



ADOPTED BUDGET

FISCAL YEAR 2023 - 24



**SAN JUAN WATER
DISTRICT**
GRANITE BAY, CALIFORNIA

Cover Photo: Kokila Reservoir

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

GFOA Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**San Juan Water District
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morill

Executive Director

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

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

This Page Intentionally Left Blank

San Juan Water District

Fiscal Year 2023-24 Budget



Prepared by the Finance Department under Direction of
the General Manager

Mission Statement:

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

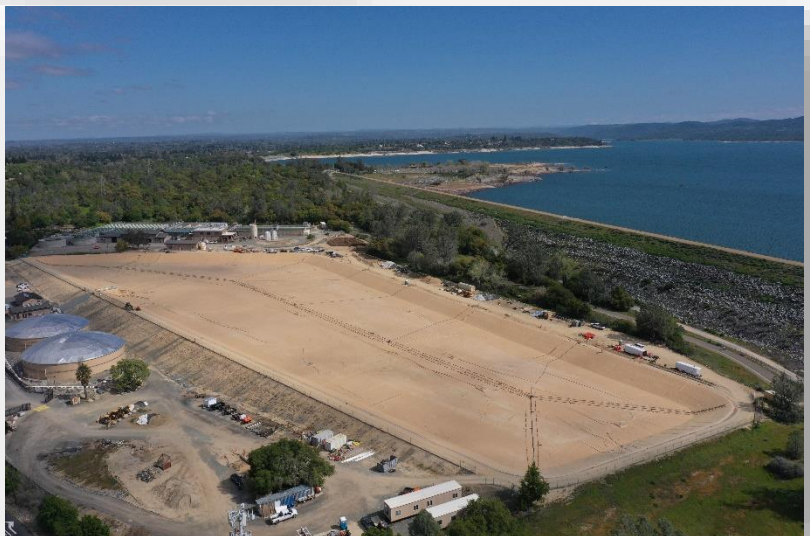
Vision Statement:

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



Hinkle Reservoir
February 2023

Hinkle Reservoir
April 2023





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

Elected Officials

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

Appointed Officials

Paul Helliker, General Manager

Management Team

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

Table of Contents

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

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



June 28, 2023

Board of Directors
Citizens of the San Juan Water District

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

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

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

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

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

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

The District's strategic goals are:

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

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

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

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

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

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

Respectfully submitted,



Paul Helliker
General Manager

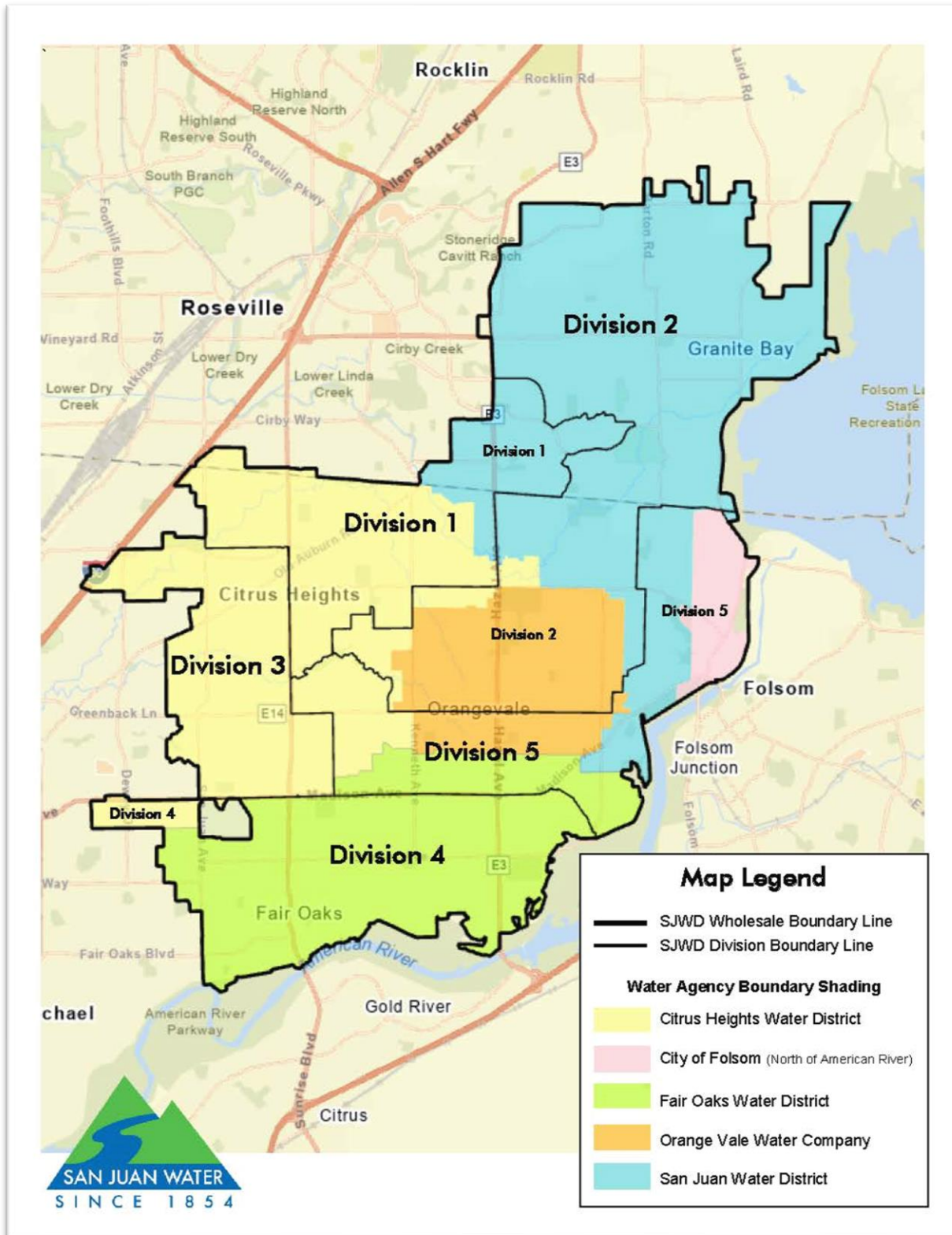
This Page Intentionally Left Blank

By The Numbers – Summary of District Information

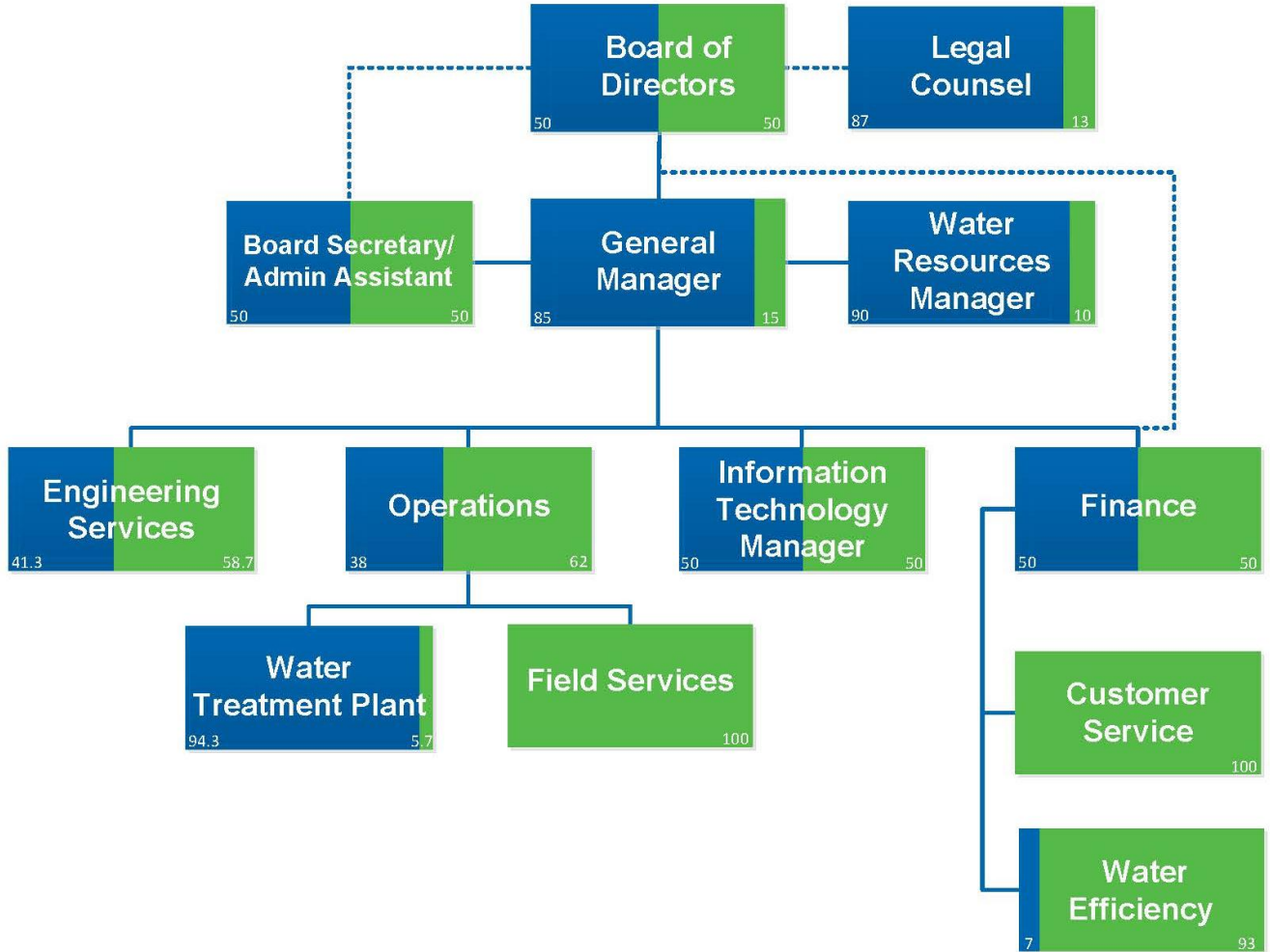
Water System	
Total Water Supply Available	82,200 acre-feet
Treatment Plants	1
Treatment Plant Capacity	150 MGD
Reservoirs	2
Miles of Water Main	222
Storage Tanks	2
Booster Stations	9
Number of Booster Pumps	38
Number of Control Valve Stations	15
Number of Solar Facilities	1
Number of Pressure Zones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

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

Wholesale Service Area Map



Organization Chart by Functional Area



Allocation of Costs

Wholesale	%
Retail	%



ABOUT THE DISTRICT

ABOUT THE DISTRICT

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

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

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

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

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

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

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

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

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

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

The District's water efficiency programs include:

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

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

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

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

Budget Purpose, Process and Control

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

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

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

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

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

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

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

Budget Format

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

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

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

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

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

Financial Policies

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

Reserve Policy

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

WHOLESALE RESERVES:

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

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

RETAIL RESERVES:

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

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

Debt Policy

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

Investment Policy

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

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

Procurement Policy

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

Accounting System and Controls

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

Fund Structure and Descriptions

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

Enterprise Funds:

- Wholesale Operating Fund
- Retail Operating Fund

Capital Outlay Funds:

- Wholesale Capital Outlay Fund
- Retail Capital Outlay Fund

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

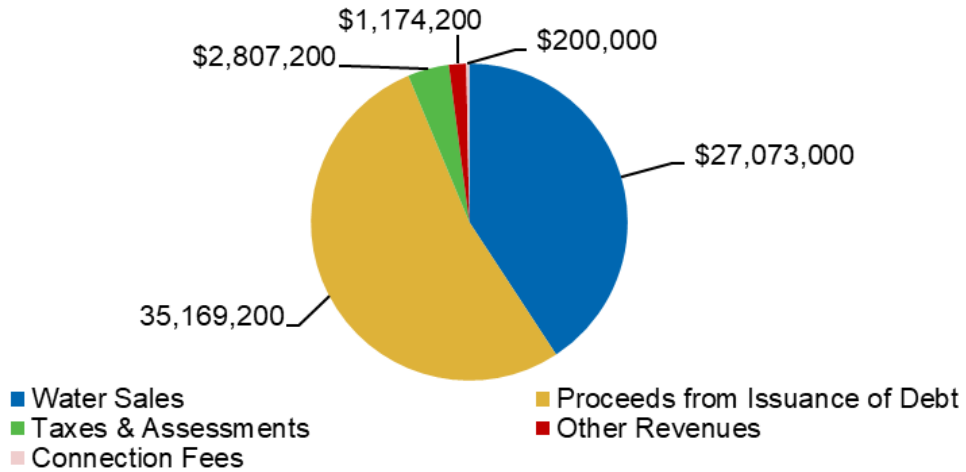
Budget Assumptions

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

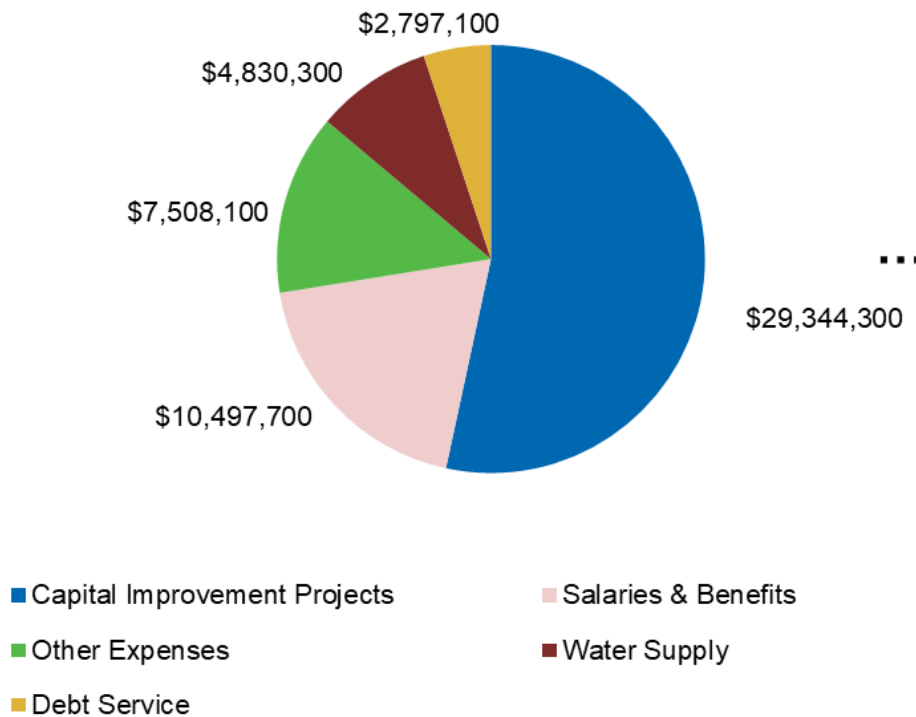
- No increase to wholesale water rates
- Retail rate increase effective January 1, 2024 (8.1% increase on both the volumetric and base rate)
- Overall wholesale water demand 1.2% greater than estimate for FY 2022-23. Comprised of:
 - 13.8% increase in sales to regular wholesale customers. FY 2022-23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

