

San Juan Water District

Granite Bay, California



Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2015

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SAN JUAN WATER DISTRICT
GRANITE BAY, CA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

Prepared by

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SAN JUAN WATER DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
List of Elected and Appointed Officials	vii
Organizational Chart	viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	11
Statement of Revenue, Expenses, and Changes in Fund Net Position	12
Statement of Cash Flows	13
Notes to Basic Financial Statements	15
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability	40
Schedule of Employer Contributions	41
SUPPLEMENTARY INFORMATION	
Statement of Net Position - Wholesale	45
Statement of Net Position - Retail	46
Schedule of Administrative and General Expenses	47
Schedule of Operations – Budget and Actual Total	48
Schedule of Operations – Budget and Actual Wholesale	49
Schedule of Operations – Budget and Actual Retail	50
Statement of Non-Operating Revenue and Expenses	51

SAN JUAN WATER DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

Page
Number

STATISTICAL SECTION

Statistical Section Table of Contents	53
Net Position by Component	55
Changes in Net Position	56
Wholesale Water Rates and Connection Fees	57
Retail Water Rates and Connection Fees	58
Retail Metered Water Sales by Type	59
Ten Largest Retail Customers	60
Property Tax Levies and Collections – Bonded Debt	61
Principal Property Taxpayers	62
Assessed Actual Value of Taxable Property	63
Ratios of Outstanding Debt by Type.....	64
Computation of Direct and Overlapping Bonded Debt	65
Ratio of Annual Debt Service Expenses	66
Debt Service Coverage	67
Principal Employers for Counties Served	68
Demographic and Economic Statistics	69
Staffing – Certificates – Licenses by Function/Program	70
Wholesale Water System Capital Asset and Operating Indicators	71
Wholesale Water Production	72
Retail Water System Capital Asset and Operating Indicators	73
Retail Water Connection Fee Report Government Code Section 66013(d)€	74

INTRODUCTORY SECTION

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June 14, 2016

Members of the Board of Directors San Juan Water District

Directors:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the San Juan Water District (District) for the fiscal year ended June 30, 2015.

REPORT PURPOSE AND ORGANIZATION

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

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

The District's financial statements have been audited by Lance, Soll & Lunghard, LLP (LSL), a firm of licensed certified public accountants with which the District contracts for these services. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the

fiscal year ended June 30, 2015, are free from material misstatement. Information on the audit, and the auditors opinion can be found in the Intendent Auditor's Report found on page 1.

ABOUT THE DISTRICT

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

History

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

The District provides water on a wholesale and retail basis to an area of approximately 17 square miles for retail and 46 square miles for wholesale (which includes the retail area) in Sacramento and Placer Counties. The District's wholesale operation consists of negotiating water contracts; operating a surface water treatment plant and storage, pumping and transmission facilities (which deliver water to five wholesale entities); and providing the administrative support related to those activities. Retail operations consists of storage, pumping, transmission and distribution facilities (which deliver water to approximately 10,500 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, conservation and engineering support related to those activities.

Mission Statement

The District's mission, and highest priority to our customers, is to take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. As part of accomplishing our mission, we commit to working cooperatively with others on projects of mutual public benefit to achieve the greatest possible efficiency and effectiveness. We further commit to communicate what we are doing, and why we are doing it. The District prides itself in providing excellent customer service to all its customers, external and internal.

Water Supply

The District's existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of pre-1914 water rights on the American River. The second source is a contract with the U.S. Bureau of Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with Placer County Water Agency for 25,000 acre-feet of water. The District completed the process of long-term water contract negotiations with the U. S. Bureau of Reclamation in 2006 for Central Valley Project water resulting in a 40 year long-term contract.

All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by the U. S. Bureau of Reclamation Folsom Pumping Plant. Total raw water delivery for the fiscal year was 41,326 acre-feet.

Water Efficiency

The District has long been a proponent and practitioner of cost effective water efficiency programs. The implementation of these programs has been highly successful and the District continually strives to meet the standards of the California Urban Water Conservation Council's (CUWCC) Best Management Practices (BMPs) that are required by the Sacramento Area Water Forum Agreement, California legislation SBx7x, the California Department of Water Resources, and the U.S. Bureau of Reclamation Central Valley Project Improvement Act.

Some of the District's more innovative water efficiency programs are:

- Water Conservation Poster Contest and Calendar – Since 1992, the District and its wholesale agency customers, Citrus Heights and Fair Oaks water districts and Orange Vale Water Company, have promoted water awareness at the elementary school level through an annual water conservation poster contest.
- Rebate Program – The District provides high-efficiency washing machine rebates to residential customers, and high-efficiency toilet and irrigation efficiency rebates to both residential and non-residential customers.
- Free Programs – District staff provides free indoor and outdoor water audits, leak detection, and recommendations to improve irrigation system performance. Staff also creates landscape water budgets, develops watering schedules and adjusts irrigation timers to improve efficiency. The District conducts and hosts a variety of workshops on drip systems and proper irrigation techniques, landscape design, soil health, greywater systems, 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 San Juan Water District's office are gardens to inspire visitors to create a landscape that looks beautiful every season. The garden demonstrates efficient irrigation and non-water using materials to create a beautiful landscape.

The benefits include more cost-effective and efficient water conservation programs for an expanding number of participating water providers, and increased customer awareness of the importance of water efficiency for future reliable water supplies.

Water Treatment Plant

The District's water treatment facilities, Sidney N. Peterson Water Treatment Plant, was constructed in three phases and completed between the years of 1975 to 1983. The facilities include two flocculation-sedimentation basins, two filter basins, operations building and a covered 62 million gallon storage reservoir. Major upgrades and improvements to the plant in 2001 added two new filter backwash hoods; 2004 added a solids handling facility; 2008 added a new 54" raw water pipeline; 2009 added a new chlorine storage building, installed new caulking joints in north and south filter basins, replaced aging 2' tube settlers with 2' and 4' tube settlers and 12" launders with 18" launders in the North and South Sedimentation basins and rehabilitated both basins concrete walls, relined all raw water pipelines (42",54" 66" & 72") and replaced the emergency generator; 2010 installed a new 72" and 60" diameter

steel pipeline from the Bureau's Pump Station at Folsom Dam to the Hinkle Wye, replaced 24 filter valves, installed a new high efficiency solar power array designed to supply approximately 90% of the power needs to feed the Peterson Water Treatment Plant, Hinkle Pump Station, and Field Operations Building, and installed new 72" and 60" pipelines to provide redundancy and additional operational control for delivering treated water to and from Hinkle Reservoir; 2011 updated the water treatment plant instrumentation and controls including a new supervisory control and data acquisition (SCADA) system. These projects along with other capital projects increased efficiency and productivity to meet the required demands of customers and improved operations to help meet Federal and State regulatory requirements.

