue a separate stand-alone financial report for its OPEB plan.

Funding Policy

The District pays a percentage of the post-employment health care benefits for retirees, their spouses, and their dependents based on the retirees’ tier. Surviving spouses and eligible dependents of retirees may elect to continue health care benefits with the same District contribution towards the expense. Substantially all of the District’s employees may become eligible for these benefits if they reach normal retirement age while working for the District. No contributions are required for plan members or the District. Pre-funding contributions made by the District are at the discretion of the Board of Directors.

The contribution requirements of the District are established and may be amended by the District’s Board of Directors. Plan members are currently not required to contribute.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(10) Other Post Employment Benefits (OPEB) (Continued)**

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms:

Active employees	46
Inactive employees or beneficiaries currently receiving benefit payments	<u>61</u>
Total number of participants	<u>107</u>

Contributions

The Board of Directors grants the authority to establish and amend the contribution requirements of the District. During the year ended June 30, 2023, the District's cash contributions to the trust were \$252,965 and the benefit payments were \$539,910, resulting in total payments of \$792,875.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	6.75%
Inflation rate	2.50%
Aggregate salary increases	2.75% per year
Investment rate of return	6.75%
Healthcare cost trend rate	4.0% annually
Mortality rates	Derived using CalPERS membership data

Mortality information for active and retired employees was based on 2014 CalPERS tables. The pre-retirement turnover information was developed based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(10) Other Post Employment Benefits (OPEB) (Continued)**

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59.00%	7.545%
All Fixed Income	25.00%	4.250%
Real Estate Investment Trusts	8.00%	7.250%
All Commodities	3.00%	7.545%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.000%
	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that District contributions will continue based upon the current funding policy.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 8,658,588	\$ 5,309,329	\$ 3,349,259
Changes in the year:			
Service cost	246,195	-	246,195
Interest on the total OPEB liability	572,773	(710,640)	1,283,413
Contribution - employer to Trust	-	829,193	(829,193)
Investment gains / losses	27,355	-	27,355
Benefit payments	(619,673)	(619,673)	-
Administrative expenses	-	(1,346)	1,346
Net changes	226,650	(502,466)	729,116
Balance at June 30, 2023 (measurement date June 30, 2022)	\$ 8,885,238	\$ 4,806,863	\$ 4,078,375

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(10) Other Post Employment Benefits (OPEB) (Continued)**

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB liability	\$ 5,041,295	\$ 4,078,375	\$ 3,267,484

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease to 3.00%	Current Healthcare Cost Trend Rates 4.00%	1% Increase to 5.00%
Net OPEB liability	\$ 3,049,218	\$ 4,078,375	\$ 5,328,157

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$262,821. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 31,862	\$ (370,689)
Changes in assumptions	271,283	-
Difference between projected and actual investment earnings	416,665	-
Employer contributions subsequent to measurement date	893,769	-
Total	<u>\$ 1,613,579</u>	<u>\$ (370,689)</u>

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(10) Other Post Employment Benefits (OPEB) (Continued)**

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	
2024	\$ 60,687
2025	58,608
2026	52,139
2027	109,800
2028	66,659
Thereafter	<u>1,228</u>
	<u>\$ 349,121</u>

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs.

The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. The net difference between expected and actual experience are recognized over the expected average remaining service lifetime (EARSL), which was 6.8 years at the June 30, 2022 valuation date.

**(11) Risk Management**

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. ACWA/JPIA may be terminated at any time by written consent of three-fourths of voting members at which time the members may be required to pay their share of any additional amount of premium in accordance with loss allocation formulas for final disposition of all claims and losses covered by the joint powers agreement. The ACWA/JPIA's financial statements are available at 5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610-7632.

**SAN JUAN WATER DISTRICT**

**Notes to the Basic Financial Statements**

**Fiscal Year Ended June 30, 2023**

**(11) Risk Management (Continued)**

The District's deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible/Retention
General and Auto Liability (Includes public officials liability)	\$ 5,000,000	\$ 55,000,000	None
Property Damage	100,000	500,000,000	\$ 1,000 to 100,000
Crime	100,000		1,000
Workers' Compensation Liability	2,000,000	Statutory	None
Employers Liability	2,000,000		None
Cyber Liability	5,000,000		\$10,000 to 50,000

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(12) Commitments**

The District has a contract with Placer County Water Agency (PCWA) to take or pay for an annual entitlement of 12,500 acre-feet. In any year during the term of this agreement, the District may request PCWA make available 25,000 acre-feet of water. The District has a contract with the City of Roseville whereby the City would reimburse the District for 4,000 acre-feet out of the 12,500 acre-feet annual entitlement, beginning no later than July 1, 2018.

The District has active construction and other significant projects as of June 30, 2023. At year end, the District's construction and other significant commitments were as follows:

Bacon Pump Generator Replacement	\$ 1,700,698
Air Release Valve Replacement Project	625,726
WTP Filter Backwash Rehab	263,897
Replacement of Hinkle Reservoir Liner and Cover	160,964
Kokila Reservoir Replacement Project	130,756
Construction Management for Hinkle Liner Project	119,010
On Call Engineering Services	82,295
Wholesale Master Plan Update	71,062
Eureka Rd Pipeline Replacement Project	65,511
Other Projects	501,322
Total commitment with contractors	<u>\$ 3,721,241</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**SAN JUAN WATER DISTRICT**

**Required Supplementary Information**

**Schedule of the Proportionate Share of the Net Pension Liability - Last Ten Years\***

**Year Ended June 30, 2023**

	2023	2022	2021	2020	2019
Proportion of the net pension liability	0.11092%	-0.13753%	0.07876%	0.02397%	0.01624%
Proportionate share of the net pension liability (asset)	\$ 5,190,003	\$ (2,611,412)	\$ 3,322,197	\$ 2,456,425	\$ 1,564,717
Covered payroll - measurement period	\$ 4,634,471	\$ 4,704,170	\$ 4,707,984	\$ 4,599,756	\$ 4,254,297
Proportionate share of the net pension liability as a percentage of covered payroll	111.99%	-55.51%	70.57%	53.40%	36.78%
Plan fiduciary net position as a percentage of the total pension liability	89.23%	92.36%	92.36%	94.03%	96.04%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Notes to Schedule:					
Reporting valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Reporting measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

\* - GASB Statement No. 68 was implemented during the year ended June 30, 2015. Therefore only nine years are presented.

Notes to the schedule:

Summary of Changes in Benefits or Assumptions:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs.

Changes in Assumptions: None from 2019 to 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. Effective with the June 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

**SAN JUAN WATER DISTRICT**

**Required Supplementary Information**

**Schedule of the Proportionate Share of the Net Pension Liability - Last Ten Years\* (Continued)**

**Year Ended June 30, 2023**

	2018	2017	2016	2015
Proportion of the net pension liability	0.04842%	0.09208%	0.08829%	0.08447%
Proportionate share of the net pension liability (asset)	\$ 4,801,816	\$ 7,968,028	\$ 6,059,953	\$ 5,255,811
Covered payroll - measurement period	\$ 4,171,684	\$ 4,292,723	\$ 3,836,968	\$ 3,785,664
Proportionate share of the net pension liability as a percentage of covered payroll	115.10%	185.62%	157.94%	138.83%
Plan fiduciary net position as a percentage of the total pension liability	87.20%	76.19%	78.40%	79.82%
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Notes to Schedule:				
Reporting valuation date	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

**SAN JUAN WATER DISTRICT**

**Required Supplementary Information**

**Schedule of Contributions to the Pension Plan - Last Ten Years\***

**Year Ended June 30, 2023**

	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 985,542	\$ 864,252	\$ 820,954	\$ 750,670	\$ 675,697
Contributions in relation to the actuarially determined contributions	(985,542)	(864,252)	(1,020,954)	(750,670)	(675,697)
Contribution deficiency (excess)	\$ -	\$ -	\$ (200,000)	\$ -	\$ -
Covered payroll - fiscal year	\$ 5,350,726	\$ 4,634,471	\$ 4,704,170	\$ 4,707,984	\$ 4,599,756
Contributions as a percentage of covered payroll	18.42%	18.65%	17.45%	15.96%	14.69%
Contribution valuation date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

Methods and assumptions used to determine contribution rates:

Amortized cost method	Entry age normal
Amortized method	Level percentage of payroll, closed
Remaining amortization period	Varies, not more than 30 years
Discount rate	6.90%
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS study for the period from 1997 to 2007.
Mortality	Most recent CalPERS Experience Study.
Post Retirement Benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Floor Purchasing Power applies, 2.50% thereafter

\* - GASB Statement No. 68 was implemented during the year ended June 30, 2015. Therefore only nine years are presented.

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Changes in Assumptions: At its December 2016 meeting, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 valuations. The minimum employer percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 valuations. The minimum employer contributions for Fiscal Year 2019-20 determined in this valuation were calculated using a discount rate of 7.25 percent.

On December 19, 2017 the CalPERS Board of Administration adopted new actuarial assumptions based on the recommendations in the December 2017 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for Public Agencies. In addition, the Board adopted a new asset portfolio as part of its Asset Liability Management. The new asset mix supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decrease in the discount rate. For June 30, 2017 valuation an inflation rate of 2.625 percent will be used and a rate of 2.50 percent in the following valuation.

**SAN JUAN WATER DISTRICT**

**Required Supplementary Information**

**Schedule of Contributions to the Pension Plan - Last Ten Years\* (Continued)**

**Year Ended June 30, 2023**

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 569,048	\$ 795,103	\$ 730,360	\$ 591,634
Contributions in relation to the actuarially determined contributions	(3,359,478)	(4,908,731)	(730,360)	(591,634)
Contribution deficiency (excess)	\$ (2,790,430)	\$ (4,113,628)	\$ -	\$ -
Covered payroll - fiscal year	\$ 4,254,297	\$ 4,171,684	\$ 4,292,723	\$ 3,836,968
Contributions as a percentage of covered payroll	13.38%	19.06%	17.01%	15.42%
Contribution valuation date:	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012

**SAN JUAN WATER DISTRICT**

**Required Supplementary Information**

**Schedule of Changes in Total OPEB Liability and Related Ratios - Last 10 Years\***

**Year Ended June 30, 2023**

	2023	2022 <sup>1</sup>	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 246,195	\$ 181,547	\$ 176,688	\$ 164,051	\$ 159,660
Interest on the Total OPEB liability	572,773	481,135	467,317	503,512	491,254
Difference between expected and actual experience	-	-	-	(724,602)	-
Changes in assumptions	-	379,797	-	-	-
Experience gains/losses	27,355	11,781	-	-	-
Benefit payments	(619,673)	(469,090)	(448,200)	(448,458)	(472,409)
Expected minus actual benefit payments	-	-	(933)	(35,114)	-
Net change in Total OPEB liability	226,650	585,170	194,872	(540,611)	178,505
Total OPEB liability - beginning	<u>8,658,588</u>	<u>8,073,418</u>	<u>6,812,179</u>	<u>7,352,790</u>	<u>7,174,285</u>
Total OPEB liability - ending (a)	<u>\$ 8,885,238</u>	<u>\$ 8,658,588</u>	<u>\$ 7,007,051</u>	<u>\$ 6,812,179</u>	<u>\$ 7,352,790</u>
Plan Fiduciary Net Position:					
Contributions - employer to Trust	\$ 829,193	\$ 651,090	\$ 177,000	\$ 160,000	\$ 224,554
Contributions - employer to benefit payments			448,200	448,458	441,109
Net investment income	(710,640)	1,107,731	161,133	204,937	230,539
Benefits payments	(619,673)	(469,090)	(448,200)	(448,458)	(472,209)
Other	-	-	-	31,300	-
Administrative expenses	(1,346)	(1,526)	(1,826)	(711)	(5,363)
Net change in Fiduciary Net Position	(502,466)	1,288,205	336,307	395,526	418,630
Plan Fiduciary Net Position - beginning	<u>5,309,329</u>	<u>4,021,124</u>	<u>3,684,817</u>	<u>3,289,491</u>	<u>2,870,861</u>
Plan Fiduciary Net Position -ending (b)	<u>\$ 4,806,863</u>	<u>\$ 5,309,329</u>	<u>\$ 4,021,124</u>	<u>\$ 3,685,017</u>	<u>\$ 3,289,491</u>
Plan Net Position Liability (asset) - Ending (a) - (b)	<u>\$ 4,078,375</u>	<u>\$ 3,349,259</u>	<u>\$ 2,985,927</u>	<u>\$ 3,127,162</u>	<u>\$ 4,063,299</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB liability	54.10%	61.32%	57.39%	54.09%	44.74%
Covered-employee payroll	\$ 4,634,471	\$ 4,704,170	\$ 4,707,984	\$ 4,599,756	\$ 4,254,297
Total OPEB liability as a percentage of covered-employee payroll	191.72%	184.06%	148.83%	148.10%	172.83%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

<sup>1</sup> Restated to include implied rate subsidy

\*Future years' information will be displayed up to 10 years as information becomes available.