Estimated Revenues and Expenditures of Funds – Summary

All District Revenues \$66,423,600



All District Expenses \$54,977,500



Estimated Revenues and Expenditures of Funds – Summary

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



MAJOR REVENUES AND EXPENDITURES

MAJOR REVENUES AND EXPENDITURES

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

Water Sales

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

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

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

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

WHOLESALE WATER DELIVERIES - ACRE FEET

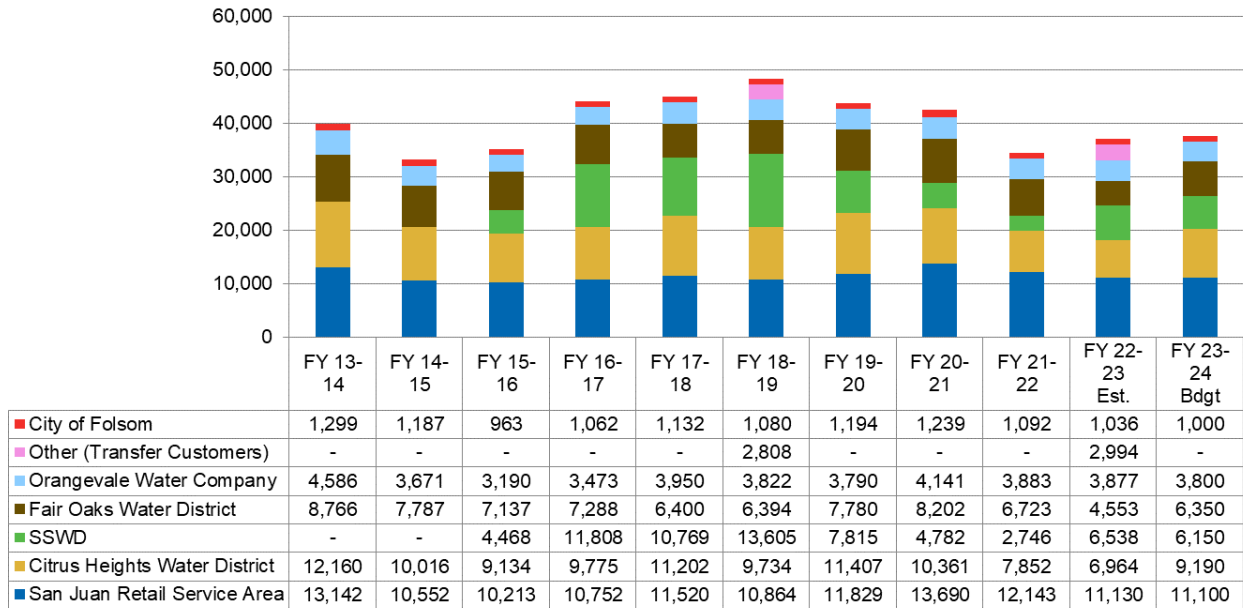


Chart 1

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

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

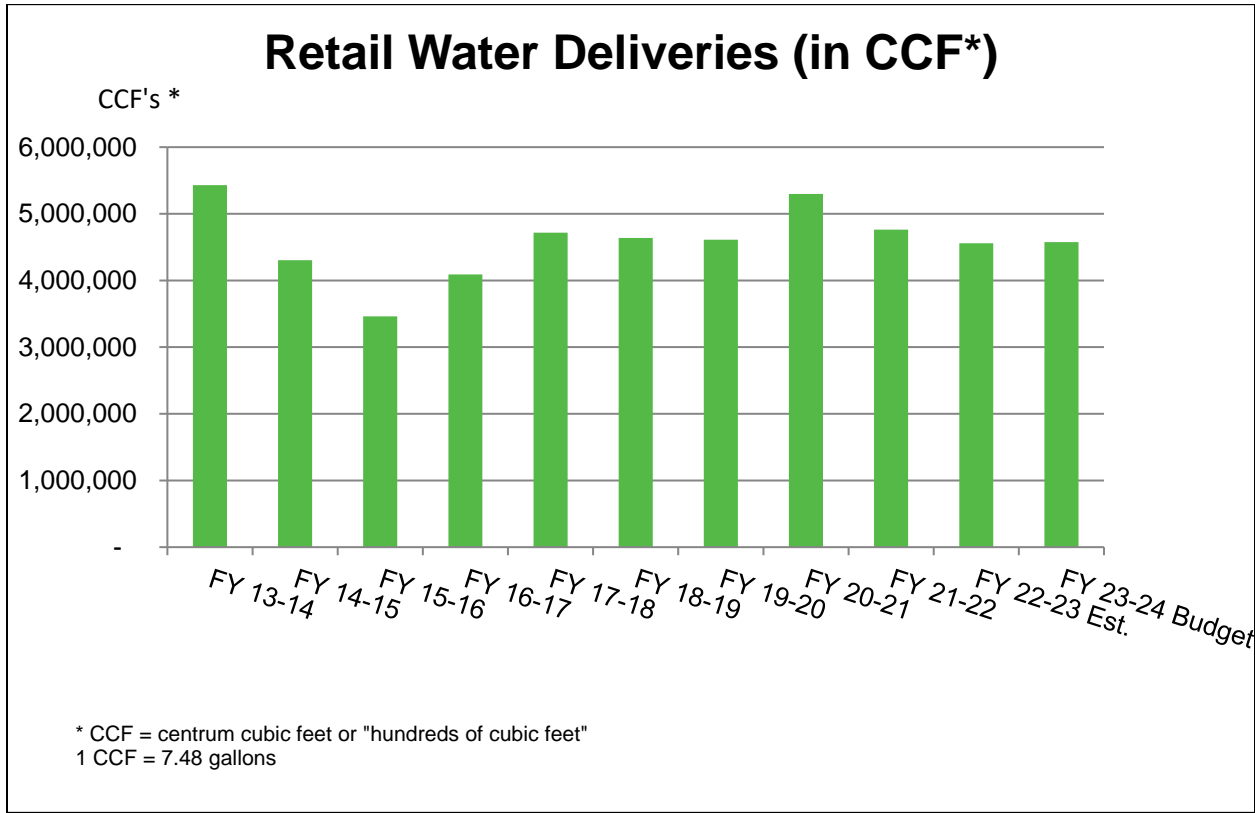


Chart 2

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

Water Sale Revenues (in millions\$)