With a maximum capacity of 150 million gallons per day, 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 District and wholesale customers. From the water treatment plant, the water flows into the 62 million gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 214 miles of transmission and distribution pipelines, which transport the high quality treated water to wholesale and retail customers.

During the fiscal year, the District worked on several capital improvement projects to meet the District's goal of water system reliability: water treatment plant clarifier corrosion abatement, construction of the lower and upper Granite Bay pump stations, construction of the Auburn Folsom Road distribution system, and continued programmatic replacement of aging retail distribution system pipelines. Additionally there were several projects in pre-development in response to the drought. Other projects are underway in the next fiscal year to improve and efficiently maintain water systems that in many cases are more than 30 years old, including pipelines, pump stations and a storage tank.

Accounting System and Budgetary Controls

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

The District staff works with the Finance Department to develop the annual budget. The process typically begins in January and managers develop their budget requests needed to fulfill the District's mission, goals and objectives for the next fiscal year. The Finance Department prepares the proposed budget and provides a copy of draft budget to the Finance Committee, making any necessary adjustments arising from that review. Then the Finance Director presents the separate proposed budgets to the Board of Directors in May and June for their review. The public hearing on each proposed budget is usually held at the next Board of Directors meeting, with anticipated finalization and adoption scheduled for the following meeting or at least no later than June 30th. The budget is used as a management tool for projecting and measuring revenues and expenses.

Enterprise Operations

The District is comprised of two separate enterprise operations with distinct functions:

1. Wholesale Operation's primary responsibilities are: acquire and maintain a safe and reliable source of water supply through contracts; treatment of surface drinking water; storage and delivery of water to contracting wholesale water agencies; construct and maintain treatment and water storage systems as recommended by the Wholesale Master Plan.

2. Retail Operation's primary responsibilities are: maintain a safe and reliable source of water supply received from the Wholesale Agency; storage, transmission and distribution of water to retail customers at a reasonable cost; construct and maintain transmission and distribution pipeline systems as recommended by the Retail Master Plan; provide engineering oversight to District projects and new connections to the system; provide customer service; develop and monitor conservation programs.

The financial management and accounting for the two enterprise operations is recorded separately; however, for financial reporting purposes they are presented in a consolidated report. As additional information, the accounting for the two operations on a budget versus actual basis is provided.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook

The District is located in Northern California approximately 20 miles Northeast of Sacramento and between the Cities of Folsom and Roseville. While over the years the region as a whole has been successful in attracting new high-tech companies and expansion of existing companies, the statewide and national economic conditions have caused a slowing in development. The housing downturn as well as financial market deterioration has created more caution related to expansion and the economy. The District's Retail Service Area (RSA) has again experienced a very low growth rate in recent years as reflected in the number of new service connections. There were approximately 59 more service connections for the current fiscal year, which represents a growth rate of approximately .565% for the year. The national housing turmoil and resulting foreclosures in the RSA has caused the District to implement solutions for ensuring that water bills due on vacant and foreclosed properties are collected prior to closing of sale and escrow on these properties. This number has remained manageable and the District has been able to collect these monies through communication with realtors, banks, escrow companies and new property owners.

In 2013 northern California experienced its driest year on record. In response to the water shortage, California Governor Edmund G. Brown, Jr. declared a Drought State of Emergency in January 2014. The District's Board of Directors adopted a resolution in February 2014 declaring and implementing a stage 3 water warning and authorizing the issuance of a proposition 218 rate change notice. To ensure that all District customers receive the maximum reasonable and equitable water supply possible under the current conditions while minimizing impacts on Folsom Reservoir carryover storage, the District requested that its retail customers reduce water usage by 25%. Additionally, the District requested that the wholesale entities turn on their wells to provide water to the customers in their service areas. These measures have resulted in decreased water sales to wholesale entities and retail customers.

At the end of the fiscal year, in April 2014, the Board of Directors approved a resolution that imposed drought water rates. The intent of these rates was address the decrease in revenues required to operate the District, to address the impacts of drought, to comply with the District's legal obligations to pay its debt service obligations, and to avoid expending District reserves to levels that would be imprudent.

Overall, the current and future financial stability of the District is positive with the existing revenue sources remaining stable. Retail revenues are currently received entirely through a metered rate system. As the result of a Federal Mandate, the entire District became 100% metered effective January 1, 2005 and began billing all customers on a metered rate. Until that time, customers had been voluntarily switching to metered billing based upon rate comparisons provided on water bills for metered versus flat rate billing. New conservation related billing structures, referred to as Best Management Practices (BMP) 11, intend to work toward having 70% of revenues received from the volumetric portion of the

water rates. BMP 11 allows use of an alternative Canadian Model to determine the required volumetric portion of water rates for BMP compliance. The model indicates only 30% of District revenues are required to be received from the volumetric portion of rates. The District meets this standard as its volumetric portion of rates is actually 43%. The District will continue to actively monitor legislation related to this and other rate structure requirements. Any rate structure alterations would be discussed by the Board of Directors and follow noticing requirements of Proposition 218.

Long-term Financial Planning

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

In accordance with prior plans, operating, capital and reserve requirement needs, and the adopted Fiscal Year 2014-2015 wholesale and retail budgets, the Board approved a Wholesale Water Rate increase of 3% and a Retail Water Rate increase of 2%, effective January 1, 2014. Wholesale Water Rate increases are due to the significant nature of capital projects and debt service requirements (minimal operational increase required). Retail Water Rate increases are due to capital projects (minimal operational increase required).

Both the Wholesale and Retail Financial Plans were updated in November 2014 by the Reed Group, Inc. The plan recommended a 5% water rate increase for Wholesale in 2015. The plan recommended a switch to a uniform rate structure wherein all customer pay the same "uniform" water usage rate, as opposed to the then existing 3-tier residential water rate structure, it was anticipated to provide a 3% increase in water sale revenue. There were cost-saving measures implemented by staff as well as unanticipated revenues that partially offset the need to increase rates.

Relevant Financial Policies

The Districts adopted budget document contains a listing and explanation of relevant financial policies, including reserve policies. Information regarding District reserves can be found in Note 9 to the Financial Statements.