**SAN JUAN WATER DISTRICT**  
**Required Supplementary Information**  
**Schedule of Contributions to the OPEB Plan**  
**Year Ended June 30, 2023**

	2023	2022	2021	2020	2019	2018
Statutorily required contribution - employer fiscal year	\$ 829,193	\$ 651,090	\$ 469,090	\$ 448,200	\$ 448,458	\$ 449,109
Contributions in relation to the actuarially determined contributions	<u>(829,193)</u>	<u>(651,090)</u>	<u>(469,090)</u>	<u>(448,200)</u>	<u>(448,458)</u>	<u>(449,109)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered-employee payroll - employer fiscal year	\$ 4,634,471	\$ 4,704,170	\$ 4,707,984	\$ 4,599,756	\$ 4,254,297	\$ 4,171,684
Contributions as a percentage of covered-employee payroll	17.89%	13.84%	9.96%	9.74%	10.54%	10.77%

**Notes to Schedule:**

Valuation date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

An actuarially determined contribution rate was not calculated. The required contributions reported represent retiree premium payments.

\*Future years' information will be displayed up to 10 years as information becomes available.

## **SUPPLEMENTARY INFORMATION**

**SAN JUAN WATER DISTRICT**

**Statement of Net Position  
Wholesale Operating**

**June 30, 2023**

Assets:

Current Assets:

Cash and investments	\$ 2,488,179
Accounts receivables	1,245,041
Interest receivable	29,277
Leases receivables	47,661
Prepaid expenses	150,967
Inventories	4,752
Total Current Assets	<u>3,965,877</u>

Noncurrent Assets:

Leases receivables	164,514
Capital assets, not being depreciated	23,339,276
Capital assets, net of accumulated depreciation	53,358,616
Investment in electrical power	143,321
Total Noncurrent Assets	<u>77,005,727</u>
Total Assets	<u>80,971,604</u>

Deferred Outflows of Resources:

Deferred amounts on refunding	759,772
Pension related	3,554,066
Other postemployment benefits related	671,339
Total Deferred Outflows of Resources	<u>4,985,177</u>

Liabilities:

Current Liabilities:

Accounts payable	606,082
Accrued liabilities	199,754
Interest payable	267,557
Deposits payable	1,149
Due within one year:	
Compensated absences	214,419
Long-term debt	1,422,415
Total Current Liabilities	<u>2,711,376</u>

Noncurrent Liabilities:

Compensated absences	306,682
Long-term debt	18,975,053
Net other postemployment benefit liability	1,780,190
Net pension liability	2,283,601
Total Noncurrent Liabilities	<u>23,345,526</u>
Total Liabilities	<u>26,056,902</u>

Deferred Inflows of Resources:

Deferred amounts on refunding	219,694
Pension related	768,496
Other postemployment benefits related	168,354
Lease related	197,376
Total Deferred Inflows of Resources	<u>1,353,920</u>

Net Position:

Net investment in capital assets	56,840,502
Unrestricted	1,705,457
Total Net Position	<u>\$ 58,545,959</u>

**SAN JUAN WATER DISTRICT**

**Statement of Net Position  
Wholesale Capital**

**June 30, 2023**

Assets:	
Cash and investments	\$ 5,015,200
Accounts receivable	679
Interest receivable	6,508
Taxes receivable	<u>60,901</u>
Total Assets	<u>5,083,288</u>
Liabilities:	
Accounts payable	<u>2,597,490</u>
Total Liabilities	<u>2,597,490</u>
Net Position:	
Unrestricted	<u>2,485,798</u>
Total Net Position	<u><u>\$ 2,485,798</u></u>

**SAN JUAN WATER DISTRICT**

**Statement of Net Position  
Retail Operating**

**June 30, 2023**

Assets:	
Current Assets:	
Cash and investments	\$ 924,059
Accounts receivables	3,604,583
Interest receivable	18,804
Leases receivables	42,030
Prepaid expenses	1,240
Inventories	321,390
Total Current Assets	<u>4,912,106</u>
Noncurrent Assets:	
Leases receivables	145,079
Capital assets, not being depreciated	4,956,148
Capital assets, net of accumulated depreciation	33,936,162
Total Noncurrent Assets	<u>39,037,389</u>
Total Assets	<u>43,949,495</u>
Deferred Outflows of Resources:	
Deferred amounts on refunding	506,515
Pension related	4,523,358
Other postemployment benefits related	942,240
Total Deferred Outflows of Resources	<u>5,972,113</u>
Liabilities:	
Current Liabilities:	
Accounts payable	327,515
Accrued liabilities	276,703
Interest payable	172,729
Unearned revenues	108,916
Deposits payable	110,471
Due within one year:	
Compensated absences	266,203
Long-term debt	844,024
Total Current Liabilities	<u>2,106,561</u>
Noncurrent Liabilities:	
Compensated absences	369,964
Long term debt	11,557,568
Net other postemployment benefit liability	2,298,185
Net pension liability	2,906,402
Total Noncurrent Liabilities	<u>17,132,119</u>
Total Liabilities	<u>19,238,680</u>
Deferred Inflows of Resources:	
Deferred amounts on refunding	119,288
Pension related	978,087
Other postemployment benefits related	202,335
Leases related	173,080
Total Deferred Inflows of Resources	<u>1,472,790</u>
Net Position:	
Net investment in capital assets	26,877,945
Unrestricted	2,332,193
Total Net Position	<u>\$ 29,210,138</u>

**SAN JUAN WATER DISTRICT**

**Statement of Net Position  
Retail Capital**

**June 30, 2023**

Assets:	
Cash and investments	\$ 19,206,180
Accounts receivable	8,312
Interest receivable	77,150
Taxes receivable	60,901
Inventory	91,014
	<hr/>
Total Assets	19,443,557
	<hr/>
Liabilities:	
Accounts payable	1,018,345
	<hr/>
Total Liabilities	1,018,345
	<hr/>
Net Position:	
Restricted - capital facility fees	4,329,966
Unrestricted	14,095,246
	<hr/>
Total Net Position	\$ 18,425,212
	<hr/>

**SAN JUAN WATER DISTRICT**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Net Position  
Budget to Actual - Wholesale Operating**

**Fiscal Year Ended June 30, 2023**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Operating Revenues:			
Wholesale revenue by entity:			
San Juan Water District - retail	\$ 3,221,578	\$ 3,337,108	\$ (115,530)
Citrus Heights Water District	2,745,981	2,759,069	(13,088)
Fair Oaks Water District	1,859,953	2,065,496	(205,543)
Sacramento Suburban Water District	1,769,374	572,400	1,196,974
Orange Vale Water Company	1,062,334	1,084,508	(22,174)
City of Folsom	309,559	325,804	(16,245)
City of Roseville	129,003	119,500	9,503
Granite Bay Golf Course	13,603	10,605	2,998
Carmichael Water District	2,941	-	2,941
Groundwater Substitution Transfer	1,183,604	729,410	454,194
Other charges for services	<u>2,303</u>	<u>1,000</u>	<u>1,303</u>
Total Operating Revenues	<u>12,300,233</u>	<u>11,004,900</u>	<u>1,295,333</u>
Operating Expenses:			
Source of supply:			
Placer County Water Agency	383,938	355,700	(28,238)
Wheeling	248,799	279,700	30,901
Bureau pumping	183,610	100,000	(83,610)
Other public agencies	168,515	1,171,200	1,002,685
Administration and general	1,947,253	2,234,500	287,247
Water treatment	3,368,435	3,368,500	65
Engineering	385,422	408,800	23,378
Water efficiency	46,656	67,400	20,744
Depreciation	2,547,439	-	(2,547,439)
Retirement benefits (OPEB)	123,719	310,600	186,881
Pension expense (credit)	<u>(245,272)</u>	<u>434,300</u>	<u>679,572</u>
Total Operating Expenses	<u>9,158,514</u>	<u>8,730,700</u>	<u>(427,814)</u>
Net Income (Loss) from Operations	3,141,719	2,274,200	1,723,147
Non-Operating Revenues (Expenses)			
Investment income (loss)	79,421	35,000	44,421
Lease revenue	66,568	77,100	(10,532)
Interest expense	(594,032)	(686,300)	(92,268)
Other expenses	(2,235)	(1,500)	735
Issuance of bonds	(846,424)	-	846,424
Capital outlay offsets	<u>22,286,902</u>	<u>-</u>	<u>22,286,902</u>
Total Non-Operating Revenues (Expenses)	<u>20,990,200</u>	<u>(575,700)</u>	<u>23,075,682</u>
Income (Loss) before Transfers	24,131,919	1,698,500	24,798,829
Transfers:			
Transfers out	<u>(2,674,436)</u>	<u>(573,200)</u>	<u>2,101,236</u>
Total Transfers	<u>(2,674,436)</u>	<u>(573,200)</u>	<u>2,101,236</u>
Change in Net Position	21,457,483	1,125,300	26,900,065
Net position at beginning of year	<u>37,088,476</u>	<u>37,325,401</u>	<u>4,243,266</u>
Net position at end of year	<u>\$ 58,545,959</u>	<u>\$ 38,450,701</u>	<u>\$ 31,143,331</u>

**SAN JUAN WATER DISTRICT**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Net Position  
Budget to Actual - Wholesale Capital**

**Fiscal Year Ended June 30, 2023**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Operating Expenses:			
Source of supply			
Water treatment	\$ 61,460	\$ 70,000	\$ 8,540
Total Operating Expenses	<u>61,460</u>	<u>70,000</u>	<u>8,540</u>
Net Income (Loss) from Operations	(61,460)	(70,000)	(8,540)
Non-Operating Revenues (Expenses):			
Tax assessments	1,382,542	1,273,000	109,542
Investment income (loss)	305,334	126,000	(179,334)
Other revenues	12,802	-	12,802
Issuance of bonds	846,424	23,120,600	(22,274,176)
Capital outlay	<u>(22,286,901)</u>	<u>(25,361,900)</u>	<u>(3,074,999)</u>
Total Non-Operating Revenues (Expenses)	<u>(19,739,799)</u>	<u>(842,300)</u>	<u>(25,406,165)</u>
Capital contributions and other capital revenue	<u>1,190,842</u>	<u>200,000</u>	<u>990,842</u>
Income (Loss) before Transfers	(18,610,417)	(712,300)	(24,423,863)
Transfers:			
Transfers in	<u>2,674,436</u>	<u>573,200</u>	<u>2,101,236</u>
Total Transfers	<u>2,674,436</u>	<u>573,200</u>	<u>2,101,236</u>
Change in Net Position	(15,935,981)	(139,100)	(22,322,627)
Net position at beginning of year	<u>18,421,779</u>	<u>16,454,330</u>	<u>1,568,519</u>
Net position at end of year	<u>\$ 2,485,798</u>	<u>16,315,230</u>	<u>(20,754,108)</u>

**SAN JUAN WATER DISTRICT**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Net Position  
Budget to Actual - Retail Operating**

**Fiscal Year Ended June 30, 2023**

	Actual	Final Budget	Variance with Final Budget
Operating Revenues:			
Water sales - retail	\$ 15,103,061	\$ 15,114,205	\$ (11,144)
Other charges for services	551,715	631,500	(79,785)
Total Operating Revenues	<u>15,654,776</u>	<u>15,745,705</u>	<u>(90,929)</u>
Operating Expenses:			
Source of supply			
Water charged to retail service area	3,221,588	3,134,800	(86,788)
Administration and general	1,133,472	1,346,400	212,928
Transmission and distribution	4,543,970	5,238,900	694,930
Customer service	854,064	898,600	44,536
Engineering	484,843	567,100	82,257
Water efficiency	433,792	478,800	45,008
Depreciation	1,574,479	-	(1,574,479)
Retirement benefits (OPEB)	139,102	411,600	272,498
Pension expense (credit)	(287,939)	594,600	882,539
Total Operating Expenses	<u>12,097,371</u>	<u>12,670,800</u>	<u>573,429</u>
Net Income (Loss) from Operations	3,557,405	3,074,905	(664,358)
Non-Operating Revenues (Expenses)			
Investment income (loss)	68,733	20,200	48,533
Lease revenue	42,272	48,900	(6,628)
Other revenue	95,001	79,900	15,101
Interest expense	(416,477)	(406,500)	9,977
Other expenses	(36,756)	(1,500)	35,256
Capital contribution expense	(911,800)	-	911,800
Capital outlay offsets	5,695,910	-	5,695,910
Total Non-Operating Revenues (Expenses)	<u>4,536,883</u>	<u>(259,000)</u>	<u>6,709,949</u>
Contributed assets	3,735,026	-	3,735,026
Income (Loss) before Transfers	11,829,314	2,815,905	9,780,617
Transfers:			
Transfers out	(3,102,550)	(2,111,800)	(990,750)
Total Transfers	<u>(3,102,550)</u>	<u>(2,111,800)</u>	<u>(990,750)</u>
Change in Net Position	8,726,764	704,105	8,789,867
Net position at beginning of year	<u>20,483,374</u>	<u>16,830,245</u>	<u>1,864,412</u>
Net position at end of year	<u>\$ 29,210,138</u>	<u>\$ 17,534,350</u>	<u>\$ 10,654,279</u>

**SAN JUAN WATER DISTRICT**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Net Position  
Budget to Actual - Retail Capital**