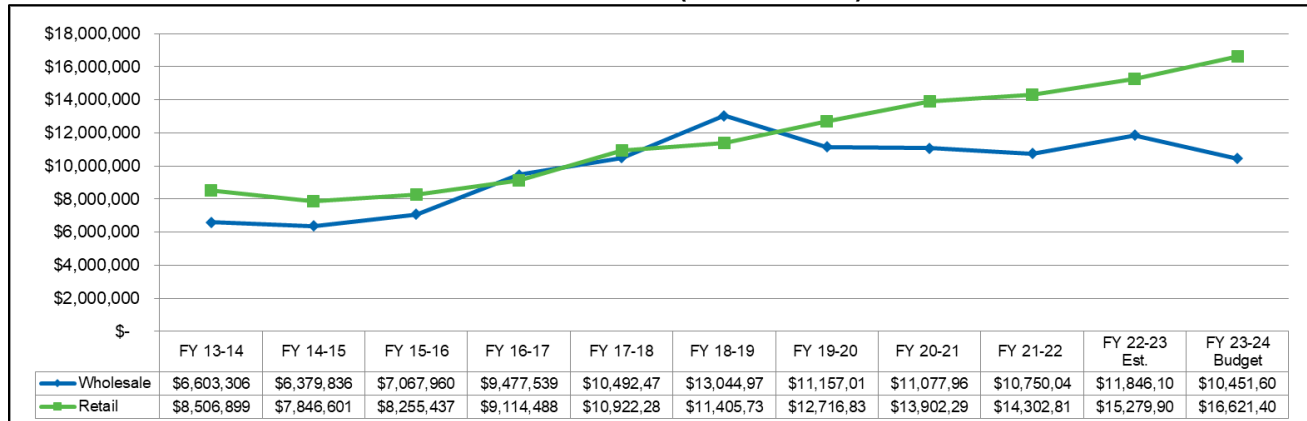


Chart 3

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

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

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

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

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

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

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

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

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

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

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

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

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

Property Tax

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

Property Tax Revenues

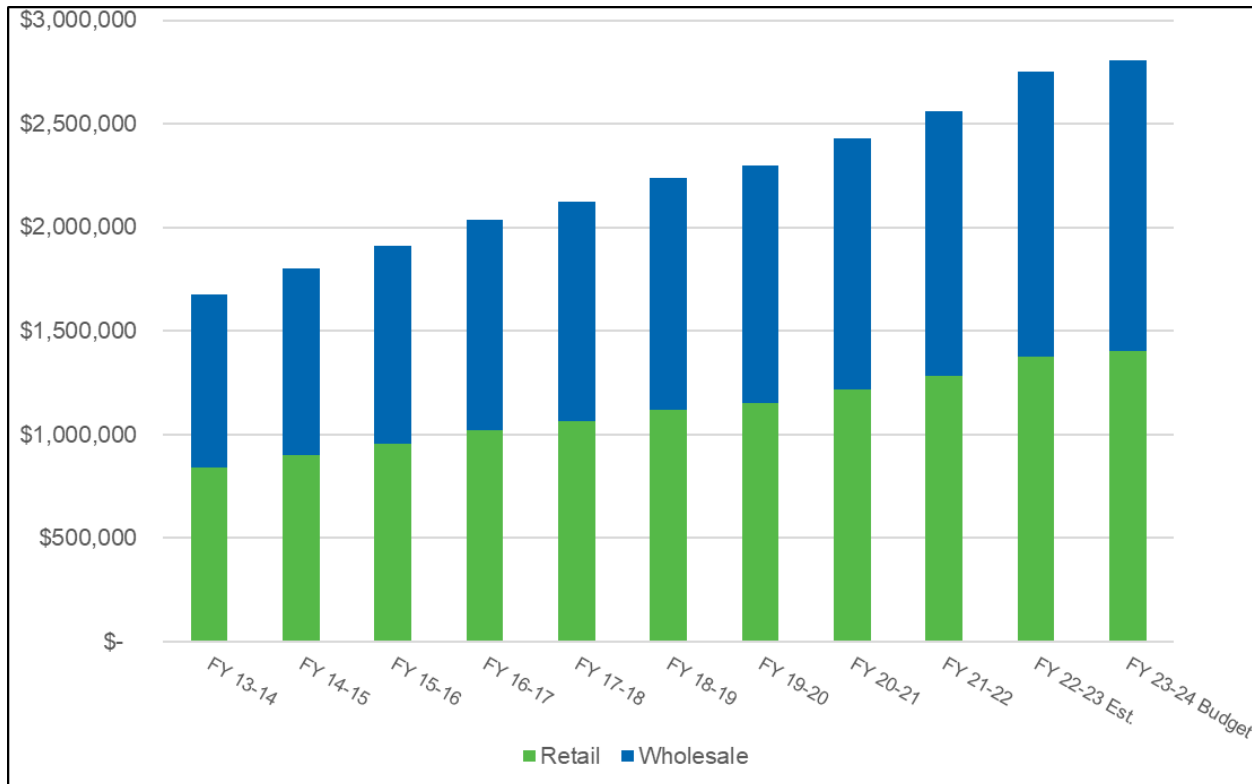


Chart 4

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

Proceeds from the Issuance of New Debt

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

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

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

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

Salaries and Benefits

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

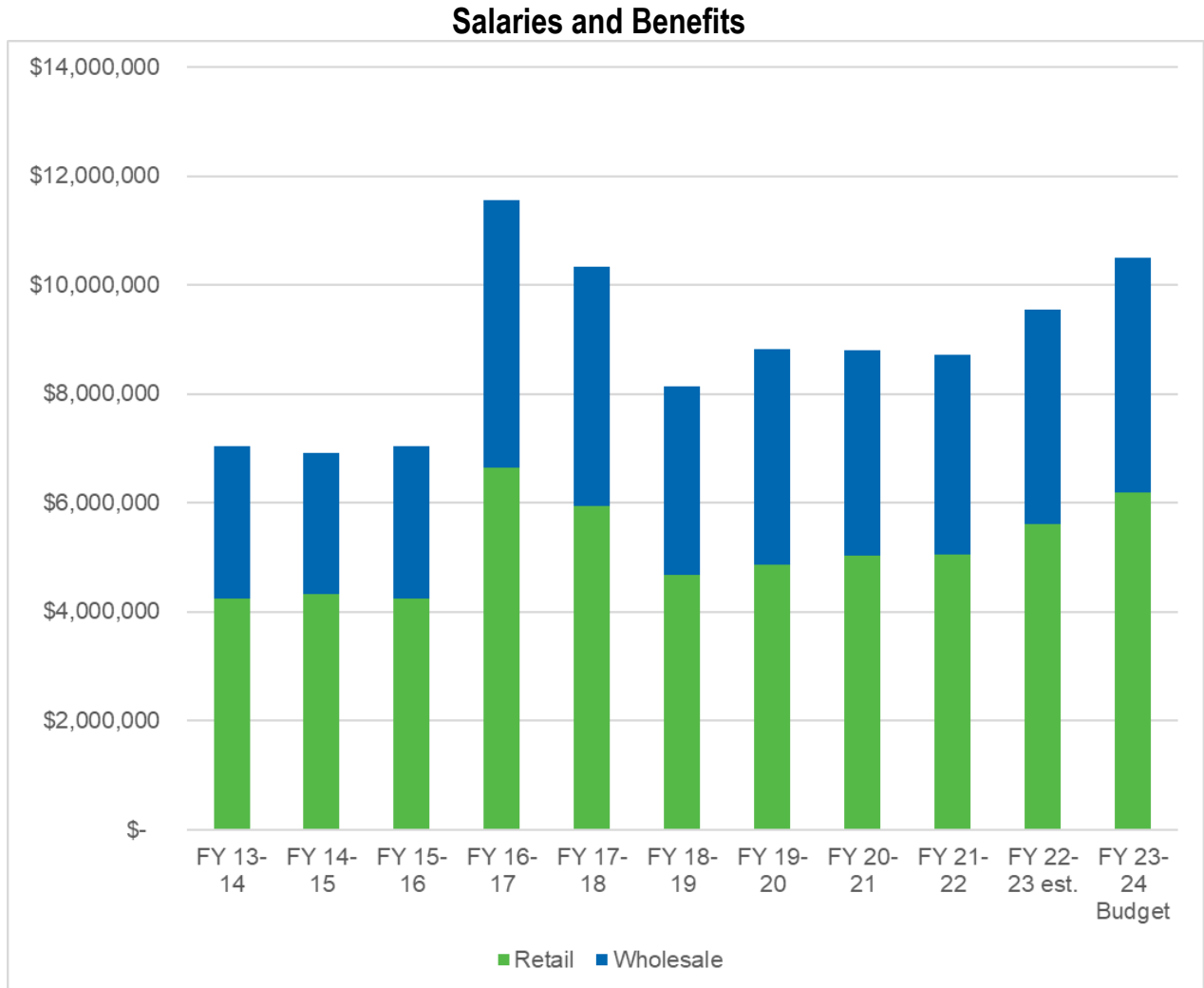


Chart 5

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

San Juan Water District

Fiscal Year 2023-24 Budget

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

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

Water Supply Costs

The District’s existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of water rights on the American River. The second source is a contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with PCWA for up to 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation’s Folsom Pumping Plant. Total water deliveries to the District from Reclamation for FY 2021-22 were 36,894 acre-feet and are anticipated to be 27,893 acre-feet for FY 2022-23, and 31,740 for FY 2023-24, excluding pass through deliveries for SSWD.