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

Respectfully Submitted,



Donna Silva, CPA
Director of Finance

SAN JUAN WATER DISTRICT
List of Elected and Appointed Officials June 30, 2015

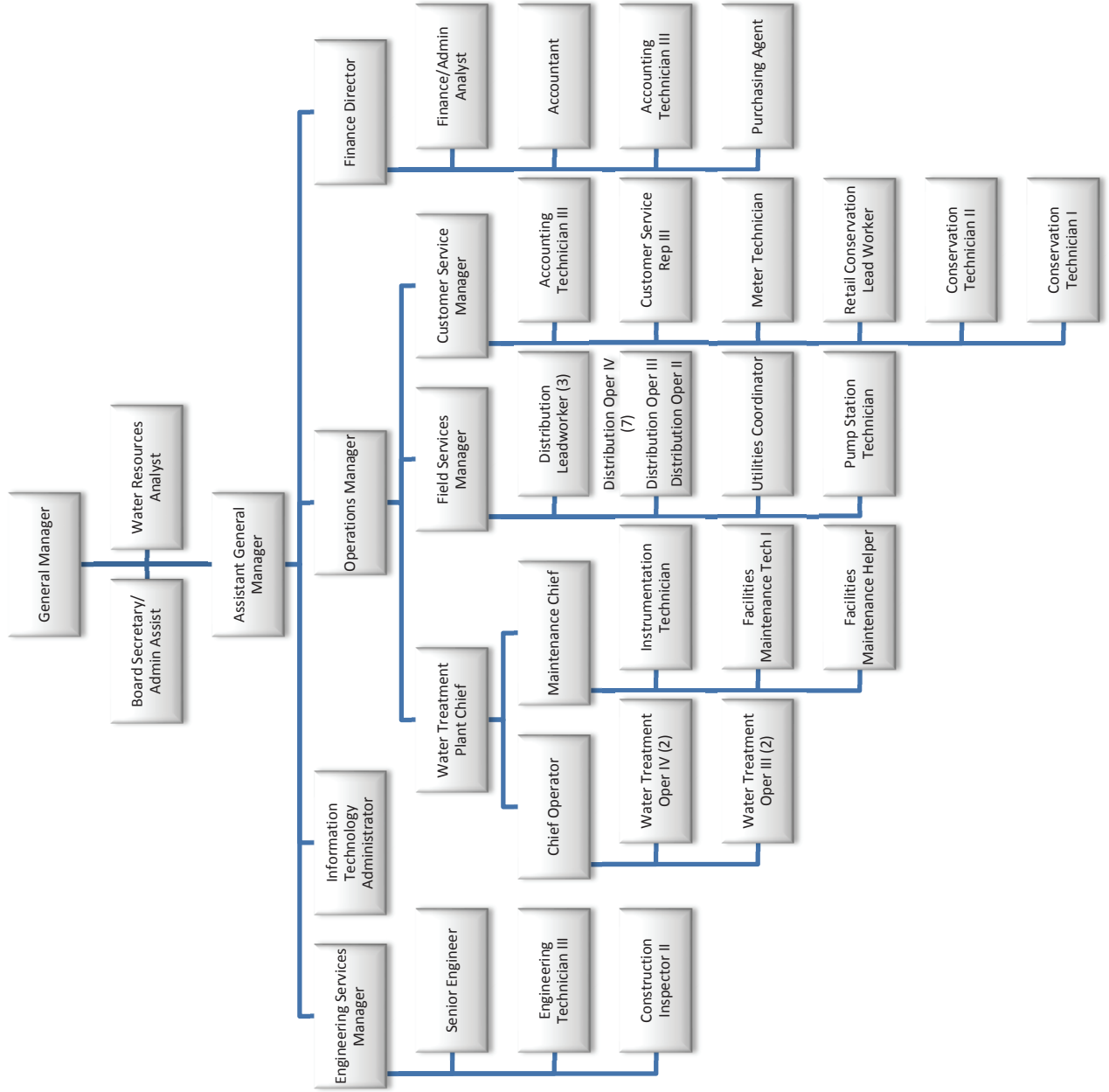
BOARD OF DIRECTORS – ELECTED OFFICIALS

	<u>TitleName</u>	<u>Current Term</u>
President	Edward J. “Ted” Costa	12/2014 – 12/2018
Vice President	Pamela Tobin	12/2012 – 12/2016
Director	Kenneth H. Miller	12/2012 – 12/2016
Director	Dan Rich	12/2014 – 12/2018
Director	Bob Walters	12/2014 – 12/2018

STAFF – APPOINTED OFFICIALS

General Manager	Shauna L. Lorance
Assistant General Manager	Keith B. Durkin
Administrative Assistant/Board Secretary	Teri Hart
Finance Director	Donna Silva
Operations Manager	Tony Barela
Customer Services Manager	Judy A. Johnson
Engineering Services Manager	Rob Watson
Field Services Manager	George Machado
Water Treatment Plant Superintendent	Greg Turner

SAN JUAN WATER DISTRICT
 Organization Chart June 30, 2015



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Juan Water District
Granite Bay, California

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of San Juan Water District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of Directors
San Juan Water District
Granite Bay, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the San Juan Water District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions made subsequent to the measurement date – An Amendment of GASB Statement No. 68*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Statement of Net Position – Wholesale, Statement of Net Position – Retail, schedule of administrative and general expenses, the schedule of operations – budget and actual total, the schedule of operations – budget and actual Wholesale, the schedule of operations – budget and actual Retail, and Statement of Non-Operating Revenue and Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



CPAs AND ADVISORS

To the Board of Directors
San Juan Water District
Granite Bay, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Solt & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
June 15, 2016

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MANAGEMENT’S DISCUSSION AND ANALYSIS

In order to enhance the information provided in the transmittal letter, management offers this narrative overview and analysis of the financial activities of the San Juan Water District (District) for the fiscal year ended June 30, 2015. We encourage readers to consider the information here in conjunction with that transmittal letter, which can be found on pages i-vi of this report. The information is intended to provide a better understanding of the District’s financial operations and performance.

FINANCIAL HIGHLIGHTS

Several key points are important when reading the District’s CAFR:

- At the end of the fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$65,870,520 (net position) as compared with \$67,021,099 (as restated) in the prior year. This amount is comprised of net investments in capital assets, restricted and unrestricted net assets. Of the total amount, \$22,145,039 is considered unrestricted and available to meet the District’s ongoing obligations. However, the majority of these funds have been designated for specific projects which will be required for replacement of capital facilities.
- Total net position decreased by \$1,150,579. The major reason for the decrease was the restatement, which included depreciation of new assets (Note 4), disposal of assets (Note 4), and a prior period pension adjustment (Note 1).
- Operating revenues decreased by \$969,443, which is due to a decrease in wholesale and retail water sales.
- Non-operating revenues decreased by \$96,849, which was due to a decrease in connection and annexation fees.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Financial Section: This section includes the auditor’s report, management’s discussion and analysis and basic financial statements. The District’s basic financial statements are comprised of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items reported as net position. When evaluated over a period of time, increases or decreases in net position may serve as an

indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position reflects the revenues and expenses for the fiscal year ended. The Statement of Cash Flows shows the sources and uses of cash in the operating, non-capital, capital and related financing, and investing activities. The notes provide in depth information that is vital to gaining a full understanding of the data provided in the financial statements. The notes to the financial statements begin on page 15.