**Fiscal Year Ended June 30, 2023**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget</u>
Operating Revenues:			
Other charges for services	\$ 46,216	\$ 55,000	\$ (8,784)
Total Operating Revenues	<u>46,216</u>	<u>55,000</u>	<u>(8,784)</u>
Operating Expenses:			
Transmission and distribution	<u>-</u>	<u>210,000</u>	<u>210,000</u>
Total Operating Expenses	<u>-</u>	<u>210,000</u>	<u>210,000</u>
Net Income (Loss) from Operations	46,216	(155,000)	(218,784)
Non-Operating Revenues (Expenses):			
Tax assessments	1,382,542	1,273,000	109,542
Investment income (loss)	297,706	93,800	203,906
Other revenue	11,999	-	11,999
Capital outlay	<u>(5,695,910)</u>	<u>(13,472,100)</u>	<u>7,776,190</u>
Total Non-Operating Revenues (Expenses)	<u>(4,003,663)</u>	<u>(12,105,300)</u>	<u>8,101,637</u>
Capital Contributions:			
Capital contributions and other capital revenue	<u>3,373,674</u>	<u>500,000</u>	<u>2,873,674</u>
Total Capital Contributions	<u>3,373,674</u>	<u>500,000</u>	<u>2,873,674</u>
Income (Loss) before Transfers	(583,773)	(11,760,300)	10,756,527
Transfers:			
Transfers in	<u>3,102,550</u>	<u>2,111,800</u>	<u>990,750</u>
Total Transfers	<u>3,102,550</u>	<u>2,111,800</u>	<u>990,750</u>
Change in Net Position	2,518,777	(9,648,500)	11,747,277
Net position at beginning of year	<u>15,906,435</u>	<u>5,379,796</u>	<u>10,274,505</u>
Net position at end of year	<u>\$ 18,425,212</u>	<u>\$ (4,268,704)</u>	<u>\$ 22,021,782</u>

**SAN JUAN WATER DISTRICT**

**Statement of Cash Flows  
Wholesale Operating**

**Fiscal Year Ended June 30, 2023**

Cash Flows from Operating Activities:	
Cash received from customers	\$ 12,103,320
Cash paid to suppliers for goods and services	(4,921,557)
Cash paid to employees for services	(2,579,922)
Net Cash Provided by (Used for) Operating Activities	<u>4,601,841</u>
Cash Flows from Capital and Related Financing Activities:	
Payments from lease receivable	60,801
Acquisition and construction of capital assets	(82,943)
Proceeds from the sale of capital assets	86,633
Principal paid on capital debt	(398,863)
Interest paid on capital debt	(666,005)
Transfers to wholesale capital	(3,586,236)
Net Cash Used for Capital and Related Financing Activities	<u>(4,586,613)</u>
Cash Flows from Investing Activities:	
Investment income (loss)	56,221
Net Cash Flows Provided by Investing Activities	<u>56,221</u>
Net Increase (Decrease) in Cash and Cash Equivalents	71,449
Cash and cash equivalents at beginning of year	<u>2,416,730</u>
Cash and cash equivalents at end of year	<u>\$ 2,488,179</u>

(Continued)

**SAN JUAN WATER DISTRICT**

**Statement of Cash Flows (Continued)  
Wholesale Operating**

**Fiscal Year Ended June 30, 2023**

Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating income	\$ 3,141,719
Nonoperating expenses paid	(2,235)
Adjustments to reconcile operating income	
to net cash provided (used) by operating activities:	
Depreciation	2,547,439
(Increase) decrease in accounts receivable	(195,909)
(Increase) decrease in prepaid expenses	(104,963)
(Increase) decrease in inventories	(138)
(Increase) decrease in deferred pension related outflows	(2,374,084)
(Increase) decrease in OPEB related deferred outflows	(223,318)
Increase (decrease) in accounts payable	(28,846)
Increase (decrease) in accrued liabilities	16,020
Increase (decrease) in deposits payable	(1,004)
Increase (decrease) in compensated absences	95,944
Increase (decrease) in deferred pension related inflows	(1,720,836)
Increase (decrease) in OPEB related deferred inflows	(286,799)
Increase (decrease) in net OPEB liability	306,229
Increase (decrease) in net pension liability	<u>3,432,622</u>
Net Cash Provided by Operating Activities	<u>\$ 4,601,841</u>

**SAN JUAN WATER DISTRICT**

**Statement of Cash Flows  
Retail Operating**

**Fiscal Year Ended June 30, 2023**

Cash Flows from Operating Activities:	
Cash received from customers	\$ 15,397,260
Cash paid to suppliers for goods and services	(8,399,590)
Cash paid to employees for services	(3,333,902)
Net Cash Provided by (Used for) Operating Activities	<u>3,663,768</u>
Cash Flows from Capital and Related Financing Activities:	
Capital charges received	3,814,956
Payments from lease receivable	36,524
Acquisition and construction of capital assets	(4,877,602)
Proceeds from the sale of capital assets	242,160
Principal paid on capital debt	(296,650)
Interest paid on capital debt	(369,242)
Transfers to retail capital	(2,190,750)
Net Cash Used for Capital and Related Financing Activities	<u>(3,640,604)</u>
Cash Flows from Investing Activities	
Investment income (loss)	54,557
Net Cash Provided by Investing Activities	<u>54,557</u>
Net Increase (Decrease) in Cash and Cash Equivalents	77,721
Cash and cash equivalents at beginning of year	<u>863,926</u>
Cash and cash equivalents at end of year	<u>\$ 924,059</u>

(Continued)

**SAN JUAN WATER DISTRICT**

**Statement of Cash Flows (Continued)  
Retail Operating**

**Fiscal Year Ended June 30, 2023**

Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 3,557,405
Nonoperating expenses paid	(36,756)
Adjustments to reconcile operating income (loss)	
to net cash provided (used) by operating activities:	
Depreciation	1,574,479
(Increase) decrease in accounts receivable	(176,267)
(Increase) decrease in prepaid expenses	5,517
(Increase) decrease in inventories	(110,964)
(Increase) decrease in deferred pension related outflows	(3,021,563)
(Increase) decrease in OPEB related deferred outflows	(352,997)
Increase (decrease) in accounts payable	(93,171)
Increase (decrease) in accrued liabilities	37,440
Increase (decrease) in unearned revenues	(13,998)
Increase (decrease) in deposits payable	(32,117)
Increase (decrease) in compensated absences	121,290
Increase (decrease) in deferred pension related inflows	(2,190,154)
Increase (decrease) in OPEB related deferred inflows	(396,056)
Increase (decrease) in net OPEB liability	4,368,793
Increase (decrease) in net pension liability	422,887
	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 3,663,768</u>
Noncash Investing, Capital and Financing Activities:	
Contributed assets	\$ 3,735,026

**SAN JUAN WATER DISTRICT**

**Capital Asset Rollforward  
Wholesale**

**Fiscal Year Ended June 30, 2023**

	Balance at July 01, 2022	Additions	Disposals	Transfers	Balance at June 30, 2023
Capital Assets, not being Depreciated:					
Land	\$ 98,212	\$ -	\$ -	\$ 22,500	\$ 120,712
Construction in progress	1,525,575	21,865,600	-	(172,611)	23,218,564
Total Capital Assets not being Depreciated	<u>1,623,787</u>	<u>21,865,600</u>	<u>-</u>	<u>(150,111)</u>	<u>23,339,276</u>
Capital Assets, not being Depreciated:					
Pipelines	28,130,035	-	-	-	28,130,035
Water treatment plant	41,943,155	-	-	83,103	42,026,258
Land improvements	831,038	391,015	-	67,008	1,289,061
Reservoirs	4,808,913	-	(2,488,907)	-	2,320,006
Pumping stations	7,047,178	-	-	-	7,047,178
Buildings	1,279,892	4,372	-	-	1,284,264
Vehicles and equipment	14,077,854	5,129	(54,485)	-	14,028,498
Software	932,011	-	-	-	932,011
Meters and endpoints	-	17,097	-	-	17,097
Subscription based technology arrangements	11,916	-	-	-	11,916
Total Capital Assets being Depreciated	<u>99,061,992</u>	<u>417,613</u>	<u>(2,543,392)</u>	<u>150,111</u>	<u>97,086,324</u>
Less Accumulated Depreciation:					
Pipelines	(10,588,929)	(706,234)	-	-	(11,295,163)
Water treatment plant	(18,736,439)	(1,016,742)	-	-	(19,753,181)
Land improvements	(662,334)	(16,777)	-	-	(679,111)
Reservoirs	(2,900,186)	(87,113)	2,488,907	-	(498,392)
Pumping stations	(3,787,551)	(208,152)	-	-	(3,995,703)
Buildings	(1,192,038)	(14,384)	-	-	(1,206,422)
Vehicles and equipment	(5,419,157)	(451,182)	54,485	-	(5,815,854)
Software	(437,028)	(40,470)	-	-	(477,498)
Meters and endpoints	-	(427)	-	-	(427)
Subscription based technology arrangements	-	(5,958)	-	-	(5,958)
Total Accumulated Depreciation	<u>(43,723,662)</u>	<u>(2,547,439)</u>	<u>2,543,392</u>	<u>-</u>	<u>(43,727,709)</u>
Total Capital Assets being Depreciated, net	<u>55,338,330</u>	<u>(2,129,826)</u>	<u>-</u>	<u>150,111</u>	<u>53,358,615</u>
Capital Assets, net	<u>\$ 56,962,117</u>	<u>\$ 19,735,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,697,891</u>

**SAN JUAN WATER DISTRICT**

**Capital Asset Rollforward  
Retail**

**Fiscal Year Ended June 30, 2023**

	Balance at July 01, 2022	Additions	Disposals	Transfers	Balance at June 30, 2023
Capital Assets, not being Depreciated:					
Land	\$ 166,272	\$ -	\$ -	\$ -	\$ 166,272
Construction in progress	1,107,805	4,016,138	-	(334,067)	4,789,876
Total Capital Assets not being Depreciated	<u>1,274,077</u>	<u>4,016,138</u>	<u>-</u>	<u>(334,067)</u>	<u>4,956,148</u>
Capital Assets, not being Depreciated:					
Pipelines	49,102,549	4,615,789	(313,830)	86,528	53,491,036
Water treatment plant	16,000	-	-	-	16,000
Land improvements	100,903	3,689	-	-	104,592
Reservoirs	2,492,422	-	-	-	2,492,422
Pumping stations	6,817,988	211,858	-	218,458	7,248,304
Buildings	275,982	4,372	-	-	280,354
Vehicles and equipment	2,000,896	249,481	(54,195)	-	2,196,182
Software	593,376	-	-	-	593,376
Meters and endpoints	-	333,296	-	29,081	362,377
Subscription based technology arrangements	35,748	-	-	-	35,748
Total Capital Assets being Depreciated	<u>61,435,864</u>	<u>5,418,485</u>	<u>(368,025)</u>	<u>334,067</u>	<u>66,820,391</u>
Less Accumulated Depreciation:					
Pipelines	(27,810,452)	(1,107,519)	313,830	-	(28,604,141)
Water treatment plant	(11,839)	(485)	-	-	(12,324)
Land improvements	(57,099)	(3,734)	-	-	(60,833)
Reservoirs	(1,280,973)	(32,532)	-	-	(1,313,505)
Pumping stations	(1,049,820)	(215,233)	-	-	(1,265,053)
Buildings	(66,656)	(12,309)	-	-	(78,965)
Vehicles and equipment	(1,198,485)	(129,637)	54,195	-	(1,273,927)
Software	(202,450)	(54,921)	-	-	(257,371)
Meters and endpoints	-	(235)	-	-	(235)
Subscription based technology arrangements	-	(17,874)	-	-	(17,874)
Total Accumulated Depreciation	<u>(31,677,774)</u>	<u>(1,574,479)</u>	<u>368,025</u>	<u>-</u>	<u>(32,884,228)</u>
Total Capital Assets being Depreciated, net	<u>29,758,090</u>	<u>3,844,006</u>	<u>-</u>	<u>334,067</u>	<u>33,936,163</u>
Capital Assets, net	<u>\$ 31,032,167</u>	<u>\$ 7,860,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,892,311</u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION

This part of the San Juan Water District’s annual comprehensive financial report presents all detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information of the District’s overall financial health.

### **Financial Trends** .....72-73

These schedules contain trend information to help the reader understand how the District’s financial performance changed over time.

### **Revenue Capacity** .....74-79

These schedules contain information to help the reader assess the District’s most significant local revenue sources: wholesale water rates, retail water rates and property taxes.

### **Debt Capacity** .....80-83

These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.