Wholesale Water Supply Cost

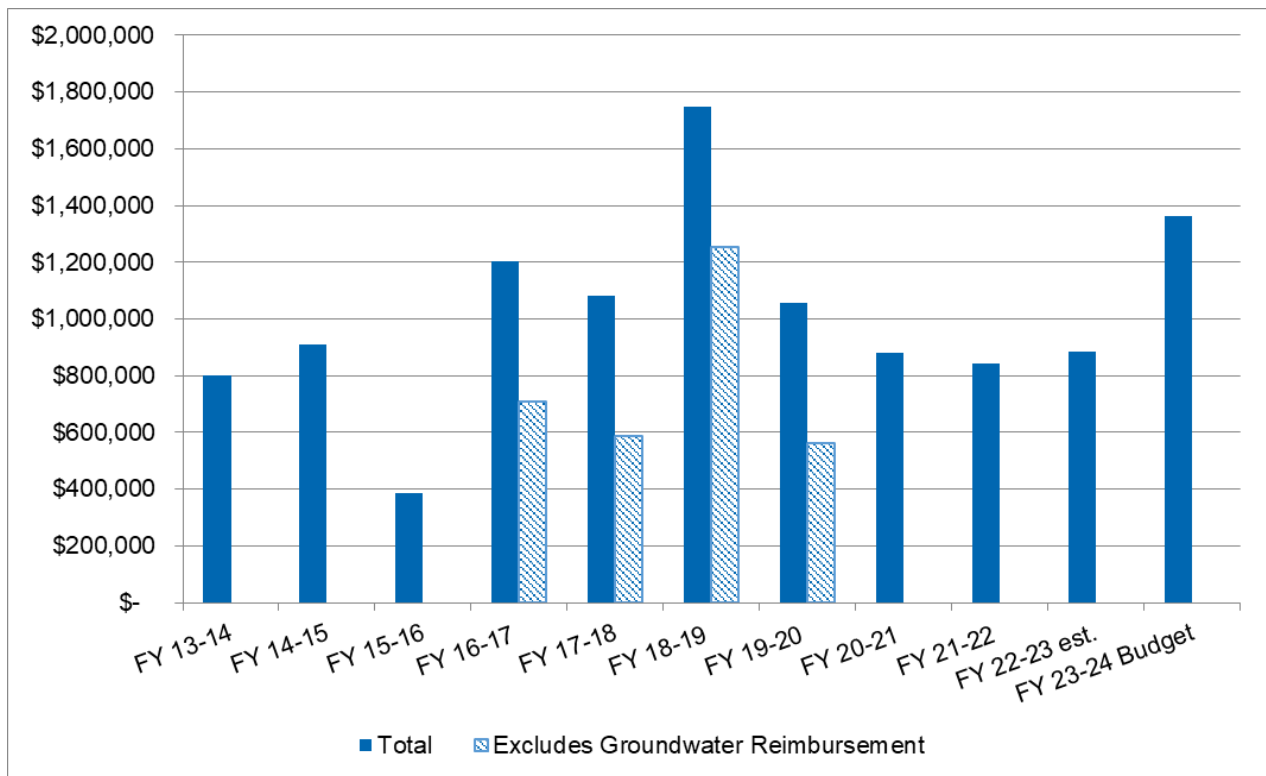


Chart 6

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

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

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

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

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

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

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

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

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

Capital Spending

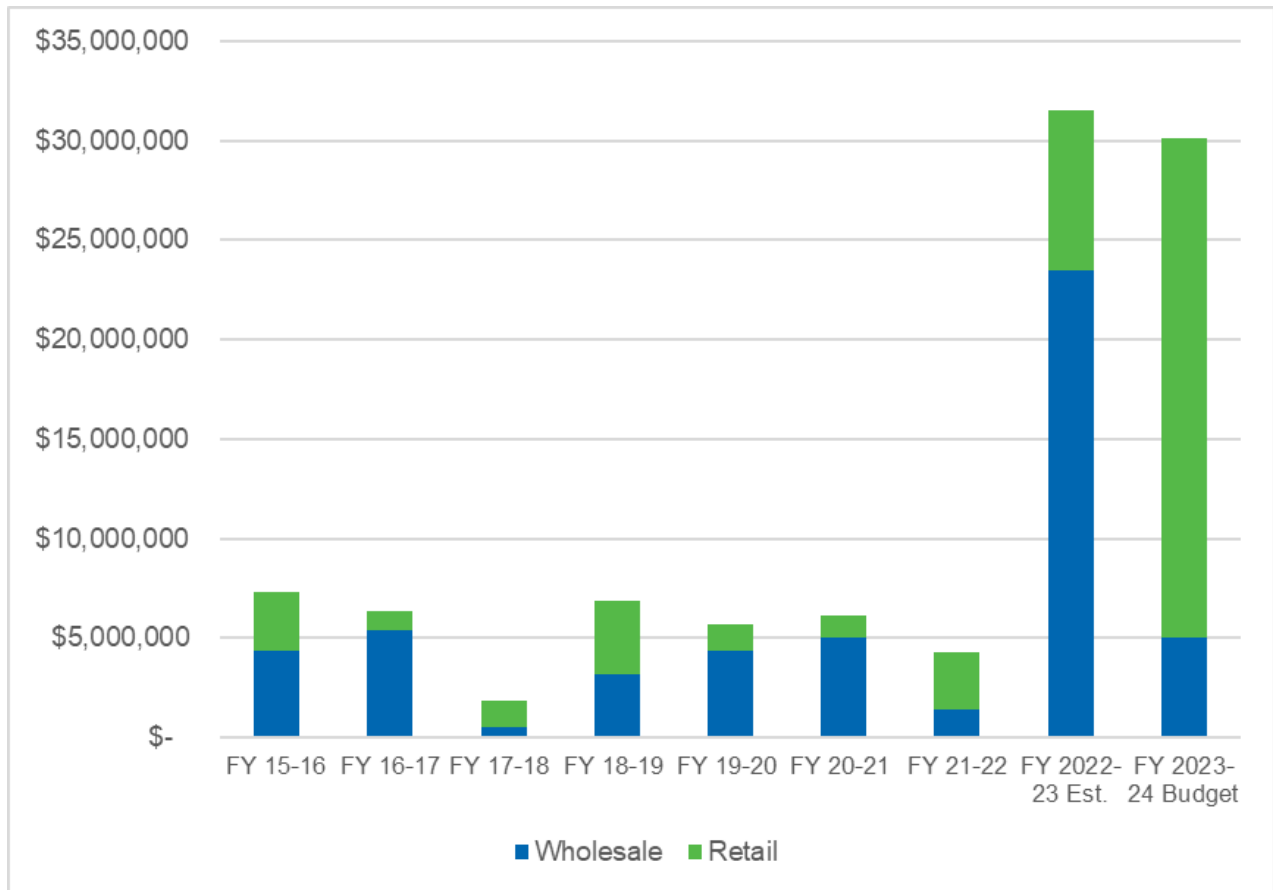


Chart 7

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

San Juan Water District

Fiscal Year 2023-24 Budget

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

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

Reserve Summary

Wholesale and Retail Total Reserves