Supplemental Information Section: In addition to the basic financial statements and accompanying notes, this report also provides additional information on administrative and general expenses and budget versus actual.

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

FINANCIAL ANALYSIS OF THE DISTRICT

As a government agency, the District is not in the business to make a profit as a private company would be. In contrast, the District has two major goals, which are:

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

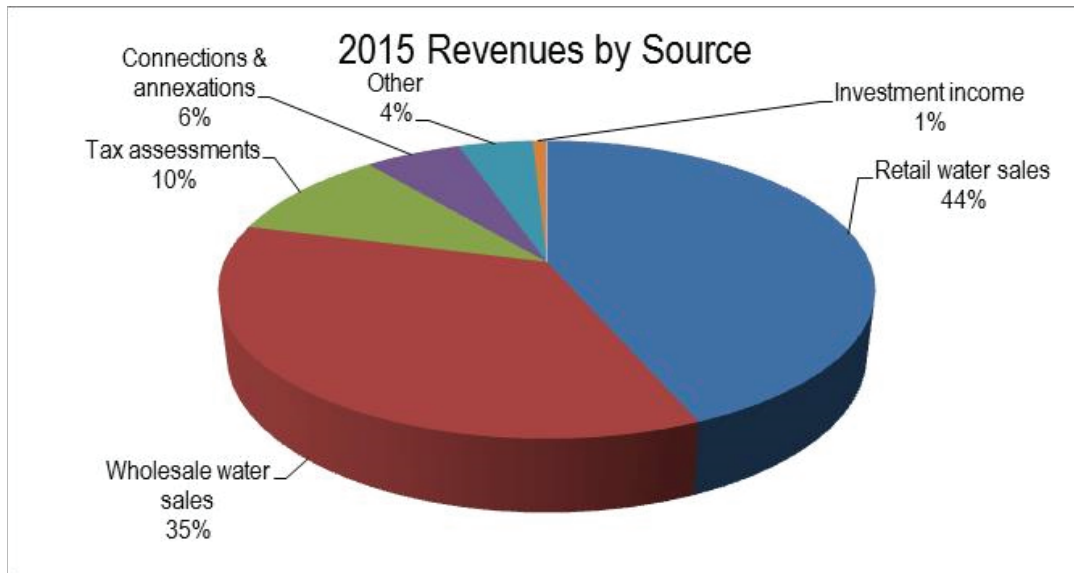
The financial statements assist a reader in determining whether the District is meeting these goals. In general, net position provides a realistic indicator of a government’s financial position. For the fiscal year ending June 30, 2015, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$65,870,520. In the prior year, assets exceeded liabilities by \$67,021,099 (restated).

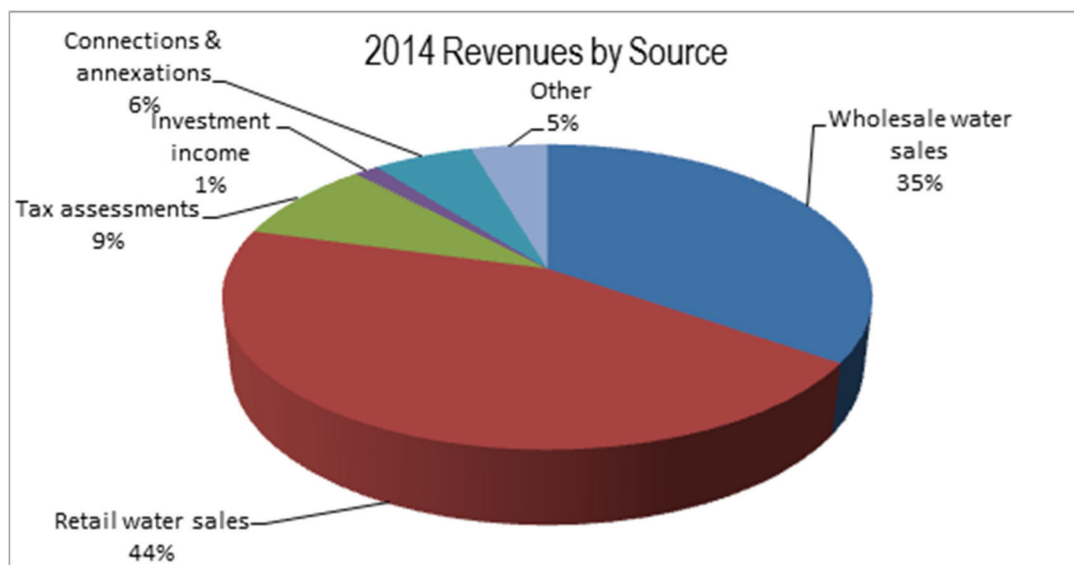
Statement of Net Position			
	<u>2015</u>	<u>2014</u>	<u>Change</u>
Assets			
Current Assets	33,100,905	25,711,419	7,389,486
Restricted Assets	2,911,577	5,700,498	(2,788,921)
Capital Assets, Net	82,730,307	81,879,165	851,142
Other Assets	<u>357,018</u>	<u>7,785,894</u>	<u>(7,428,876)</u>
Total Assets	<u>119,099,807</u>	<u>121,076,976</u>	<u>(1,977,169)</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	303,918	332,361	(28,443)
Deferred Pension Related Outflows	<u>647,753</u>	<u>-</u>	<u>647,753</u>
Total Deferred Outflows of Resources	<u>951,671</u>	<u>332,361</u>	<u>619,310</u>
Liabilities			
Current Liabilities	4,800,902	3,913,124	887,778
Long-Term Liabilities	<u>47,419,196</u>	<u>42,918,720</u>	<u>4,500,476</u>
Total Liabilities	<u>52,220,098</u>	<u>46,831,844</u>	<u>5,388,254</u>
Deferred Outflows of Resources			
Deferred Pension Related Inflows	<u>1,960,860</u>	<u>-</u>	<u>1,960,860</u>
Net Position			
Net Investment in Capital Assets	40,813,904	41,785,998	(972,094)
Restricted	2,911,577	2,911,170	407
Unrestricted	<u>22,145,039</u>	<u>29,880,325</u>	<u>(7,735,286)</u>
Total Net Position	<u>65,870,520</u>	<u>74,577,493</u>	<u>(8,706,973)</u>

The largest portion of the District's net position, 62%, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. In the prior year, net investment in capital assets represented 61% of net position. The District utilizes capital assets to serve its customers; therefore, these assets are not available for future spending. While the District's investment in capital assets is reported net of related debt, be aware that the funds needed to repay this debt must be contributed from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, restricted net position (4% of net position) are funds subject to external restrictions on how they may be used (specifically, for debt service on the 2009 Certificates of Participation (COPs)). The remaining unrestricted net assets, 34%, may be utilized to meet the District's ongoing obligations and future facility improvements or replacements. The stability of unrestricted net assets is an indicator that the financial condition of the District remains strong.