### **Demographic and Economic Information**.....84-85

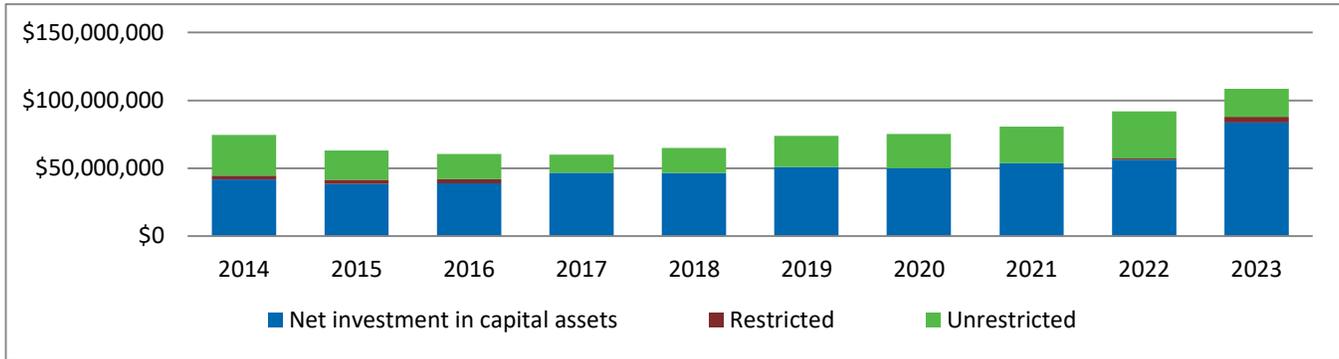
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place and to help make comparisons over time and with other governments.

### **Operating Information** .....86-91

These schedules contain service and infrastructure data to help the reader understand how the District’s financial report relates to the services the District provides and the activities it performs. Government Code Section 66013(d) and (e) Report is included in this section.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**San Juan Water District**  
**Table 1: Net Position by Component**  
 (Accrual Basis of Accounting)



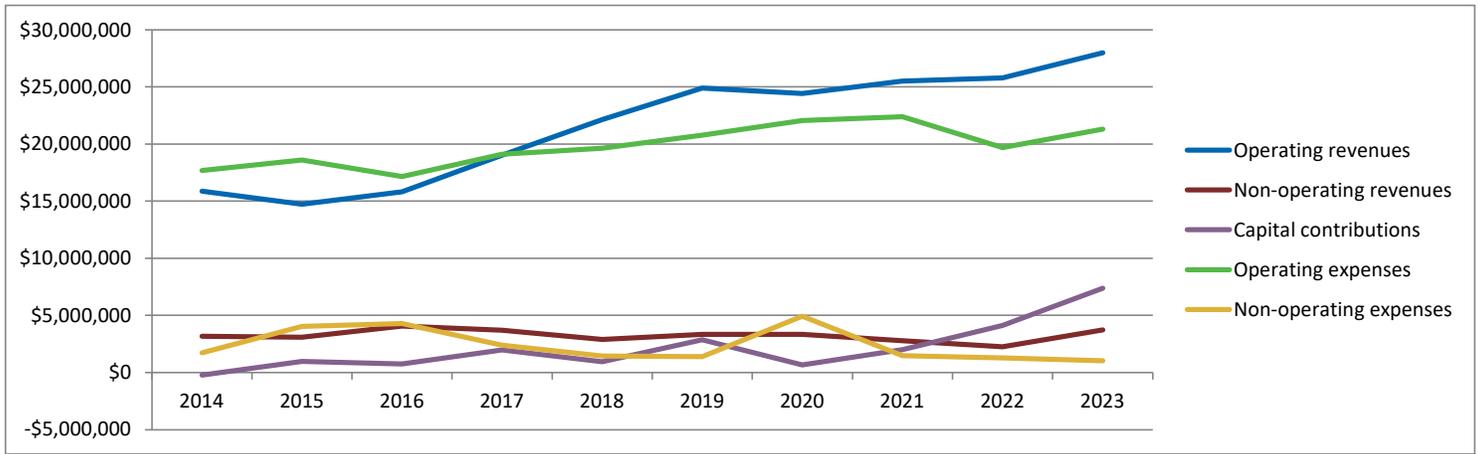
Fiscal Year Ending June 30	<sup>B</sup> 2014	<sup>C</sup> 2015	<sup>D</sup> 2016	<sup>E</sup> 2017	<sup>D</sup> 2018	2019	2020	2021	<sup>F</sup> 2022	2023
Net Position:										
Net investment in capital assets	\$41,785,998	\$38,531,907	\$38,997,463	\$46,693,664	\$46,484,354	\$50,920,596	\$49,887,084	\$53,859,693	\$56,229,119	\$83,718,447
Restricted	2,911,170	2,911,577	2,912,921	-	-	-	-	-	1,026,250	4,329,966
Unrestricted	29,880,325	21,709,884	18,554,154	13,343,357	18,480,565	22,984,315	25,469,955	26,864,079	34,644,694	20,618,694
Total net position	<u>\$74,577,493</u>	<u>\$63,153,368</u>	<u>\$60,464,538</u>	<u>\$60,037,021</u>	<u>\$64,964,919</u>	<u>\$73,904,911</u>	<u>\$75,357,039</u>	<u>\$80,723,772</u>	<u>\$91,900,063</u>	<u>\$108,667,107</u>

- Notes:
- <sup>A</sup> Restated to reflect implementation of GASB Statements 63 and 65, and other prior-year adjustments.
  - <sup>B</sup> Restated to reflect implementation of GASB Statement 68 and capital asset prior year adjustments.
  - <sup>C</sup> Restated to reflect capital asset and compensated absences prior year adjustments.
  - <sup>D</sup> Restated for capital asset prior year adjustment.
  - <sup>E</sup> Restated to reflect the implementation of GASB Statement No. 75 for Postemployment Benefits Other Than Pensions (OPEB).
  - <sup>F</sup> Restated to reflect change in calculation of OPEB liability due to using the implied rate subsidy

Source: San Juan Water District Finance Department

**San Juan Water District**  
**Table 2: Changes in Net Position**  
 (Accrual Basis of Accounting)

Fiscal Year Ending June 30	2014	2015 <sup>A</sup>	2016 <sup>A</sup>	2017	2018 <sup>A</sup>	2019	2020	2021	2022	2023
<b>Operating Revenues</b>										
Wholesale revenue	\$ 6,614,718	\$ 6,220,759	\$ 7,067,960	\$ 9,477,539	\$ 10,492,472	\$ 13,044,976	\$ 11,157,014	\$ 11,077,962	\$ 10,750,045	\$ 12,297,936
Retail revenue <sup>B</sup>	8,481,583	7,846,437	8,255,437	9,114,487	10,922,285	11,405,735	12,716,838	13,902,296	14,302,816	15,103,056
Other revenue	766,591	666,965	499,150	421,579	740,184	458,560	548,179	534,464	730,921	600,234
Total operating revenue	15,862,892	14,734,161	15,822,547	19,013,605	22,154,941	24,909,271	24,422,031	25,514,722	25,783,782	28,001,226
<b>Operating Expenses</b>	17,673,564	18,617,237	17,174,304	19,111,183	19,627,818	20,777,486	22,056,495	22,396,763	19,701,430	21,317,345
Net loss from operations	(1,810,672)	(3,883,076)	(1,351,757)	(97,578)	2,527,123	4,131,785	2,365,536	3,117,959	6,082,352	6,683,881
<b>Non-operating revenues<sup>C</sup></b>	3,187,986	3,091,137	4,084,136	3,715,929	2,892,495	3,341,333	3,342,281	2,789,283	2,256,570	3,744,923
<b>Non-operating expenses</b>	1,725,227	4,035,641	4,299,268	2,387,144	1,438,018	1,399,653	4,936,534	1,466,318	1,288,345	1,049,502
Net income before capital contributions	(347,912)	(4,827,580)	(1,566,889)	1,231,207	3,981,600	6,073,465	771,283	4,440,924	7,050,577	9,379,302
Capital contributions <sup>C</sup>	(225,068)	959,849	762,439	1,987,666	946,298	2,866,527	680,845	1,992,176	4,125,714	7,387,742
<b>Change in net position</b>	<b>\$ (572,980)</b>	<b>\$ (3,867,731)</b>	<b>\$ (804,450)</b>	<b>\$ 3,218,873</b>	<b>\$ 4,927,898</b>	<b>\$ 8,939,992</b>	<b>\$ 1,452,128</b>	<b>\$ 6,433,100</b>	<b>\$ 11,176,291</b>	<b>\$ 16,767,044</b>



Note:

<sup>A</sup> Restated to reflect prior year adjustments.

<sup>B</sup> Retail Revenue only includes residential and commercial consumption from Fiscal Year Ending June 30, 2015 to present. Prior years included some non-consumption revenues.

<sup>C</sup> Capital facilities fees are included in Capital contributions beginning in Fiscal Year Ending June 30, 2020. Prior to this fiscal year they were included in Non-operating revenues.

Source: San Juan Water District Finance Department

**San Juan Water District**  
**Table 3: Wholesale Water Rates and Connection Fees**  
 Last Ten Years Effective January 1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Uniform Commodity Rate (UCR):</b>										
San Juan Water District Retail	\$ 93.32	\$ 89.17	\$ 102.02	\$ 81.14	\$ 81.14	\$ 81.14	\$ 81.14	\$ 81.14	\$ 81.14	\$ 81.14
Citrus Heights Water District	93.32	89.17	102.02	81.14	81.14	81.14	81.14	81.14	81.14	81.14
Fair Oaks Water Company	93.32	89.17	102.02	81.14	81.14	81.14	81.14	81.14	81.14	81.14
Orange Vale Water Company	93.32	89.17	102.02	81.14	81.14	81.14	81.14	81.14	81.14	81.14
City of Folsom	93.32	89.17	102.02	81.14	81.14	81.14	81.14	81.14	81.14	81.14
<b>Annual Service Charge:</b>										
San Juan Water District Retail	\$ 320,412	\$ 440,965	\$ 505,258	\$ 1,114,644	\$ 1,359,660	\$ 1,635,696	\$ 2,049,400	\$ 2,264,755	\$ 2,311,268	\$ 2,315,233
Citrus Heights Water District	378,474	462,858	530,343	1,142,268	1,393,352	1,676,228	1,951,068	2,163,289	2,125,215	2,134,283
Fair Oaks Water Company	214,590	356,683	408,687	855,824	1,043,948	1,255,888	1,391,644	1,502,009	1,483,977	1,467,966
Orange Vale Water Company	82,709	156,402	179,205	394,248	480,908	578,540	688,408	747,996	755,610	758,942
City of Folsom	36,215	44,925	51,475	113,664	138,652	166,800	206,256	222,934	224,914	224,559
<b>Annual Debt Service Charge: <sup>A</sup></b>										
San Juan Water District Retail	\$ 613,611	\$ 447,679	\$ 613,811	\$ 613,752	\$ 613,804	\$ 505,084	\$ 540,568	\$ 535,680	\$ 535,680	\$ 535,680
Citrus Heights Water District	672,537	673,415	672,833	672,804	672,752	556,964	514,632	502,200	502,200	502,200
Fair Oaks Water Company	443,222	443,957	443,513	443,452	443,404	371,316	367,072	385,020	385,020	385,020
Orange Vale Water Company	191,913	192,041	191,922	191,952	191,952	155,584	181,580	184,140	184,140	184,140
City of Folsom	56,430	142,591	142,283	142,156	141,952	118,468	140,204	136,172	136,172	124,128
<b>Capital Facilities Charge: <sup>B</sup></b>										
San Juan Water District Retail		\$ 458,635	\$ 493,158	\$ 426,660	\$ 34,524	\$ 34,524	\$ 34,524	\$ -	\$ -	\$ -
Citrus Heights Water District		-	-	-	-	-	-	-	-	-
Fair Oaks Water Company		-	-	-	-	-	-	-	-	-
Orange Vale Water Company		210,270	219,447	219,448	9,176	9,176	9,176	-	-	-
City of Folsom		71,595	71,595	71,596	-	-	-	-	-	-
<b>Capital Facilities Fees: <sup>C</sup></b>										
Up to 1" Meter	\$ 372	\$ 381	\$ 391	\$ 400	\$ 412	\$ 1,186	\$ 1,216	\$ 1,233	\$ 1,313	\$ 1,388
1" Meter	619	633	650	665	686	1,186	1,216	1,233	1,313	1,388
1 1/2" Meter	1,240	1,269	1,303	1,333	1,374	2,371	2,430	2,464	2,624	2,773
2" Meter	1,983	2,029	2,083	2,131	2,197	3,794	3,889	3,943	4,199	4,438
3" Meter	3,964	4,055	4,164	4,260	4,392	7,589	7,779	7,888	8,400	8,877
4" Meter	6,196	6,339	6,509	6,659	6,865	11,857	12,153	12,323	13,124	13,869
6" Meter	15,489	15,845	16,270	16,644	17,160	29,643	30,384	30,809	32,811	34,675
8" Meter	22,305	22,818	23,430	23,969	24,712	42,686	43,753	44,366	47,249	49,933
10" Meter	35,936	36,763	37,748	38,616	39,813	68,772	70,491	71,478	76,124	80,448
12" Meter	53,285	54,511	55,972	57,259	59,034	101,973	104,522	105,985	112,874	119,285

Notes:  
<sup>A</sup> Board Approved Rate for Debt originally planned to be issued in 2019. Debt not yet fully issued as of June 30, 2023 therefore rate not assessed to customers.  
<sup>B</sup> The Capital Facilities Charge was implemented in 2015.  
<sup>C</sup> Capital Facilities Fees in 2019 were effective on February 26, 2019.