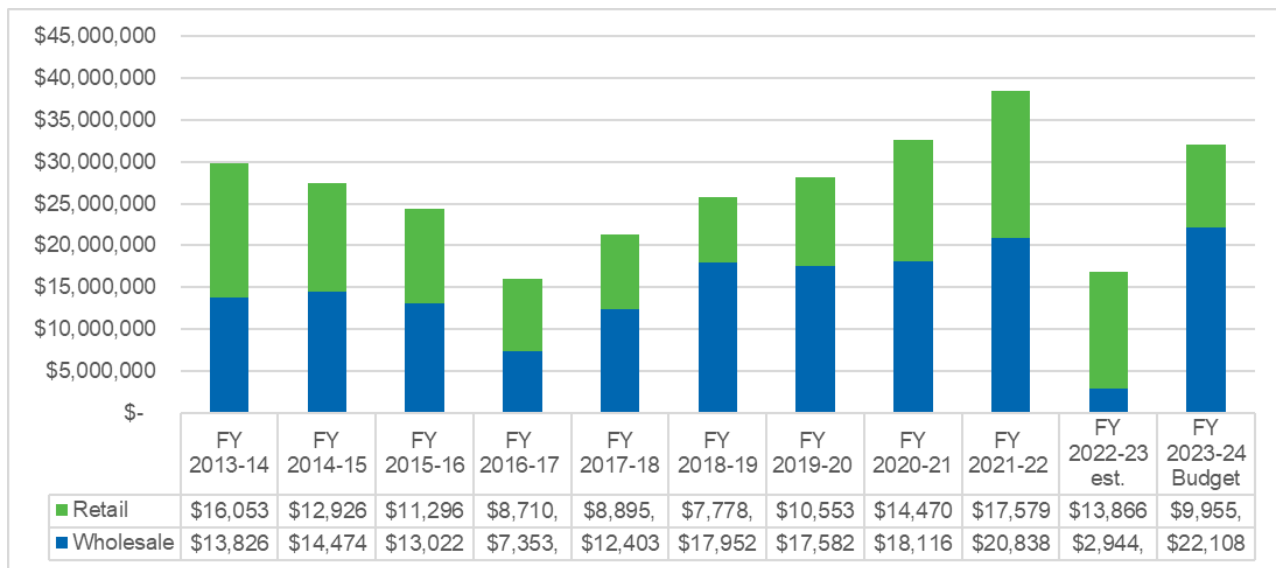


Chart 8

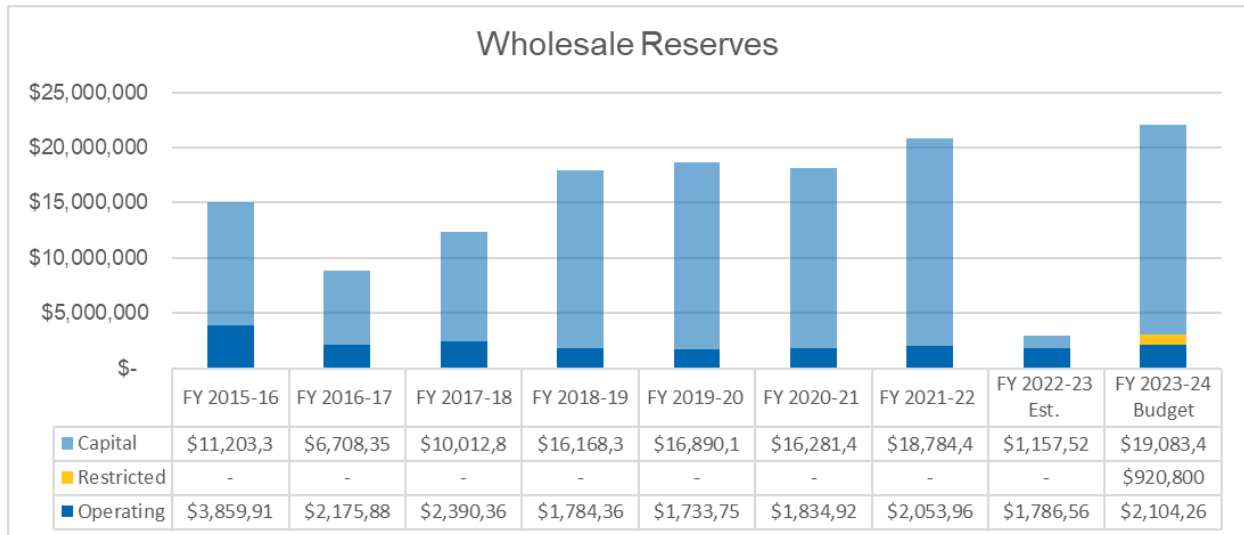
The combination of the Great Recession, followed by the drought, resulted in the need to defer maintenance and capital projects and utilize reserves to augment operations and critical capital projects. This is illustrated in Chart 8 by the sharp decline in District reserve balances between FY 2013-14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

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

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

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

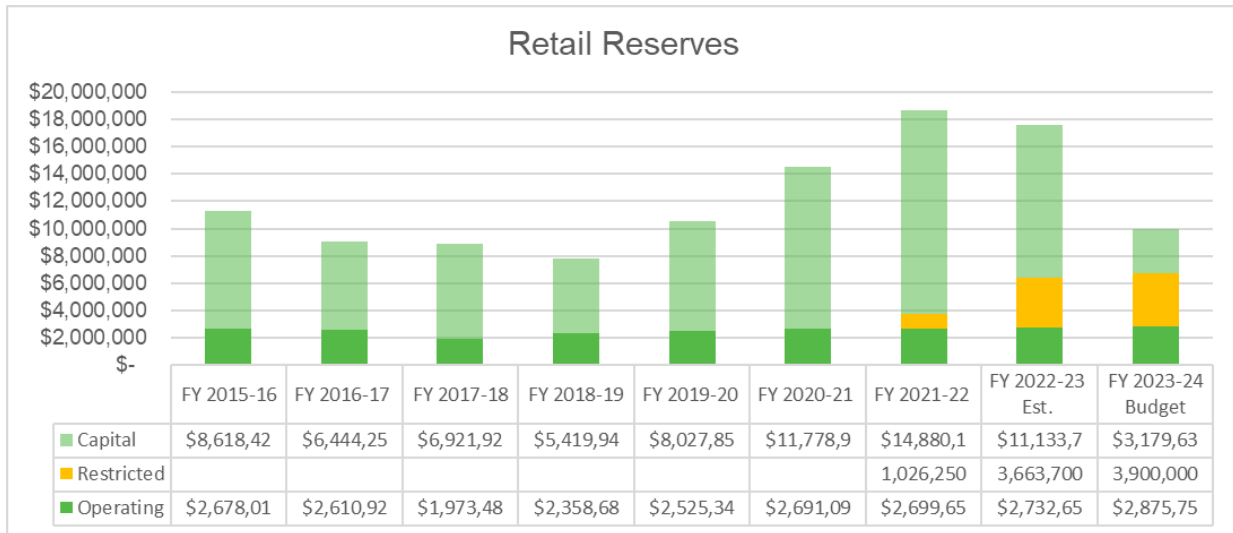
While the majority of the District’s reserves are available to be used at the Board’s discretion there are a few reserves, recently established, that are restricted by law or agreement. The charts below illustrate the restricted portion of wholesale and retail reserves followed by explanatory text.