The decrease of \$1,150,579 in total net position is representative of decrease in water sales to retail and wholesale customers, and an increase in bond interest expense, as well as contributions to towards a joint project with Sac Suburban Water District for the Antelope Pump Back. In the prior fiscal year, the decrease of \$1,056,625 in total net position is representative of depreciation in capital projects greater than the addition of new capital projects. The total net position for the year 2014 was restated to implement GASB Statements No. 68 and to record depreciation for new assets and the disposition of assets (see Note 14).





Graphical representations of total District revenues demonstrate the generally stable revenue streams with exception of connections and capital contributions which can vary significantly from year-to-year.

Operating revenue decreased by \$969,443 due to the state-wide drought water restrictions, which created a decrease in water sales to both wholesale entities and retail customers.

	Statement of Activities		
	2015	2014	Change
Operating Revenues			
Wholesale Water Sales	6,379,883	6,614,718	(234,835)
Retail Water Sales	7,846,437	8,481,583	(635,146)
Other Revenue	666,965	766,591	(99,626)
Total Operating Revenues	<u>14,893,285</u>	<u>15,862,892</u>	<u>(969,607)</u>
Operating Expenses			
Sources of Supply	3,082,424	2,912,322	170,102
Depreciation	3,838,509	3,769,799	68,710
Administration and General	3,301,971	3,822,770	(520,799)
Water Treatment	2,147,336	1,888,549	258,787
Transmission and Distribution	2,671,982	2,240,966	431,016
Customer Service	540,731	597,624	(56,893)
Engineering	432,701	633,783	(201,082)
Conservation	682,311	649,832	32,479
Pumping and Telemetry	-	759,067	(759,067)
Pension Expense	586,942	398,851	188,091
Total Operating Expenses	<u>17,284,907</u>	<u>17,673,563</u>	<u>(388,656)</u>
Nonoperating Revenues (Expenses)			
Tax Assessments	1,799,464	1,677,842	121,622
Investment Income	147,684	271,721	(124,037)
Connections and Annexations	1,020,687	1,134,335	(113,648)
Other Revenue	123,302	104,088	19,214
Interest Expense	(2,138,847)	(1,623,361)	(515,486)
Other Expenses	(671,096)	(101,866)	(569,230)
Capital Contributions	959,849	-	959,849
Capital Contribution Expense	-	(225,068)	225,068
Total Nonoperating Revenues (Expenses)	<u>1,241,043</u>	<u>1,237,691</u>	<u>3,352</u>
Change in Net Position	<u>(1,150,579)</u>	<u>(572,980)</u>	<u>(577,599)</u>
Net Position, Beginning of Year, As Restated	<u>67,021,099</u>	<u>75,150,474</u>	<u>(8,129,375)</u>
Net Position, End of Year	<u>65,870,520</u>	<u>74,577,494</u>	<u>(8,706,974)</u>

The \$96,849 decrease in-non-operating revenues is due to a decrease in connection and annexation fees.

The \$388,657 decrease in operating expense cost savings implemented by administrative departments. In the prior fiscal year, operating expenses increased by \$1,181,732 due to an increase in Administrative expenses attributed to increased costs in professional services relating to drought response and in Engineering expenses, due to less expenses charged to capital projects.

Though the District continually seeks cost-efficient methods of providing service and completing capital projects, this year and coming years have placed even greater emphasis on saving money due to the drought and the slow growth of the economy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of June 30, 2015, net of accumulated depreciation, is \$82,730,307. This investment includes land, buildings, water treatment plant and distribution system, construction in progress, vehicles, equipment, office equipment and furniture. As of June 30, 2014, this amount was \$80,942,951 (restated). The increase from the prior fiscal year of \$1,787,356 is due to an increase in capital projects in progress. At June 30, 2015, the District had \$1,744,705 in construction commitments outstanding. At June 30, 2014, the District had \$2,779,390 in construction commitments outstanding.

New subdivision and commercial development within the Retail Service Area is experiencing a slow growth. The outlook for the next fiscal year 2015-2016 shows a continuing slow growth trend with some vacant land currently being developed. Additional information on capital assets can be located in Note 4 of the Notes to the Basic Financial Statements beginning on Page 15.

Debt Administration

As of June 30, 2015, the District had three different debt issues outstanding in an aggregate amount of \$40,785,159. Of this amount, \$897,333 represents the current portion due in Fiscal Year 2015-2016. In the prior year, there were three outstanding debt issues in an aggregate amount of \$41,646,190, with \$861,031 representing the portion due in Fiscal Year 2014-2015. For more information on Long-Term Liabilities, refer to Note 6 of the Notes to the Basic Financial Statements beginning on Page 27.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
2012 Revenue Refunding Bonds	11,475,000	11,895,000	12,145,000
2009 Certificates of Participation	29,255,000	29,670,000	30,075,000
1977 Economic Development Administration Loan	55,159	81,190	105,916
Total	<u>40,785,159</u>	<u>41,646,190</u>	<u>42,325,916</u>

MBIA Indemnity Corporation insures the payment of the principal and interest on the 2003 Certificates of Participation. Standard & Poor's Ratings Group and Moody's Rating Services had given the COP a rating of "AAA" with the issuance of bond insurance by MBIA Indemnity Corporation. Pursuant to the Trust Agreement, with the recent downgrading of MBIA the District was required to file a disclosure reporting significant events and had completed this immediately following the event. For the 2009 Certificates of Participation, the District received an underlying credit rating of "AA", outlook stable from both Standard & Poor's Ratings Group and Fitch Ratings.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The local economy has continued to experience slow, steady growth. Interest rates are holding and are beginning to increase, which should provide slightly higher investment earnings in the next year. The District expects to continue to receive its share of the 1% property tax revenue, but carefully monitors the activity of the State of California for potential reallocation of these funds. Proposition 1A protected these funds to the extent that the State can only borrow them for a period of three years and must re-pay them including interest, but there is still a general concern given the State's economic situation. Although these are used for capital improvements and not for operations, any loss of these funds would require re-evaluation of capital projects costs and scheduling to calculate the impact to the District.