Source: San Juan Water District Finance Department

**San Juan Water District**  
**Table 4: Retail Water Rates and Connection Fees**  
 Last Ten Years Effective January 1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Commodity Rate per 100 CCF:</b> <sup>A,B,C</sup>										
Uniform Rate	\$ -	\$ 0.80	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.99
<b>Residential</b>										
0 to 20 ccf	0.46	-	-	-	-	-	-	-	-	-
21 to 200 ccf	0.77	-	-	-	-	-	-	-	-	-
201+ ccf	0.54	-	-	-	-	-	-	-	-	-
Commercial	0.66	-	-	-	-	-	-	-	-	-
<b>Daily Base Charge (fixed based on meter size):</b> <sup>A</sup>										
Up to 1"	\$ 1.20	\$ 1.08	\$ 1.24	\$ 1.42	\$ 1.63	\$ 1.83	\$ 2.05	\$ 2.23	\$ 2.50	\$ 2.70
1 1/2"	3.19	2.88	3.31	3.68	4.22	4.75	5.32	5.78	6.30	6.80
2"	5.10	4.59	5.28	5.58	6.72	7.56	8.47	9.20	9.95	10.75
3"	10.14	9.13	10.50	10.90	12.51	14.07	15.76	17.13	18.46	19.94
4"	15.80	14.23	16.36	18.12	20.80	23.40	26.21	28.48	30.62	33.07
6"	31.59	28.46	32.73	36.18	41.54	46.73	52.34	56.88	61.03	65.91
8"	56.79	51.16	58.83	57.85	66.42	74.72	83.68	90.94	97.51	105.31
10"	91.45	82.39	94.75	N/A						
12"	135.60	122.16	140.48	N/A						
Fire District	6.15	5.53	6.36	7.28	8.36	N/A	10.53	11.44	11.44	11.44
<b>Daily Base Charge for Private Fire Lines (fixed based on meter size):</b> <sup>A</sup>										
4"	\$ 0.46	\$ 0.47	\$ 0.53	\$ 0.57	\$ 0.62	\$ 0.68	\$ 0.74	\$ 0.78	\$ 1.03	\$ 1.06
6"	0.68	0.70	0.78	0.84	0.92	1.00	1.09	1.16	1.20	1.24
8"	0.92	0.95	1.05	1.14	1.24	1.35	1.47	1.56	1.34	1.38
10"	1.09	1.12	1.26	1.36	1.48	1.61	1.75	1.86	1.46	1.50
12"									1.60	1.65
<b>Capital Facilities Fees (see Table 3: Wholesale Rates for additional fees):</b> <sup>D</sup>										
Up to 1" Meter	\$ 14,195	\$ 14,521	\$ 14,910	\$ 15,253	\$ 15,726	\$ 15,726	\$ 15,726	\$ 15,726	\$ 16,084	\$ 16,998
1 1/2" Meter	28,389	29,042	29,820	30,506	31,452	31,452	31,452	31,452	32,168	33,995
2" Meter	45,423	46,468	47,713	48,810	50,323	50,323	50,323	50,323	51,469	54,392
3" Meter	90,847	92,936	95,427	97,622	100,648	100,648	100,648	100,648	102,938	108,785
4" Meter	140,981	144,224	148,089	151,495	156,191	156,191	156,191	156,191	160,840	169,976
6" Meter	283,896	290,426	298,209	305,068	314,525	314,525	314,525	314,525	321,680	339,951
8" Meter	511,024	522,778	536,788	549,134	566,157	566,157	566,157	566,157	579,025	611,914
10" Meter	823,316	842,252	864,824	884,715	912,141	912,141	912,141	912,141	932,873	985,860
12" Meter	1,220,778	1,248,856	1,282,325	1,311,819	1,352,485	1,352,485	1,352,485	1,352,485	1,383,226	1,461,793

Notes:

<sup>A</sup> The 2015 rates were amended February 1, 2015.

<sup>B</sup> Beginning February 1, 2015 the tiered rate structure was replaced with a uniform rate.

<sup>C</sup> A 10% drought surcharge on the volumetric rate was implemented on June 1, 2015 and removed April 1, 2016.

<sup>D</sup> 2019 Capital Facilities Fees were effective on February 26, 2019.

Source: San Juan Water District Finance Department  
 San Juan Water District Customer Service Department

**San Juan Water District**  
**Table 5: Retail Metered Water Sales by Type**  
 Last Ten Fiscal Years

Fiscal Year		Residential		Commercial		Total Water Sales	Total Water Deliveries (CCF)
<b>2014</b>	\$	7,388,797.70	\$	1,119,918.59	\$	8,508,716.29	5,430,370.00
<b>2015</b> <sup>A</sup>		6,661,233.00		1,185,368.00		7,846,601.00	4,414,012.00
<b>2016</b> <sup>A</sup>		7,196,801.00		1,058,636.00		8,255,437.00	4,717,454.00
<b>2017</b> <sup>A</sup>		7,952,605.00		1,161,882.00		9,114,487.00	4,663,318.16
<b>2018</b> <sup>A</sup>		9,533,094.98		1,389,190.32		10,922,285.30	4,990,169.87
<b>2019</b>		9,960,544.00		1,445,191.00		11,405,735.00	4,732,317.04
<b>2020</b>		11,120,000.00		1,596,838.00		12,716,838.00	5,152,696.22
<b>2021</b>		12,158,447.00		1,743,849.00		13,902,296.00	5,297,359.00
<b>2022</b>		12,511,345.27		1,791,470.11		14,302,815.38	4,762,930.50
<b>2023</b>		13,220,308.08		1,882,747.09		15,103,055.17	4,392,281.00

Note:

<sup>A</sup> Total Water Deliveries for Fiscal Years 2014-2015 through 2017-2018 are reported from August through July to match accrual adjustments at fiscal year end.

Sources: *San Juan Water District Finance Department (revenue)*  
*San Juan Water District Water Treatment Department (water deliveries) through Fiscal Year 2020*  
*San Juan Water District Customer Service Department (water deliveries) beginning Fiscal Year 2021*

**San Juan Water District**  
**Table 6: Ten Largest Retail Customers**  
 Current Year and Nine Years Ago

Customers	Fiscal Year					
	2023			2014		
	Total Revenue	Rank	Percentage of Revenue	Total Revenue	Rank	Percentage of Revenue
Eureka Union School District/Cavitt Jr. High	\$ 81,043	1	0.54%	\$ 41,324	1	0.49%
San Juan Unified School District	59,400	2	0.39%	29,985	2	0.35%
Roseville Joint Union High School	45,283	3	0.30%	22,526	3	0.26%
Placer County Department of Facility Services	29,061	4	0.19%	12,991	6	0.15%
Parkway Committee	22,903	5	0.15%	15,800	5	0.19%
Bushnells Landscape Creations	17,069	6	0.11%	11,465	8	0.13%
City of Folsom	17,013	7	0.11%	10,451	10	0.12%
Granite Bay Office LLC	16,912	8	0.11%	12,234	7	0.14%
Granite Bay Estates Mhc LLC	16,421	9	0.11%	11,111	9	0.13%
City of Roseville	14,683	10	0.10%			0.00%
Rolling Greens Estates LLC				18,021	4	0.21%
Placer County - Parks & Open Space						0.00%
Eureka Union School District/Oakhills						0.00%
Sierra Valley Real Estate						0.00%
California State Department of Parks & Rec						0.00%
Otow Revocable Living Trust						0.00%
<b>Total</b>	<b>\$ 319,788</b>		<b>2.12%</b>	<b>\$ 185,908</b>		<b>2.18%</b>
<b>Total Customer Revenue <sup>A</sup></b>	<b>\$ 15,103,055</b>			<b>\$ 8,508,716</b>		

Note:

<sup>A</sup> Total Customer Revenue includes the District's total commercial and residential retail revenue.

Source: San Juan Water District Customer Service Department

**San Juan Water District**  
**Table 7: Principal Property Taxpayers (Top 20)**  
 Current Year and Nine Years Ago

Taxpayer	Primary Land Use	Fiscal Year			
		2023		2014	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Montage Apartments Prop Owner LLC	Apartments	\$ 82,548,408	0.34%		
Ethan Conrad	Shopping Center	68,103,437	0.28%		
Birdcage GRF2 LLC	Shopping Center	55,522,233	0.23%		
Rollingwood Commons Apartments LLC	Apartments	50,688,092	0.21%	\$ 32,944,131	0.29%
AU Zone Madison LLC/NMC Madison Marketplace	Shopping Center	49,758,974	0.21%		
MG Atwood Apartments RIA LLC	Apartments	49,405,390	0.20%		
Madison Hills Property Owner LLC	Apartments	45,680,110	0.19%		
Mitchell/Sippola LP	Shopping Center	42,682,697	0.18%		
Gallery Park LLC/Westfal LLC	Apartments	34,163,301	0.14%		
Wal Mart Real Estate Business Trust	Commercial	32,324,097	0.13%	19,850,000	0.17%
HSRE Oakmont Fair Oaks LLC	Assisted Living Facility	32,128,207	0.13%		
Sacto Fair Oaks Blvd. Apts. LP	Apartments	30,217,072	0.13%	23,720,284	0.21%
Almond Heights EAT LLC	Assisted Living Facility	29,247,352	0.12%		
Fair Oaks Fountains LLC	Apartments	27,916,758	0.12%	18,208,133	0.16%
EXR PR Folsom LLC	Industrial	27,771,706	0.12%		
Wedgewood Commons Apartments LLC	Apartments	27,120,190	0.11%		
Marshall Field Stores Inc.	Commercial	27,044,165	0.11%	23,620,078	0.21%
Spring Creek Apartments LP	Apartments	26,746,733	0.11%		
Costco Wholesale Corporation	Commercial	25,773,698	0.11%	21,887,181	0.19%
Cable Park Property Owner LLC	Commercial	25,228,267	0.10%		
Steadfast Sunrise I LLC	Commercial			84,271,231	0.74%
FAOF Oak Creak LLC	Apartments			52,222,036	0.46%
MP Birdcage Marketplace LLC	Shopping Center			49,483,024	0.44%
The Realty Associates Fund VIII LP	Shopping Center			34,142,776	0.30%
Grove at Sunrise LLC	Apartments			29,668,825	0.26%
PK I Cable Park LP	Commercial			25,636,730	0.23%
Madison & Sunrise Associates LLC	Commercial			20,635,819	0.18%
Lowes HIW Inc.	Commercial			20,232,586	0.18%
Salishan Apartments LP	Apartments			19,930,628	0.18%
Fair Oaks Promenade LLC	Apartments			19,625,489	0.17%
Placer Partners LLC	Commercial			19,437,338	0.17%
Hunting Square Limited LP	Apartments			18,984,115	0.17%
Lake Point LLC	Apartments			18,639,832	0.16%
Orangevale Partners LLC	Apartments			17,732,204	0.16%
VIF & Lyon Oak Creek LLC	Apartments				
Sears Roebuck & Company	Commercial				
Theodore Mitchell	Commercial				
First Acorn LLC	Commercial				
<b>Total</b>		<b>\$ 790,070,887</b>	<b>3.27%</b>	<b>\$ 570,872,440</b>	<b>5.02%</b>

2022-2023 Total Secured Assessed Valuation:

\$ 24,133,611,955

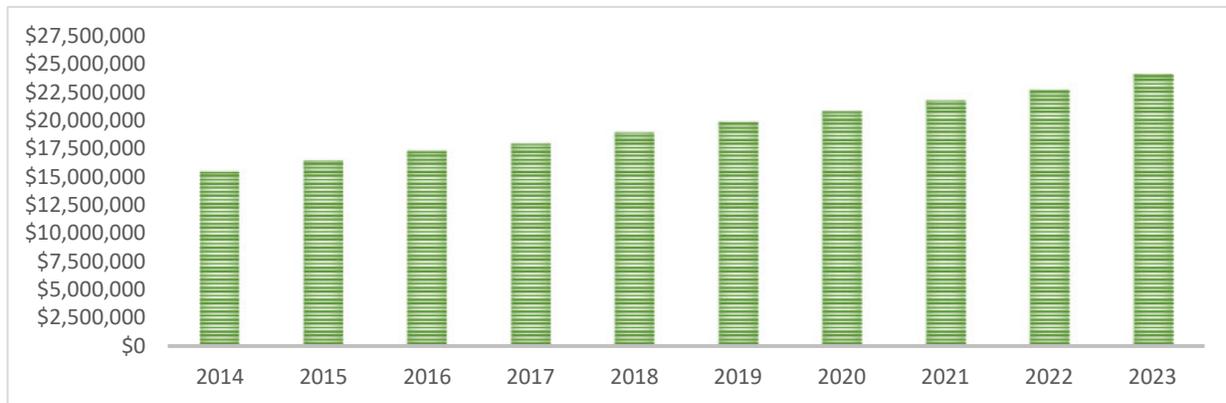
2013-2014 Total Secured Assessed Valuation:

\$ 11,365,219,295

Source: California Municipal Statistics, Inc

**San Juan Water District**  
**Table 8: Assessed Actual Value of Taxable Property**  
 (Accrual Basis of Accounting)  
 Last Ten Fiscal Years  
 (in thousands of dollars)

Fiscal Year	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value	Total Property Tax Revenue	Total Direct Tax Rate
2014	\$ 15,425,919	\$ 232,223	\$ 15,658,142	\$ 1,678	0.011%
2015	16,414,070	223,352	16,637,422	1,798	0.011%
2016	17,262,244	216,199	17,478,443	1,908	0.011%
2017	17,928,033	216,351	18,144,384	2,037	0.011%
2018	18,906,931	211,559	19,118,490	2,123	0.011%
2019	19,830,731	220,445	20,051,176	2,236	0.011%
2020	20,790,779	231,301	21,022,080	2,329	0.011%
2021	21,721,381	236,016	21,957,397	2,431	0.011%
2022	22,670,249	236,610	22,906,859	2,562	0.011%
2023	24,133,612	275,567	24,409,179	2,765	0.011%



Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Sources: *County of Sacramento and County of Placer (Fiscal Years 2011-2012 through 2014-2015)*  
*California Municipal Statistics, Inc. (Fiscal Year 2015-2016 through current)*  
*San Juan Water District Finance Department (revenue - all years)*

**San Juan Water District**  
**Table 9: Ratios of Outstanding Debt by Type**  
 Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Certificates of Participation	Economic Development Admin Loan	Refunding Loan	Hinkle Reservoir Rehabilitation Loan	SBITA	Unamortized Premiums	Total Debt	Percentage of Personal Income	Debt Per Capita <sup>A</sup>
2014	\$ 11,895,000	\$ 29,670,000	\$ 81,190	\$ -	\$ -	\$ -	\$ 1,560,211	\$ 43,206,401	65.97%	237.09
2015	11,475,000	29,255,000	55,159	-	-	-	1,435,162	42,220,321	48.24%	278.63
2016	11,035,000	28,825,000	27,826	-	-	-	1,312,829	41,200,655	45.52%	269.97
2017	36,710,000	-	-	-	-	-	3,217,870	39,927,870	41.32%	259.78
2018	35,300,000	-	-	-	-	-	3,013,568	38,313,568	35.74%	247.53
2019	34,250,000	-	-	-	-	-	2,812,806	37,062,806	32.73%	237.79
2020	33,165,000	-	-	-	-	-	2,615,939	35,780,939	29.81%	236.43
2021	32,030,000	-	-	-	-	-	2,424,194	34,454,194	26.02%	226.82
2022	22,795,000	-	-	8,152,537	-	-	1,740,867	32,688,404	24.82%	214.40
2023	22,140,000	-	-	8,152,537	846,424	24,213	1,635,886	32,799,060	N/A	214.33

<sup>A</sup> The total population used to calculate the Debt Per Capita for Fiscal Year 2020 double counted the retail population. The Debt Per Capita has been updated using the correct population for that fiscal year.

Note: Details regarding the District's debt can be found in the notes to the financial statements.

Source: San Juan Water District Finance Department

**San Juan Water District**  
**Table 10: Computation of Direct and Overlapping Bonded Debt**  
June 30, 2023

2022-2023 Assessed Valuation: \$ 24,409,178,766

<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>Total Debt 06/30/23</b>	<b>Percent Applicable <sup>A</sup></b>	<b>District's Share of Debt 06/30/23</b>
Los Rios Community College District	\$ 448,500,000	7.235%	\$ 32,448,975
Sierra Joint Community College District School Facilities Improvement District No. 4	211,025,000	7.565	15,964,041
Folsom-Cordova Unified School District School Facilities Improvement District No. 2	12,039,210	9.374	1,128,556
Folsom-Cordova Unified School District School Facilities Improvement District No. 5	177,605,000	10.153	18,032,236
San Juan Unified School District	680,488,183	36.879	250,957,237
Placer Union High School District	18,352,419	4.099	752,266
Placer Union High School District School Facilities Improvement District No. 2	38,095,000	11.189	4,262,450
Roseville Joint Union High School District	107,654,772	15.041	16,192,354
Loomis Union School District	690,000	14.725	101,603
Roseville City School District	9,224,633	0.565	52,119
Carmichael Park and Recreation District	10,000,000	9.022	902,200
Fair Oaks Recreation and Park District	25,040,058	98.920	24,769,625
California Municipal Finance Authority Community Facilities District No. 2019-6	612,000	100	612,000
California Municipal Finance Authority Community Facilities District No. 2020-8	2,815,000	100	2,815,000
California Municipal Finance Authority Community Facilities District No. 2022-3	3,085,000	100	3,085,000
Roseville Placer Valley Sports Complex and Tourism Marketing Assessment District	29,934,000	2.122	635,199
California Statewide Community Development Authority Obligations	10,982,140	100	10,982,140
San Juan Water District	32,799,060	100	32,799,060
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 1,818,941,475</b>		<b>\$ 416,492,061</b>
<b>OVERLAPPING GENERAL FUND DEBT</b>			
Sacramento County General Fund Obligations	\$ 116,785,623	8.697%	\$ 10,156,846
Sacramento County Pension Obligation Bonds	539,161,779	8.697	46,890,900
Sacramento County Board of Education Certificates of Participation	2,150,000	8.697	186,986
Placer County General Fund Obligations	81,385,000	6.551	5,331,531
Sierra Joint Community College District Certificates of Participation	802,000	5.015	40,220
Roseville Joint Union High School District Certificates of Participation	61,150,000	15.041	9,197,572
Eureka Union School District Certificates of Participation	1,970,000	73.141	1,440,878
Roseville City School District Certificates of Participation	6,847,705	0.565	38,690
City of Citrus Heights Certificates of Participation	3,520,001	65.976	2,322,356
City of Folsom Certificates of Participation	814,635	10.711	87,256
City of Roseville Certificates of Participation	15,952,765	2.119	338,039
Sacramento Metropolitan Fire District Certificates of Participation	7,643,000	19.242	1,470,666
Sacramento Metropolitan Fire District Pension Obligation Bonds	25,455,000	19.242	4,898,051
South Placer Fire Protection District Certificates of Participation	4,525,000	61.625	2,788,531
Orangevale Recreation and Park District Certificates of Participation	863,000	99.947	862,543
Sunrise Recreation and Park District Certificates of Participation	4,835,000	37.119	1,794,704
Placer Mosquito and Vector Control District General Fund Obligations	1,854,000	6.551	121,456
<b>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</b>	<b>\$ 875,714,508</b>		<b>\$ 87,967,225</b>
Less: Sacramento County supported obligations			1,082,831
<b>TOTAL NET OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 86,884,394</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 32,799,060</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$ 471,660,226</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$ 470,577,395</b>
<b>GROSS COMBINED TOTAL DEBT <sup>B</sup></b>			<b>\$ 471,660,226</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$ 470,577,395</b>
<b>Ratios to 2022-23 Assessed Valuation:</b>			
Direct Debt		0.13%	
Total Direct and Overlapping Tax and Assessment Debt		1.71%	
Gross Combined Total Debt		1.93%	
Net Combined Total Debt		1.93%	

Notes:

<sup>A</sup> The percentage of overlapping debt applicable to the water district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the water district divided by the overlapping district's total taxable assessed value.

<sup>B</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.  
San Juan Water District Finance Department

**San Juan Water District**  
**Table 11: Ratio of Annual Debt Service Expenses for All Debt to Total General Expenses**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest <sup>A</sup></b>	<b>Total Debt Service</b>	<b>Total General Expenses <sup>B</sup></b>	<b>Ratio of Debt Service to Total General Expenses</b>
2014	\$ 679,726	\$ 2,265,829	\$ 2,945,555	\$ 17,641,917	16.70%
2015	861,031	2,246,935	3,107,966	15,709,068	20.67%
2016	897,333	2,214,358	3,111,691	19,367,331	16.07%
2017	927,826	2,150,429	3,078,255	19,440,126	15.83%
2018	1,410,000	1,525,956	2,935,956	20,000,867	14.68%
2019	1,050,000	1,486,081	2,536,081	20,785,491	12.20%
2020	1,085,000	1,444,171	2,529,171	25,640,417	9.86%
2021	1,135,000	1,394,812	2,529,812	22,556,045	11.22%
2022	1,185,001	1,234,680	2,419,681	19,809,160	12.21%
2023	1,385,665	1,044,369	2,430,034	22,268,139	10.91%

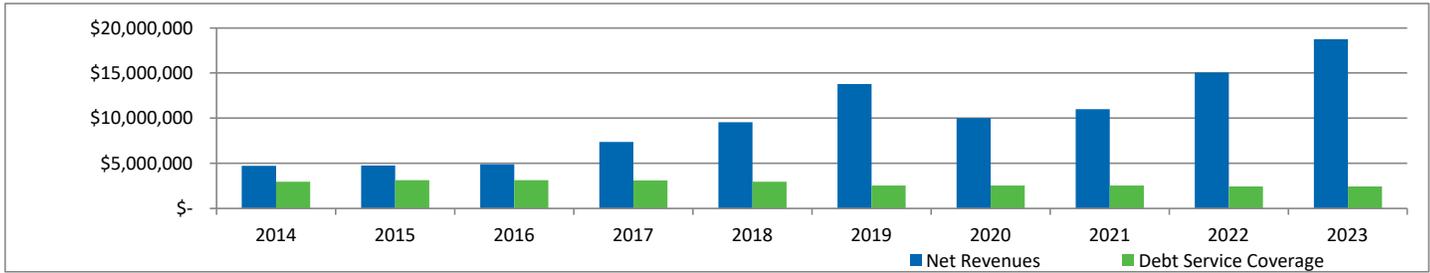
Notes:

<sup>A</sup> Interest is the fiscal year interest expense less amortization expense.

<sup>B</sup> Total general expenses are total expenses excluding interest expense. Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: San Juan Water District Finance Department

**San Juan Water District**  
**Table 12: Debt Service Coverage**  
 Last Ten Fiscal Years



	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Retail Water Sales	\$ 8,481,583	\$ 7,846,437	\$ 8,255,437	\$ 9,114,487	\$ 10,922,285	\$ 11,405,735	\$ 12,716,838	\$ 13,902,296	\$ 14,302,815	\$ 15,103,055
Wholesale Water Sales	6,614,719	6,379,883	7,067,960	9,477,539	10,492,472	13,044,976	11,157,014	11,077,962	10,750,044	12,297,936
Capital Charges/Other Contributions <sup>A</sup>								1,420,305	2,605,254	-
Capital Contributions <sup>B</sup>	(225,068)	959,849	762,439	600,311	946,298	2,601,290	232,052	-	-	4,564,516
Connections/Annexations	1,134,335	1,020,687	657,865	399,703	397,668	207,520	380,793	-	-	-
Property Tax Revenue	1,677,842	1,799,464	1,908,134	2,036,972	2,123,196	2,236,374	2,328,700	2,431,477	2,562,122	2,765,083
Investment Income	271,721	147,684	217,332	123,079	107,104	654,311	811,433	143,967	(567,635)	751,196
Other	870,679	790,267	1,799,955	1,577,754	1,004,711	701,688	750,327	748,303	1,292,132	831,410
<b>Total</b>	<b>\$ 18,825,811</b>	<b>\$ 18,944,271</b>	<b>\$ 20,669,122</b>	<b>\$ 23,329,845</b>	<b>\$ 25,993,734</b>	<b>\$ 30,851,894</b>	<b>\$ 28,377,157</b>	<b>\$ 29,724,310</b>	<b>\$ 30,944,732</b>	<b>\$ 36,313,196</b>
<b>Operation &amp; Maintenance Costs</b>										
Source of Supply	\$ 2,912,322	\$ 3,082,424	\$ 2,861,628	\$ 3,960,004	\$ 4,420,199	\$ 4,777,081	\$ 4,158,215	\$ 4,186,231	\$ 4,116,474	\$ 5,118,248
Transmission/Distribution	2,240,966	2,671,982	2,530,756	2,827,356	3,133,490	3,474,927	3,746,886	4,049,269	4,182,101	-
Water Treatment	1,888,549	2,147,336	2,004,076	2,384,261	2,781,469	2,769,364	3,242,385	2,742,205	3,273,649	3,399,152
Administration/General	3,822,770	3,301,971	3,727,237	3,738,168	2,719,157	2,934,918	2,934,726	3,111,632	3,027,296	4,574,710
Customer Service	597,624	540,731	572,400	552,993	648,714	661,246	736,420	690,755	731,227	3,080,727
Water Efficiency	649,832	682,311	726,091	512,520	369,331	413,627	725,636	491,287	508,745	854,064
Engineering	633,783	432,701	603,427	603,841	662,812	810,128	422,066	896,033	731,306	480,448
Pumping and Telemetry <sup>C</sup>	759,067	-	-	-	-	-	-	-	-	870,266
Retirement/Pension	398,851	586,942	443,149	976,780	1,603,957	1,132,056	2,244,459	2,313,614	(847,715)	(931,186)
Other	198,473	765,647	2,299,092	421,171	106,159	102,438	149,816	247,059	187,528	131,867
<b>Total</b>	<b>\$ 14,102,237</b>	<b>\$ 14,212,045</b>	<b>\$ 15,767,856</b>	<b>\$ 15,977,094</b>	<b>\$ 16,445,288</b>	<b>\$ 17,075,785</b>	<b>\$ 18,360,609</b>	<b>\$ 18,728,085</b>	<b>\$ 15,910,611</b>	<b>\$ 17,578,296</b>
<b>Net Revenues</b>	<b>\$ 4,723,574</b>	<b>\$ 4,732,226</b>	<b>\$ 4,901,266</b>	<b>\$ 7,352,751</b>	<b>\$ 9,548,446</b>	<b>\$ 13,776,109</b>	<b>\$ 10,016,548</b>	<b>\$ 10,996,225</b>	<b>\$ 15,034,121</b>	<b>\$ 18,734,899</b>
<b>Debt Service</b>										
2022 Refunding Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,369	\$ 840,100
2017 Bonds <sup>D</sup>	-	-	-	23,181	1,971,722	1,569,996	1,567,063	1,563,329	1,563,713	1,564,460
2012 Bonds	804,300	971,800	979,200	968,500	964,234	966,085	962,108	966,483	800,599	-
2009 COPs <sup>D</sup>	2,112,275	2,106,075	2,102,400	2,057,650	-	-	-	-	-	-
2003 COPs	-	-	-	-	-	-	-	-	-	-
EDA Loan	30,091	30,091	30,091	28,924	-	-	-	-	-	-
CEC Advance	-	-	-	-	-	-	-	-	-	-
SBITA (ESRI)	-	-	-	-	-	-	-	-	-	25,000
Hinkle SRF Loan	-	-	-	-	-	-	-	-	-	473
<b>Total</b>	<b>\$ 2,946,666</b>	<b>\$ 3,107,966</b>	<b>\$ 3,111,691</b>	<b>\$ 3,078,255</b>	<b>\$ 2,935,956</b>	<b>\$ 2,536,081</b>	<b>\$ 2,529,171</b>	<b>\$ 2,529,812</b>	<b>\$ 2,419,681</b>	<b>\$ 2,430,033</b>
<b>Debt Service Coverage</b>	<b>1.60</b>	<b>1.52</b>	<b>1.58</b>	<b>2.39</b>	<b>3.25</b>	<b>5.43</b>	<b>3.96</b>	<b>4.35</b>	<b>6.21</b>	<b>7.71</b>