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

San Juan Water District

Fiscal Year 2023-24 Budget



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

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

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

OPERATING FUNDS

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

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

Administration and General

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

Customer Service

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

Distribution (Field Services)

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

Engineering Services

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

Water Efficiency

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

Water Treatment

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

Prior Year Report Card & Current Year Operations Plan

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

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

Operations Plan Report Card FY 2022-23

On Track
Delayed
Issues

ADMINISTRATION/WATER RESOURCES/IT

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

CUSTOMER SERVICE

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover - C/3	Ongoing		Ongoing	
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly - C/2,3	Ongoing		Ongoing	
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing - C/3	6/2023			In Process
Improve customer messaging with better utilization of our email communication software and more timely updates on the District website - C/1,5,7	12/2022		10/2022	
Improve billing process for hydrant meter rentals. Explore adding the process to Tyler UB for better billing and tracking and collecting options - C/3,4	6/2023			

Operations Plan Report Card FY 2022-23



DISTRIBUTION (Field Services)

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

ENGINEERING SERVICES

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

Operations Plan Report Card FY 2022-23



FINANCE and HUMAN RESOURCES

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

WATER EFFICIENCY

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Provide 6 educational customer workshops (wholesale) - C/2.7	6/2023			In Process
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements - C/1,2,5	6/2023			In Process
Conduct a student art calendar contest to be distributed to all wholesale agencies - C/2.7	5/2023			In Process
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement - C/3.5	6/2023	Ongoing		This is an ongoing process with no end date.
Engage retail and wholesale customers to increase participation in the usage reductions needed for the Hinkle replacement project - C/1.5.7	4/2023		4/2023	

WATER TREATMENT

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

Administration/Water Resources/IT

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

Customer Service

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

Distribution (Field Services)

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

Distribution (Field Services) (con't)

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

Engineering Services

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

San Juan Water District

Fiscal Year 2023-24 Budget

Engineering Services (con't)

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

Finance and Human Resources

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

Water Efficiency

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

Water Treatment

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

San Juan Water District

Fiscal Year 2023-24 Budget

Wholesale Operating Fund

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

FISCAL YEAR 2023-24 BUDGET

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

WHOLESALE OPERATING FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimate	FY 2023-24 Proposed Budget
Est. Beginning Available Reserves	\$ 1,784,360	\$ 1,733,756	\$ 1,822,121	\$ 2,053,961	\$ 1,786,561
Revenues					
Water Sales	11,157,014	11,077,962	10,750,044	11,846,100	10,451,600
Other Revenues	294,047	139,064	158,727	137,100	133,100
Total Revenues	\$ 11,451,061	\$ 11,217,026	\$ 10,908,771	\$ 11,983,200	\$ 10,584,700
Expenses					
Administration and General					
Salaries & Benefits	\$ 1,347,397	\$ 1,466,215	\$ 1,490,571	\$ 1,559,100	\$ 1,639,400
Professional Services	418,729	425,766	449,843	412,000	425,800
Maintenance and Repair	11,298	13,948	19,101	16,200	33,000
Materials and Supplies	68,164	21,305	31,135	65,700	39,800
Other Expenses	391,591	507,632	402,886	505,200	562,300
Total Administration and General	2,237,179	2,434,864	2,393,535	2,558,200	2,700,300
Water Treatment Plant					
Salaries & Benefits	1,914,002	1,917,977	1,816,370	1,978,500	2,213,700
Professional Services	95,835	29,030	102,575	42,400	83,100
Maintenance and Repair	303,572	239,695	434,542	393,900	377,900
Materials and Supplies	489,061	455,985	550,270	678,500	805,900
Other Expenses	214,613	232,403	241,934	366,400	429,100
Total Water Treatment Plant	3,017,082	2,875,089	3,145,692	3,459,700	3,909,700
Water Supply					
Placer County Water Agency	413,785	680,925	650,297	678,400	475,300
Purchase of Treated Water (Groundwater)	495,360	-	-	-	-
Pumping to Treatment Plant	93,687	96,506	87,817	100,000	100,000
Pre - 1914 Water Rights Water	26,274	27,799	30,543	32,800	35,800
Central Valley Project Water	-	-	-	-	222,700
Other	28,794	74,064	74,533	72,800	531,100
Total Water Supply	1,057,900	879,294	843,190	884,000	1,364,900
Engineering					
Salaries & Benefits	341,241	341,700	330,404	372,700	40,500
Professional Services	10,859	130,133	17,234	72,500	42,500
Maintenance and Repair	2,433	2,108	2,650	1,800	2,300
Materials and Supplies	1,295	1,666	1,278	7,000	5,100
Other Expenses	3,706	10,347	3,841	10,100	13,000
Total Engineering	359,535	485,954	355,406	464,100	473,400
Water Efficiency					
Salaries & Benefits	-	34,874	35,861	38,500	42,000
Professional Services	500	-	340	6,000	3,000
Maintenance and Repair	12,425	10,734	8,881	10,000	8,000
Materials and Supplies	-	-	178	600	600
Other Expenses	3,825	114	4,326	3,100	3,200
Total Water Efficiency	16,750	45,722	49,586	58,200	56,800
Non-Departmental					
Debt Service - Principal	698,450	730,693	696,442	851,300	910,300
Debt Service - Interest	868,865	896,614	792,633	655,400	887,900
Other	1,441	1,517	80,890	1,600	1,600
Total Non-Departmental	1,568,756	1,628,824	1,569,965	1,508,300	1,799,800
Total Expenses	\$ 8,257,201	\$ 8,349,747	\$ 8,357,374	\$ 8,932,500	\$ 10,304,900
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(3,244,465)	(2,778,914)	(2,319,558)	(3,318,100)	958,700
Est. Ending Reserves	\$ 1,733,756	\$ 1,822,121	\$ 2,053,961	\$ 1,786,561	\$ 3,025,061

San Juan Water District

Fiscal Year 2023-24 Budget

Retail Operating Fund

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

FISCAL YEAR 2023-24 BUDGET

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

RETAIL OPERATING FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 Estimate	FY 2023-24 Proposed Budget
Est. Beginning Available Reserves	\$ 2,358,680	\$ 2,525,341	\$ 2,691,098	\$ 2,699,655	\$ 2,732,655
Revenues					
Water Sales	12,716,838	13,902,296	14,306,771	15,282,000	16,621,400
Other Revenues	635,438	620,108	838,672	796,300	636,100
Total Revenues	\$ 13,352,276	\$ 14,522,404	\$ 15,145,443	\$ 16,078,300	\$ 17,257,500
Expenses					
Administration and General					
Salaries & Benefits	\$ 1,105,749	\$ 1,229,681	\$ 1,264,661	\$ 1,344,800	\$ 1,408,100
Professional Services	179,110	239,323	191,368	181,000	221,400
Maintenance and Repair	10,962	13,948	19,702	31,100	33,000
Materials and Supplies	66,296	25,406	35,716	35,300	22,400
Other Expenses	276,858	281,896	280,862	372,100	406,900
Total Administration and General	1,638,974	1,790,255	1,792,310	1,964,300	2,091,800
Distribution System					
Salaries & Benefits	2,410,049	2,462,426	2,497,614	2,905,600	3,189,700
Professional Services	109,821	155,208	67,164	99,100	94,100
Maintenance and Repair	357,439	672,168	767,805	1,089,000	891,000
Materials and Supplies	365,388	434,814	427,928	559,500	444,300
Other Expenses	428,572	492,481	519,245	787,900	930,900
Total Distribution System	3,671,270	4,217,097	4,279,756	5,441,100	5,550,000
Water Supply					
Purchase Water from Wholesale	3,100,315	3,306,939	3,273,284	3,216,300	3,465,400
Total Water Supply	3,100,315	3,306,939	3,273,284	3,216,300	3,465,400
Engineering					
Salaries & Benefits	389,268	389,241	388,229	418,600	530,400
Professional Services	9,379	55,302	17,207	60,000	218,500
Maintenance and Repair	2,824	2,108	2,650	2,400	2,700
Materials and Supplies	1,563	1,964	1,1574	16,000	5,100
Other Expenses	8,338	5,434	4,702	10,500	14,100
Total Engineering	411,372	454,050	424,363	507,500	770,800
Water Efficiency					
Salaries & Benefits	390,022	413,969	392,075	404,300	472,900
Professional Services	2,500	28,121	50,712	10,000	102,800
Maintenance and Repair	1,515	322	1,093	500	800
Materials and Supplies	1,494	325	7,720	2,000	2,100
Other Expenses	40,347	39,317	41,816	44,500	54,500
Total Water Efficiency	435,878	482,054	493,416	461,300	633,100
Customer Service					
Salaries & Benefits	559,789	534,818	501,914	531,300	591,000
Professional Services	67,918	20,413	45,277	70,000	109,100
Maintenance and Repair	2,851	6,209	4,742	1,600	2,400
Materials and Supplies	30,852	31,817	35,348	35,600	35,800
Other Expenses	12,190	133,080	175,499	233,300	217,400
Total Customer Service	773,601	726,336	762,780	871,800	955,700
Non-Departmental					
Debt Service - Principal	386,550	404,307	404,307	510,900	544,800
Debt Service - Interest	483,747	498,199	442,047	410,600	454,100
Other	1,441	1,487	44,598	26,600	56,600
Total Non-Departmental	871,737	903,992	890,952	948,100	1,055,500
Total Expenses	\$ 10,903,147	\$ 11,880,722	\$ 11,916,860	\$ 13,410,400	\$ 14,522,300
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(2,282,468)	(2,475,925)	(3,220,026)	(2,634,900)	(2,427,000)
Est. Ending Reserves	\$ 2,525,341	\$ 2,691,098	\$ 2,699,655	\$ 2,732,655	\$ 3,040,854