In response to continued water shortage due to the drought, California Governor Edmund G. Brown, Jr. declared a Drought State of Emergency in January 2014. In May 2015 the State Water Resources Control Board enacted emergency regulation that required the District's retail water customers to cut back their water usage by 36% from their 2013 usage. The District's Board of Directors voted to enact a Stage 4 drought crisis, which implemented a 10% drought surcharge the volumetric portion of the water bill to help offset the loss of revenue. The continuation of the drought water restrictions was considered in the preparation of the Fiscal Year 2015-2016 budget, through February 2016 and was anticipated to generate approximately \$279,600, partially offsetting the significant loss of revenue as a result of the severe drought.

Additionally, the District requested that the wholesale entities turn on their wells to provide water to the customers in their service areas. These measures have resulted in decreased water sales to wholesale entities, which was also been considered in the Fiscal Year 2015-2016 Budget wholesale revenue calculation.

As approved by the Board of Directors, the District's Wholesale Water Rates are scheduled to increase by 6% and the Retail Water Rates are scheduled to increase by 15% on January 1, 2016. The District has worked hard to keep rates down during both the Great Recession and the drought. However, in order to continue to meet the water needs of the rate payers and to adequately maintain the myriad of infrastructure that treats and transmits quality drinking water, significant future rate increases will be necessary. The Wholesale and Retail Financial Plan is anticipated to be updated in the Spring of 2016.

REQUESTS FOR INFORMATION

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

SAN JUAN WATER DISTRICT

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015**

	<u>2015</u>
Assets:	
Current Assets:	
Cash and investments	\$ 30,317,914
Receivables:	
Accounts, net	2,417,135
Taxes	66,514
Accrued interest	11,302
Prepaid expenses	182,688
Inventories	105,352
	<hr/>
Total Current Assets	33,100,905
	<hr/>
Noncurrent:	
Capital assets, not being depreciated	7,601,646
Capital assets - net of accumulated depreciation	75,128,661
	<hr/>
	82,730,307
Restricted noncurrent assets:	
Investments	2,911,577
	<hr/>
	2,911,577
Other assets:	
Investment in electrical power	357,018
	<hr/>
	357,018
	<hr/>
Total Noncurrent Assets	85,998,902
	<hr/>
Total Assets	119,099,807
	<hr/>
Deferred Outflows of Resources:	
Deferred charge on refunding	303,918
Deferred pension related outflows	647,753
	<hr/>
Total Deferred Outflows of Resources	951,671
	<hr/>
Liabilities, Deferred Inflows of Resources, and Net Position:	
Liabilities:	
Current:	
Accounts payable	2,090,957
Accrued liabilities	336,996
Accrued interest	921,500
Unearned revenues	141,440
Deposits payable	77,298
Accrued compensated absences	335,378
Bonds, notes, and capital leases	897,333
	<hr/>
Total Current Liabilities	4,800,902
	<hr/>
Noncurrent:	
Accrued compensated absences	205,554
Bonds, notes, and capital leases	41,322,988
Net OPEB liability	634,843
Net pension liability	5,255,811
	<hr/>
Total Noncurrent Liabilities	47,419,196
	<hr/>
Total Liabilities	52,220,098
	<hr/>
Deferred Inflows of Resources:	
Deferred pension related inflows	1,960,860
	<hr/>
Total Deferred Inflows of Resources	1,960,860
	<hr/>
Net Position:	
Net investment in capital assets	40,813,904
Restricted for debt service	2,911,577
Unrestricted	22,145,039
	<hr/>
Total Net Position	\$ 65,870,520
	<hr/>

SAN JUAN WATER DISTRICT

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
Operating Revenues:	
Water sales - wholesale	\$ 6,379,883
Water sales - retail	7,846,437
Other revenue	666,965
	<u>14,893,285</u>
Total Operating Revenues	14,893,285
Operating Expenses:	
Source of supply	
Water charged to retail service area	2,217,448
Placer County Water Agency	412,063
US Bureau of Reclamation	150,152
Wheeling	138,380
Bureau pumping	108,540
Other Public Agencies	55,841
Depreciation and amortization	3,838,509
Administration and general	3,301,971
Water treatment	2,147,336
Transmission and distribution	2,671,982
Customer service	540,731
Engineering	432,701
Conservation	682,311
Pension expense	586,942
	<u>17,284,907</u>
Total Operating Expenses	17,284,907
Operating Income (Loss)	<u>(2,391,622)</u>
Nonoperating Revenues (Expenses):	
Tax assessments	1,799,464
Investment income	147,684
Connections and annexations	1,020,687
Other revenue	123,302
Interest expense	(2,138,847)
Other expenses	(671,096)
	<u>281,194</u>
Total Nonoperating Revenues (Expenses)	281,194
Income (Loss) Before Capital Contributions	(2,110,428)
Capital contributions	<u>959,849</u>
Changes in Net Position	<u>(1,150,579)</u>
Net Position:	
Beginning of Fiscal Year, as previously reported	74,577,493
Restatements	<u>(7,556,394)</u>
Beginning of Fiscal Year, as restated	<u>67,021,099</u>
End of Fiscal Year	<u>\$ 65,870,520</u>

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>2015</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 14,712,962
Cash paid to suppliers for goods and services	(7,457,324)
Cash paid to employees for services	(4,936,205)
	<u>(4,936,205)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,319,433</u>
Cash Flows from Non-Capital Financing Activities:	
Other financing income	123,302
Tax assessments received	1,784,192
	<u>1,784,192</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,907,494</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(4,665,266)
Principal paid on capital debt	(861,031)
Interest paid on capital debt	(2,287,506)
Payments for miscellaneous expenses	(671,096)
Connection and annexation income	1,020,687
	<u>1,020,687</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,464,212)</u>
Cash Flows from Investing Activities:	
Investment income	157,101
	<u>157,101</u>
Net Cash Provided (Used) by Investing Activities	<u>157,101</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(3,080,184)</u>
Cash and Cash Equivalents at Beginning of Year	36,309,675
	<u>36,309,675</u>
Cash and Cash Equivalents at End of Year	<u>\$ 33,229,491</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (2,391,622)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	3,838,509
(Increase) decrease in accounts receivable	(166,780)
(Increase) decrease in taxes receivable	(15,272)
(Increase) decrease in prepaid expenses	(11,710)
(Increase) decrease in inventories	(13,236)
(Increase) decrease in deferred pension related outflows	(647,753)
Increase (decrease) in accounts payable	822,517
Increase (decrease) in accrued liabilities	143,238
Increase (decrease) in unearned revenues	1,729
Increase (decrease) in deposits payable	8,000
Increase (decrease) in compensated absences	(239,806)
Increase (decrease) in deferred pension related inflows	1,960,860
Increase (decrease) in OPEB liability	395,878
Increase (decrease) in net pension liability	(1,365,119)
	<u>(1,365,119)</u>
Total Adjustments	<u>4,711,055</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,319,433</u>
Non-Cash Investing, Capital, and Financing Activities:	
Change in Fair Value of Investments	\$ 26,155