Notes:

<sup>A</sup> Capital Contributions and Other Contributions as of Fiscal Year 2020 includes Connections/Annexations (Capital Facilities Fees) and Capital Contributions, but excludes capital asset contributions (donations).

<sup>B</sup> Capital Contributions excludes capital asset contributions (donations).

<sup>C</sup> Beginning in Fiscal Year 2014-2015, Pumping and Telemetry is split between Water Treatment and Transmission and Distribution.

<sup>D</sup> The 2009 COP Bonds were refunded in June 2017 by the 2017 Bonds.

Source: San Juan Water District Finance & Administrative Services Department

**San Juan Water District**  
**Table 13: Principal Employers for Counties Served**  
 Current Year and Seven Years Ago

County of Sacramento Employer <sup>A</sup>	Fiscal Year					
	2023			2016		
	Number of Employees	Rank	Percentage of Total Employed	Number of Employees	Rank	Percentage of Total Employed
State of California	107,876	1	15.49%	73,676	1	11.22%
UC Davis Health	16,075	2	2.31%	10,145	3	1.55%
Sacramento County	13,252	3	1.90%	11,950	2	1.82%
Kaiser Permanente	10,934	4	1.57%	8,885	6	1.35%
U.S. Government	10,507	5	1.51%	10,007	4	1.52%
Sutter Health	9,350	6	1.34%	8,905	5	1.36%
Dignity Health	7,353	7	1.06%	7,853	7	1.20%
Intel Corporation	5,000	8	0.72%	6,000	8	0.91%
San Juan Unified School District	4,801	9	0.69%			
Los Rios Community College District	3,049	10	0.44%			
Elk Grove Unified School District				5,863	9	0.89%
City of Sacramento				4,300	10	0.66%
<b>Total</b>	<b>188,197</b>		<b>27.02%</b>	<b>147,584</b>		<b>22.48%</b>
<b>Total Employed in Sacramento County</b>	<b>696,500</b>			<b>656,400</b>		

County of Placer Employer <sup>A</sup>	Fiscal Year					
	2023			2016		
	Number of Employees	Rank	Percentage of Total Employed	Number of Employees	Rank	Percentage of Total Employed
Sutter Health	6,223	1	3.33%	5,435	1	3.17%
Kaiser Permanente	5,865	2	3.14%	5,361	2	3.13%
Placer County	2,585	3	1.38%	2,700	3	1.58%
Thunder Valley Casino Resort	2,300	4	1.23%	1,915	7	1.12%
Sierra Joint Community College District	1,900	5	1.02%	1,940	6	1.13%
Palisades Tahoe	1,321	6	0.71%	2,500	4	1.46%
City of Roseville	1,320	7	0.71%			
Roseville City School District	1,286	8	0.69%			
Safeway, Inc.	1,217	9	0.65%	1,254	8	0.73%
Pacific Gas and Electric Co.	1,120	10	0.60%			
Hewlett-Packard Co.				2,100	5	1.23%
PRIDE Industries, Inc.				1,155	9	0.67%
Solar City Corp				1,120	10	0.65%
Squaw Valley Alpine Meadows						
<b>Total</b>	<b>25,137</b>		<b>13.45%</b>	<b>25,480</b>		<b>14.87%</b>
<b>Total Employed in Placer County</b>	<b>186,900</b>			<b>171,400</b>		

<sup>A</sup> Information is not available specific to San Juan Water District service area, so counties served are shown.

Sources: *Sacramento Business Journal* May 12, 2023 / updated Nov 20, 2023  
*Sacramento Business Journal* 2016  
 California Employment Development Department

**San Juan Water District**  
**Table 14: Demographic and Economic Statistics**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Wholesale Population<sup>A,B</sup></b>	<b>Retail Population<sup>B</sup></b>	<b>Total Personal Income<sup>C</sup></b>	<b>Per Capita Personal Income<sup>C,D</sup></b>	<b>Unemployment Rate<sup>C</sup></b>
2014	182,239	31,009	65,495,913	35,940	7.37%
2015	151,531	29,452	87,513,638	57,753	5.78%
2016	152,614	29,578	90,506,232	59,304	5.61%
2017	153,697	29,704	96,641,943	62,878	4.62%
2018	154,781	29,830	107,192,168	69,254	4.08%
2019	155,865	29,957	113,234,951	72,649	3.74%
2020	151,341	29,680	120,033,390	79,313	13.06%
2021	151,903	29,712	132,411,997	87,169	7.05%
2022	152,468	29,744	131,688,105	86,371	3.66%
2023	153,034	29,776	Not yet available		4.37%

Note:

<sup>A</sup> Wholesale population for 2012 through 2014 includes estimates of Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, San Juan Water District Retail and City of Folsom (served by San Juan Water District Wholesale) based on the 2010 Urban Water Management Plan.

Beginning with Fiscal Year 2015, the population is based on the 2015 Urban Water Management Plan, which includes a new calculation methodology from the Department of Water Resources.

Beginning in Fiscal Year 2020, the population is based on the 2020 Urban Water Management Plan, which includes a new calculation methodology from the Department of Water Resources. Fiscal Year 2020 has been adjusted to actual numbers based on the plan.

<sup>B</sup> Retail Population is included in the Wholesale Population.

<sup>C</sup> Total Personal Income, Per Capita Personal Income and the Unemployment Rate are not available for the District's specific service area, so it includes totals for both Sacramento and Placer Counties.

<sup>D</sup> Per Capita Personal Income calculation was adjusted for all years to use the Wholesale Population. The previous calculation included the Wholesale Population plus Retail Population, which resulted in the double counting of the Retail Population.

Sources: *U.S. Department of Commerce, Bureau of Economic Analysis (total personal income)*  
*San Juan Water District Urban Management Plan (population)*  
*California Employment Development Department (unemployment rate)*

**San Juan Water District**  
**Table 15: Staffing - Certificates - Licenses by Function/Program**  
 Last Ten Fiscal Years

Comparison by Function/Program	Full-Time Equivalent Employees as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Executive	3	3	3	4	4	4	4	4	4	4
Customer Service	4	4	4	4	4	5	4.5	4.5	4.5	5
Engineering Services	4	4	4	4	4	4	4	4	4	4
Field Services	15	15	15	15	15	14.9	13	13	14	14
Finance/Administrative Services	5	5	5	5	6	4	5	5	5	5
Operations	0	0	0	0	0	0	3	3	3	3
Water Efficiency	4	4	4	3	4	5	3.5	3.5	3.5	3
Water Treatment Operations	10	10	10	10	11	12.2	11	11	11	11
<b>Total</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>47</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>49</b>	<b>49</b>

Actual Versus Budgeted (Current Year and 9 Years Ago)	Fiscal Year 2023		Fiscal Year 2014	
	Filled as of	Budgeted	Filled as of	Budgeted
	June 30		June 30	
Executive	4.00	4.00	4.0	4.0
Customer Service	5.00	4.50	4.0	4.0
Engineering Services	4.00	4.00	3.0	4.0
Field Services	14.00	14.92	14.0	14.0
Finance/Administrative Services	5.00	5.00	5.0	5.0
Operations	3.00	3.00	1.0	1.0
Water Efficiency	3.00	3.50	4.0	4.0
Water Treatment Operations	11.00	11.00	10.0	10.0
<b>Total</b>	<b>49.00</b>	<b>49.92</b>	<b>45.0</b>	<b>46.0</b>

Certificates and Licenses	June 30, 2023
American Water Works Association - Cross Connection Control Specialist	3
American Water Works Association - Water Use Efficiency Practitioner Grade 1	0
American Water Works Association - Water Quality Analyst	1
Northern CA Backflow Prevention Assoc - Backflow Prevention Assembly General Tester	9
Northern CA Backflow Prevention Assoc - Cross Connection Control Specialist	7
State Water Resources Control Board Water Distribution Operator	
Grade 1	0
Grade 2	5
Grade 3	8
Grade 4	9
Grade 5	2
State Water Resources Control Board Water Treatment Operator	
Grade 1	2
Grade 2	10
Grade 3	1
Grade 4	3
Grade 5	3
California Professional Engineer - Civil	5
California Water Environment Association Electrical Technician Grade 2	1
Certified Public Accountant	1
Department of Industrial Relations - Certified General Electrician	1
Irrigation Association Certified Irrigation Landscape Auditor	1
Qualified Water Efficient Landscaper	3
The State Bar of California - Attorney	1

Sources: San Juan Water District Finance Department  
 San Juan Water District Field Services Department  
 San Juan Water District Treatment Department

**San Juan Water District**  
**Table 16: Wholesale Water System Capital Asset and Operating Indicators**  
 Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Facilities:</b>										
# of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Plant Capacity (MGD) <sup>A</sup>	150	150	150	150	150	150	150	150	150	150
Miles of Pipeline <sup>B</sup>			16	16	16	16	16	16	16	16
# of ARVs	86	89	90	90	92	93	93	94	94	94
# of Blow-offs	59	60	59	59	61	61	61	61	61	61
# of Fire Hydrants	14	14	14	14	14	14	14	15	15	15
# of Valves	45	48	48	48	51	51	51	51	51	51
# of Pumping Stations <sup>C</sup>	-	-	1	1	1	1	1	1	1	1
# of Storage Tanks/Reservoirs	1	1	1	1	1	1	1	1	3	3
<b>Water Supply Available (in acre-feet):</b>										
Pre-1914 Water Rights	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
USBR/CVP Water Contract	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
PCWA Contract	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total Water Supply</b>	<b>82,200</b>									
<b>Water Supply Delivered (in acre-feet):</b>										
Pre-1914 Water Rights	30,952	29,372	26,219	27,126	33,996	28,466	32,846	33,215	31,269	23,928
USBR/CVP Water Contract	-	-	1,230	-	-	-	-	-	-	2,063
PCWA Contract	10,374	-	3,594	6,330	2,228	5,644	3,446	4,790	755	5,891
<b>Total Water Supply Delivered</b>	<b>41,326</b>	<b>29,372</b>	<b>31,043</b>	<b>33,456</b>	<b>36,225</b>	<b>34,110</b>	<b>36,292</b>	<b>38,005</b>	<b>32,024</b>	<b>31,882</b>
<b>Production (average in acre-feet):</b>										
Five Year	50,834	48,106	43,309	41,262	40,707	41,921	44,267	45,952	44,204	42,148
Ten Year	57,751	54,577	51,157	48,710	47,486	46,426	46,235	44,679	42,799	41,410
Fifteen Year	61,777	59,824	57,406	55,660	54,372	52,500	51,172	49,454	47,525	45,663
Twenty Year	60,156	59,548	58,737	58,066	57,760	56,832	55,954	54,562	52,824	51,288
<b>Number of Retail Connections by Wholesale Customer:</b>										
San Juan Water District	10,500	10,559	10,601	10,617	10,641	10,655	10,672	10,696	10,776	10,915
Citrus Heights Water District <sup>D</sup>	19,645	19,785	19,851	19,902	19,911	19,937	19,958	20,201	20,251	F
Fair Oaks Water District <sup>D</sup>	14,278	13,894	13,996	13,986	14,031	14,241	14,390	14,390	14,371	F
Orange Vale Water Company	5,600	5,600	5,600	5,600	5,673	5,679	5,679	5,682	5,648	G
City of Folsom	981	981	981	981	981	981	981	981	981	981
<b>Total Connections</b>	<b>51,004</b>	<b>50,819</b>	<b>51,029</b>	<b>51,086</b>	<b>51,237</b>	<b>51,493</b>	<b>51,680</b>	<b>51,950</b>	<b>52,027</b>	<b>11,896</b>
<b>Population <sup>E</sup></b>	<b>182,239</b>	<b>151,531</b>	<b>152,614</b>	<b>153,697</b>	<b>154,781</b>	<b>155,865</b>	<b>151,341</b>	<b>151,903</b>	<b>152,468</b>	<b>153,034</b>

Notes:

<sup>A</sup> Treatment plant is rated for 150 MGD. Normal permitted operation is 120 and permit conditions allow for up to 150 flows between May 15th and September 30th with State DPH conditional approval.