This Page Intentionally Left Blank



CAPITAL FUNDS

Wholesale Capital Outlay Fund

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

FISCAL YEAR 2023-24 BUDGET

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

WHOLESALE CAPITAL OUTLAY FUND SUMMARY

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

WHOLESALE CAPITAL PROJECTS FY 2023-24

Water Treatment Plant Improvements

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

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

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

Lime Tower Coating

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

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

WTP Outdoor Lighting Replacement

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

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

Water Treatment Plant Improvements (con't)

Power Monitors (2 sites)

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

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

Rehabilitation of 3 Backwash Pump Stations

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

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

Fiber Optic Cabling to Solids Handling Building

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

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

Reservoirs and Improvements

Hinkle Reservoir Cover and Liner Replacement

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

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

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

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

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

Land Improvements

WTP Site Paving, Slurry Seal and Re-Stripe

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

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

Administration Building Deck and Shade Structure

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

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

Land Improvements (con't)

Water Treatment Plant Security Improvements

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

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

Professional Services

Evaluation of Powdered Activated Carbon System

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

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

Launderer & Settling Tube Evaluation and Replacement

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

Maintenance

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

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

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

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

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

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

Wholesale Meter PLC Replacements Project (17 total)

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

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

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

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

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

Maintenance (con't)

Penstock Manifold and BFV Actuators Rehab/Repair

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

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

Buildings and Improvements

Electrical Service Upgrade at Administration Building

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

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

Water Treatment Plant HVAC Replacement

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

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

Administration Building HVAC Replacement

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

Buildings and Improvements (con't)

Flagpole Replacement

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

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

Vehicles

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

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

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

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

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

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

Vehicles (con't)

Vehicle #7 (2010 Ford F-150)

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

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

Equipment and Furniture

Thickener Access Ladders (3)

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

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

Engineering Survey Equipment

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

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

Land (Non-Depreciable)

Land Acquisition (Property Boundary Adjustment South of Hinkle Reservoir)

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

Software

Back-Up Plant Pumps – SCADA Integration

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

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

Tyler Content Management and Output Director

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

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

Synology SSD NAS

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

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

Meters

Central Avenue 8-inch Meter Replacement

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

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

Mains/Pipelines & Improvements

Replacement of 12-Inch Transmission Pipeline on Hazel Avenue between Eden Oaks and Orange Vale Water Company

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

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

Retail Capital Outlay Fund

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

FISCAL YEAR 2023-24 BUDGET

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

RETAIL CAPITAL OUTLAY FUND SUMMARY

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

RETAIL CAPITAL PROJECTS FY 2023-24

Reservoirs and Improvements

Kokila Reservoir Replacement

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

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

Mains/Pipelines and Improvements

Replace 170 Identified Service Laterals

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

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

Replace 45 Air/Vacuum Relief Valves

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

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

Mains/Pipelines and Improvements (con't)

Failed Service Lateral Replacements

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

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

Wharf Hydrant Replacements

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

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

Blow-Off Valve Replacements

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

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

Fire Hydrant Replacements

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

Mains/Pipelines and Improvements (con't)

Water Main Installation Underneath the North Glenn Bridge

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

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

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

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

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

Pump Stations and Improvements

Groundwater Production Facility

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

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

Pump Stations and Improvements (con't)

Bacon Pump Station Generator Replacement(s)

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

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

Power Monitors for Pump Stations

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

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

Motor Control Center Replacement - American River Canyon North Pump Station

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

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

Canyon Falls Village Pressure Reducing Station Replacement

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

Pump Stations and Improvements (con't)

Bacon Booster Pump Station – New Variable Frequency Drive and Components

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

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

American River Canyon North Pump Station - New Variable Frequency Drive

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

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

Pump Station Pressure Transmitters

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

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

Meters and Endpoints

Meter Replacement Program

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

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

Land Improvements

District Campus Paving Improvements

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

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

Administration Building Deck and Shade Structure

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

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

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

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

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

Purchase and Install Perimeter Fencing for Bacon Pump Stations

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

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

Buildings and Improvements

Electrical Service Upgrade at Administration Building

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

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

Administration Building HVAC Replacement

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

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

Purchase of Connex Storage Container

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

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

Flagpole Replacement

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

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

Vehicles

Replace Vehicle #35 2017 F-450

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

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

Replace Vehicle #31 2015 GEM

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

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

Equipment and Furniture

Large and Intermediate Meter Tester

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

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

Hand Held Meter Reader

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

Equipment and Furniture (con't)

Engineering Survey Equipment

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

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

Tapping Machine

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

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

Leak Detection Equipment for Water Efficiency Department

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

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

Software

Tyler Content Management and Output Director

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

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

Synology SSD NAS

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

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

SUPPLEMENTAL INFORMATION



This Page Intentionally Left Blank

Transfers In and Transfers Out

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

Transfer In To:

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

Total Transfers In

\$ 3,385,700

Transfer Out From:

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

Total Transfers Out

\$ 3,385,700

Debt Service Schedules

**2022 Refunding Loan
Debt Service Schedule - Fiscal Year Basis**

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

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

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

Labor Allocation

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

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

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

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

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

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

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

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

San Juan Water District

Fiscal Year 2023-24 Budget



SAN JUAN WATER DISTRICT COMPENSATION SCHEDULE

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

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

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

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

RESOLUTION NO. 23-08

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

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

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

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

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

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

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

AYES: DIRECTORS: Costa, Miller, Rich, Tobin, Zamorano
NOES: DIRECTORS:
ABSENT: DIRECTORS:

Dan Rich
DAN RICH
President, Board of Directors
San Juan Water District

ATTEST
TERI GRANT
Secretary, Board of Directors



Glossary of Terms

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

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

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

San Juan Water District

Fiscal Year 2023-24 Budget

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

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

Acronyms

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

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