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SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

The San Juan Water District (the District) was incorporated March 4, 1954 as a community service district under community service district law of the State of California (Section 60000 et. seq., Title 5, Division 3 of the California Government Code). The District is governed by a five member Board of Directors elected by the voters within the District for staggered, four year terms, every two years. The District provides water to retail customers in Sacramento and Placer Counties and sells water on a wholesale basis to other agencies. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

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

Basis of Presentation - Fund Accounting

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

Basis of Accounting

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

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as deferred revenues until earned. Earned but unbilled water services are accrued as revenue.

Water lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection by the District and the estimated costs are capitalized as pipelines, reservoirs, pumping stations and buildings.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Operating expenses include source of supply expenses, the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Principles

The Board of Directors does not operate under any legal budgeting constraints. Budget integration is employed as a management control device. Budgets are formally adopted by the Board and take effect on each July 1.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets. Cash and cash equivalents include demand deposits, money market funds and California Local Agency Investment Funds (LAIF).

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Restricted Assets

Certain proceeds of the District's long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the 2009 Certificates of Participation debt service. The indenture does not establish a reserve fund in connection with the issuance of the 2012 Revenue Refunding Bonds.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Donated assets are valued at estimated fair value on the date received. During fiscal year 2014-2015, the estimated useful lives of assets were reviewed and revised. Depreciation is calculated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Building and structures	15-33 years
Machinery and equipment	5-15 years
Plant and pipelines	20-80 years

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

Inventory

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. There are two items to report in this category. One is relating to the deferred charge on refunding associated with debt and the second is relating to the net pension obligation. The outflow related to the net pension obligation is related to GASB 68. The outflow is the results of contributions made after the measurement period, which are to be expensed in the following year. It also includes adjustments due to the difference between actual employer contributions made and the proportionate share of the risk pool's total employer contributions, which are deferred and amortized over the expected average remaining service lifetime.

Note 1: Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item to report in this category. The inflows is the result of the net difference between projected and actual earnings on pension plan investments and differences between employer's contributions and proportionate share of contributions. This amount is deferred and amortized straight-line over a five year period.

Bond Premiums and Issuance Costs

With the implementation of GASB 65, bond issuance costs are no longer deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums.

Property Taxes

The District receives property taxes from both Sacramento and Placer Counties. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of March 1 of the preceding fiscal year. They become a lien on the first day of the levy year they are levied. Secured property tax is levied on January 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. At that time, delinquent accounts are assessed a penalty of 10 %. Accounts that remain unpaid on June 30 are charged an additional 12 percent per month. Unsecured property tax is levied on July 1 and due on July 31, and becomes delinquent on August 31. The penalty percentage rates are the same as secured property tax.

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

Compensated Absences

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

Net Pension Liability

Net Pension Liability For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position has been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Valuation Date (VD) June 30, 2013

Measurement Date (MD) June 30, 2014

Measurement Period (MP) July 1, 2013 to June 30, 2014

Unearned Revenue

Unearned Revenue represents revenues received for wholesale and retail sales that have not been earned as of June 30, 2015.

Water Charge to the Retail Service Area

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

Segment Information

The District's management has determined the District consists of one operating segment.

Changes in Accounting Principle

The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities.

In addition, the District implemented GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. The provisions of GASB Statement No. 71 have been implemented by the District.

Note 2: Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 5,539,903
Restricted investments	2,911,577
Investments	<u>24,778,011</u>
Total cash and investments	<u>\$ 33,229,491</u>

Investment Policy

Investments, with the exception of LAIF, are reported at fair value. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments (Continued)

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Federal Agency Securities	5 years	None	None
Banker's Acceptances	180 days	20%	20%
High Grade Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	50%
Local Agency Investment Fund (LAIF)	N/A	None	None
Time Deposits	5 years	10%	50%
Medium Term Corporate Notes	5 years	30%	50%
Money Market Mutual Funds	N/A	15%	10%
Mortgage Pass-through Securities	5 years	20%	20%
Collateralized Mortgage Obligations	5 years	20%	20%
Mortgage-backed or Other Pay-through Bonds	5 years	20%	20%
Equipment Leased-back Certificates	5 years	20%	20%
Consumer Receivable Pass-Through Certificates	5 years	20%	50%
Consumer Receivable-backed Bonds	5 years	20%	50%

*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Cash on hand	\$ 100
Deposits with financial institutions	5,539,803
Total cash on hand and deposits	5,539,903
Money market mutual funds	3,464,489
Investments in Local Agency Investment Fund (LAIF)	15,988,768
U.S. agency securities	5,193,141
Certificates of deposit	1,250,000
Medium-term corporate notes	1,793,190
Total investments	27,689,588
Total cash and investments	\$ 33,229,491

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The 2009 Revenue Certificates of Participation and the 2012 Revenue Refunding Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk, including 1) the authorization of the investment of the debt service reserve in guaranteed investment contracts required to be held by foreign banks, domestic or Canadian life insurance companies, wholly-owned and guaranteed financial institution subsidiaries of one of the above mentioned institutions or a domestic financial guaranty insurance company or affiliate with a minimum unsecured debt or financial strength rating of AAA by nationally recognized statistical rating organization; 2) a specified maturity date of February 1, 2033; and 3) a requirement that if such provider's unsecured debt or financial strength rating falls below AA-, the guaranteed investment contracts must be collateralized with U.S. Treasury Obligations, or senior debt or mortgage pass-through Obligations of GNMA, FNMA or FHLMC. No collateralized mortgage obligations are allowed for these providers, and collateral levels must be at least 104% of the principal and accrued interest on the guaranteed investment contracts if the collateral type is U.S. Treasury Obligations or Obligations of GNMA and at least 105% if the collateral type is Obligations of FNMA or FHLMC.