<sup>B</sup> Wholesale pipeline numbers were calculated and removed from Retail's total miles of pipeline as of 2016.

<sup>C</sup> Pump stations were assigned directly to Retail beginning January 1, 2011. Previously costs were recovered through the Wholesale Rate charged to SJWD Retail.

<sup>D</sup> Connections are reported as of agency's December 31 fiscal year end.

<sup>E</sup> The District updated population statistics in its 2015 Urban Water Management Plan, and again in its 2020 Urban Water Management Plan based on new calculation methodologies from the Department of Water Resources. Fiscal Year 2020 number has been adjusted from what was previously reported. See Demographic and Economic Table 14 for additional information.

<sup>F</sup> Citrus Heights Water District and Fair Oaks Water District Number of Retail Connections is not available as their financials are not available online when preparing this table. Both Districts work on a calendar year and their current fiscal year end date is December 31, 2023.

<sup>G</sup> Orange Vale Water Company did not provide SJWD with their 2023 Number of Retail Connections. Their financials are not available online.

Sources: *San Juan Water District Finance Department*  
*San Juan Water District Engineering Services Department*  
*San Juan Water District Wholesale Treatment Department*

**San Juan Water District**  
**Table 17: Wholesale Water Production by Month**  
 Last Ten Fiscal Years  
 (in million gallons)

	<b>2013- 2014</b>	<b>2014- 2015</b>	<b>2015- 2016</b>	<b>2016- 2017</b>	<b>2017- 2018</b>	<b>2018- 2019</b>	<b>2019- 2020</b>	<b>2020- 2021</b>	<b>2021- 2022</b>	<b>2022- 2023</b>
July	2,226	1,634	1,296	2,157	2,312	2,347	2,247	1,847	1,592	1,564
August	2,071	1,620	1,290	2,290	2,281	2,080	2,180	2,059	1,427	1,573
September	1,621	1,389	1,193	1,920	1,853	1,605	1,940	1,786	1,275	1,263
October	1,350	1,110	970	996	1,566	1,516	1,665	1,519	809	1,044
November	931	631	536	769	856	1,103	1,213	829	368	579
December	688	454	453	649	539	712	583	643	473	489
January	563	488	410	630	385	649	532	538	635	439
February	196	439	491	546	458	600	581	437	665	411
March	350	726	630	676	446	631	606	619	877	408
April	629	773	928	754	730	980	771	1,158	875	772
May	1,227	885	1,444	1,490	1,652	1,274	1,252	1,399	1,315	1,420
June	1,613	1,129	1,929	1,871	2,177	1,947	1,530	1,481	1,589	1,933
<b>Annual Total</b>	<b>13,466</b>	<b>11,279</b>	<b>11,571</b>	<b>14,748</b>	<b>15,256</b>	<b>15,444</b>	<b>15,100</b>	<b>14,315</b>	<b>11,900</b>	<b>11,895</b>
<b>Average Monthly Water Production</b>	<b>1,122</b>	<b>940</b>	<b>964</b>	<b>1,229</b>	<b>1,271</b>	<b>1,287</b>	<b>1,258</b>	<b>1,193</b>	<b>992</b>	<b>991</b>
<b>Average Daily Water Production</b>	<b>36.9</b>	<b>30.9</b>	<b>31.7</b>	<b>40.4</b>	<b>41.8</b>	<b>42.3</b>	<b>41.4</b>	<b>39.2</b>	<b>32.6</b>	<b>32.6</b>

Source: San Juan Water District Wholesale Operations Department

**San Juan Water District**  
**Table 18: Retail Water System Capital Asset and Operating Indicators**  
 Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Facilities:</b>										
Miles of Main Line <sup>A</sup>	214	216	201	206	206	206	206	206	207	211
# of ARVs	804	673	769	769	775	775	778	783	787	801
# of Blow-offs	861	739	798	798	807	809	811	819	822	835
# of Fire Hydrants	1,443	1,432	1,454	1,454	1,462	1,463	1,463	1,476	1,486	1,525
# of Valves	2,810	2,675	2,849	2,849	2,852	2,864	2,867	2,883	2,936	3,022
# of Pumping Stations	6	6	9	9	9	9	9	9	9	9
# of Storage Tanks/Reservoirs	1	1	3	3	3	3	3	3	3	3
<b>Active Connections:</b>										
Single-Family Residential	9,908	9,964	10,003	10,011	10,030	10,049	10,063	10,083	10,158	10,253
Multi-Family Residential	119	119	119	119	119	119	117	117	117	117
Commercial	242	241	243	249	250	248	250	251	253	255
Institutional	11	11	11	11	11	11	11	11	11	11
Landscape Irrigation	207	211	212	212	215	212	214	218	221	223
Agricultural Irrigation	5	5	5	7	8	8	9	8	8	9
Other	8	8	8	8	8	8	8	8	8	8
<b>Total Connections</b>	<b>10,500</b>	<b>10,559</b>	<b>10,601</b>	<b>10,617</b>	<b>10,641</b>	<b>10,655</b>	<b>10,672</b>	<b>10,696</b>	<b>10,776</b>	<b>10,876</b>
<b>Total New Connections</b>	<b>59</b>	<b>59</b>	<b>42</b>	<b>16</b>	<b>24</b>	<b>14</b>	<b>17</b>	<b>24</b>	<b>80</b>	<b>100</b>
<b>Consumption (units of ccf):</b>										
Single-Family Residential	4,645,129	3,022,810	2,951,662	3,508,844	4,028,167	3,830,930	4,250,655	4,553,104	4,073,494	3,756,829
Multi-Family Residential	76,392	57,293	54,675	58,822	60,879	66,619	63,846	64,094	58,661	55,266
Commercial	195,122	129,490	122,397	145,857	163,192	160,740	166,246	183,094	164,337	159,288
Institutional	97,881	85,287	78,787	56,236	84,318	84,234	86,038	82,264	86,849	70,125
Landscape Irrigation	402,151	252,183	244,749	235,248	357,005	337,484	366,671	381,763	349,175	326,338
Agricultural Irrigation	12,787	10,745	9,864	84,530	20,337	26,877	26,976	30,029	29,318	23,405
Other (sewer lift/pump stations)	908	827	791	245	442	1,561	1,178	3,013	1,098	1,032
<b>Total Consumption</b>	<b>5,430,370</b>	<b>3,558,634</b>	<b>3,462,925</b>	<b>4,089,781</b>	<b>4,714,338</b>	<b>4,508,445</b>	<b>4,961,610</b>	<b>5,297,361</b>	<b>4,762,932</b>	<b>4,392,283</b>
<b>Average Daily Consumption</b>	<b>14,878</b>	<b>9,750</b>	<b>9,487</b>	<b>11,205</b>	<b>12,916</b>	<b>12,352</b>	<b>13,593</b>	<b>14,513</b>	<b>13,049</b>	<b>12,034</b>
Population <sup>B</sup>	31,009	29,452	29,578	29,704	29,830	29,957	29,680	29,712	29,744	29,776

Note:  
<sup>A</sup> Wholesale pipeline numbers were removed from Retail's total miles of pipeline as of 2016.  
<sup>B</sup> Fiscal Year 2020 Population total adjusted based on what was reported in the 2020 Urban Water Management Plan.

Sources: San Juan Water District Customer Services Department  
 San Juan Water District Engineering Services Department

**San Juan Water District**  
**Table 19(a): Capital Facilities Fee Report - Summary**  
**Per Government Code Section 66013(d) and (e)**  
Fiscal Year Ended June 30, 2023

Connection Fees, beginning balance		\$ 1,026,250
Wholesale Capital Facility Fees Collected	\$ 279,042	
Retail Capital Facility Fees Collected	3,373,674	
Total Capital Facility Fees Collected	3,652,716	
Interest Earned	137,527	
Fees Available	4,816,493	
Applied to:		
Reimbursement for Existing Facilities - Wholesale <sup>A</sup>	\$ 279,042	
Reimbursement for Existing Facilities - Retail <sup>A</sup>	1,012,102	
Current Year Projects	221,632	
Total Funds Applied	1,512,776	
Net Changes for the Year		3,303,717
Capital Facility Fees, ending balance		\$ 4,329,967

<sup>A</sup> The Wholesale Capital Facility Fee and 30% of the Retail Capital Facility Fee were calculated using the Buy-In Methodology. This methodology results in a fee, or portion thereof, that is designed to reimburse the District's ratepayers for the current depreciated replacement value of the existing system. The value of the system, upon which the fee was calculated, is disclosed in the Wholesale and Retail Capital Facility Fee Studies, respectively. Both reports are available upon request.

The remaining 70% of the retail capital facility fee revenue is designated for projects that have an expansionary component, meaning the project, or a portion thereof, will use the system to accommodate future growth. The portion of the fee collected, but not yet spent is held in reserve. See Schedule 19(b) for a reporting of such assets/projects.

Source: San Juan Water District Finance & Administrative Services Department

**San Juan Water District**  
**Table 19(b): Capital Facility Fee Report - Project Detail**  
**Per Government Code Section 66013(d) and (e)**  
**Fiscal Year Ended June 30, 2023**

**Capital Projects with a Growth Component 2021 - 2031**

Project Description	Total Anticipated Costs	Capacity Related Costs	% Capacity Related	Costs		Costs Remaining	Fees Previously Applied	Fees Applied in Current Year	Future Fees to be Applied
				Incurred Through June 30, 2020	Costs Incurred July 1, 2020 to Current				
5.0 MG Kokila Reservoir (Replace Hypalon w/Concrete Tank)	\$ 7,469,000	\$ 4,481,400	60%	\$ 5,267	\$ 276,732	\$ 7,187,001	\$ 148,693	\$ 17,346	\$ 4,315,361
Replace 16" transmission pipeline in Eureka Road with 18" transmission pipeline. 3,925 linear feet from Barton to Auburn Folsom Road	4,000,000	2,400,000	60%	-	3,737,103	262,897	138,640	216,984	2,044,376
360 Linear feet of 10" pipeline with a pressure reducing station in Cavitt Stallman from Mystery Creek to Oak Pines	441,000	352,800	80%	15,872	390,704	-	325,261	(12,698)	40,237
2,980 Linear feet 8" pipeline extension on Spahn Ranch Road	616,000	492,800	80%	17,650	-	598,350	-	-	492,800
100 Linear feet of 8" pipeline in Eckerman to tie-in to "The Park" subdivision	50,000	30,000	60%	-	-	50,000	-	-	30,000
Main Replacements (TBD based on condition and # of breaks)	7,150,000	2,502,500	35%	-	-	7,150,000	-	-	2,502,500
4,300 Linear Feet of 12" Pipeline on Cavitt Stallman between Sierra Ponds and Vogel Valley	6,913,000	5,530,400	80%	-	-	6,913,000	-	-	5,530,400
2,000 Linear feet of 12" pipeline in Cavitt Stallman between Sierra Ponds and Oak Pine	1,545,000	1,236,000	80%	-	-	1,545,000	-	-	1,236,000
950 Linear feet of 12" pipeline in Hidden Lakes from 7960 W Hidden Lakes to Haley	844,000	506,400	60%	-	-	844,000	-	-	506,400
Douglas Pump Station & P6" to 12" Pipeline Improvement - Across Auburn Folsom Road	798,000	478,800	60%	-	-	798,000	-	-	478,800
650 Linear feet of 12" pipeline in Lakeland Drive from Douglas to East Granite	619,000	371,400	60%	-	-	619,000	-	-	371,400
<b>Totals</b>	<b>\$ 30,445,000</b>	<b>\$ 18,382,500</b>	<b>60%</b>	<b>\$ 38,789</b>	<b>\$ 4,404,539</b>	<b>\$ 25,967,248</b>	<b>\$ 612,594</b>	<b>\$ 221,632</b>	<b>\$ 17,548,274</b>

Source: 10-Year Retail CIP and 2021 Retail Capital Facility Fee Study