Interest Rate Risk

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

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments (Continued)

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

	Total	Remaining Investment Maturities		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Investments:				
U.S. Agency Securities	\$ 5,193,141	\$ -	\$ 3,813,839	\$ 1,379,302
Medium-term Corporate Notes	1,793,190	-	1,793,190	-
LAIF	15,988,768	15,988,768	-	-
Certificate of Deposit	1,250,000	250,000	1,000,000	-
Money Market Mutual Funds	552,912	552,912	-	-
Held by Bond Trustee:				
Money Market Mutual Funds	2,911,577	2,911,577	-	-
Total Investments	\$ 27,689,588	\$ 19,703,257	\$ 6,607,029	\$ 1,379,302

Disclosures Relating to Credit Risk

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

Investment Type	Total as of June 30, 2015	Minimum Legal Rating	Minimum	
			AAA	Not Rated
U.S. Agency Securities	\$ 5,193,141	N/A	\$ 5,193,141	\$ -
Medium-Term Corporate Notes	1,793,190	A	1,793,190	-
LAIF	15,988,768	N/A	-	15,988,768
Certificate of Deposit	1,250,000	N/A	-	1,250,000
Money Market Mutual Funds	552,912	A	552,912	-
Held By Bond Trustee:				
Money Market Mutual Funds	2,911,577	AAA	2,911,577	-
Total Investments	\$ 27,689,588		\$ 10,450,820	\$ 17,238,768

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments (Continued)

Concentration of Credit Risk

The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 5% of total investments, with the exception of U.S. Treasury obligations, U.S. agency securities and LAIF. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	U.S. Agency Security	\$ 2,175,570
Federal National Mortgage	U.S. Agency Security	1,849,099

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2015, the carrying amount of the District's deposits was \$5,539,903. In accordance with State law (Government Code Section 53630), deposits are covered by federal depository insurance corporation, supplemental insurance held by the investment broker and collateralized as required by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District. As of June 30, 2015, all of the District's deposits with financial institutions in excess of federal depository insurance corporation limits were held in collateralized accounts.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments (Continued)

Investment in LAIF

LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$69,641,162,418 managed by the State Treasurer. Of that amount, 100% is invested in non-derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3: Accounts Receivable

	<u>2015</u>
Wholesale Customers	\$ 1,313,378
Retail Customers	1,102,909
Miscellaneous	848
Accounts Receivable, Net	<u>2,417,135</u>
Interest - LAIF	11,302
Property Taxes	66,514
Total Accrued Interest and Taxes Receivable	<u>\$ 77,816</u>

SAN JUAN WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance at June 30,2014	Adjustments	Adjusted Balance at June 30,2014	Transfers	Increases	Decreases	Balance at June 30,2015
Capital assets, not being depreciated:							
Land	\$ 572,670	\$ -	\$ 572,670	\$ -	\$ -	\$ -	\$ 572,670
Construction in progress	13,129,282	(11,628,797)	1,500,485	(79,908)	5,888,278	(279,879)	7,028,976
Total capital assets not being depreciated	13,701,952	(11,628,797)	2,073,155	(79,908)	5,888,278	(279,879)	7,601,646
Capital Assets, Being Depreciated:							
Pipelines	64,498,979	3,687,905	68,186,884	-	11,250	-	68,198,134
Water Treatment Plant	41,106,766	(1,518,028)	39,588,738	15,466	-	-	39,604,204
Land Improvements	6,176,610	(5,789,595)	387,015	-	-	-	387,015
Reservoirs	6,743,165	(1,370,761)	5,372,404	-	-	-	5,372,404
Pumping Stations	8,015,403	(133,209)	7,882,194	-	-	-	7,882,194
Buildings	1,554,054	5,734,738	7,288,792	9,339	-	-	7,298,131
Vehicles and Equipment	3,644,956	7,447,985	11,092,941	55,103	5,466	-	11,153,510
Intangibles	-	3,035,737	3,035,737	-	-	-	3,035,737
Total Capital Assets Being Depreciated	131,739,933	11,094,772	142,834,705	79,908	16,716	-	142,931,329
Less Accumulated Depreciation:							
Pipelines	(30,157,139)	(1,215,555)	(31,372,694)	-	(1,712,965)	-	(33,085,659)
Water Treatment Plant	(19,028,009)	682,957	(18,345,052)	-	(1,058,952)	-	(19,404,004)
Land Improvements	(683,630)	417,180	(266,450)	-	(9,841)	-	(276,291)
Reservoirs	(6,545,733)	2,299,810	(4,245,923)	-	(79,252)	-	(4,325,175)
Pumping Stations	(3,435,571)	93,627	(3,341,944)	-	(211,722)	-	(3,553,666)
Buildings	(1,119,125)	(380,003)	(1,499,128)	-	(220,214)	-	(1,719,342)
Vehicles and Equipment	(2,593,513)	(750,312)	(3,343,825)	-	(459,598)	-	(3,803,423)
Intangibles	-	(1,549,143)	(1,549,143)	-	(85,965)	-	(1,635,108)
Total Accumulated Depreciation	(63,562,720)	(401,439)	(63,964,159)	-	(3,838,509)	-	(67,802,668)
Total Capital Assets Being Depreciated, Net	68,177,213	10,693,333	78,870,546	79,908	(3,821,793)	-	75,128,661
Capital Assets, Net	\$ 81,879,165	\$ (935,464)	\$ 80,943,701	\$ -	\$ 2,066,485	\$ (279,879)	\$ 82,730,307

After fiscal year ending June 30, 2014 was closed, a full review of the District's fixed assets and construction-in-progress was completed and it was determined that a prior year adjustment was required. Construction projects of \$11,628,797 were completed prior to the fiscal year end, which transferred the same amount from the non-depreciable construction-in-progress account to the appropriate asset accounts (\$9,492,887 Pipelines, \$580,513 Water Treatment Plant, and \$1,554,650 Vehicles & Equipment). Depreciation of \$660,221 was recorded for these assets (\$377,892 Pipelines, \$23,220 Water Treatment Plant, and \$259,109 Vehicles and Equipment). Additionally there were several fixed assets that had been previously created that did not meet the District's fixed asset threshold of \$5,000. This resulted in a decrease to assets of \$534,029 and to depreciation of \$258,783. Finally an adjustment decreasing the total amount depreciated by \$9,269 was completed to correct assets that had been over-depreciated.

The classification of assets was also reviewed and recorded in the "Transfer" column. The classification changes with the greatest impacts were the transfer of meters from Pipelines to Equipment, and the solar project was moved from Land Improvements to Buildings. Additionally, a new Intangibles classification was created for assets, such as software and studies.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2015

Note 5: Investment in Electrical Power

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

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

The District has a 0.13 percent equity interest in the net position of the Project as defined in the Long-Term Participation Agreement. The District also has an obligation to finance 0.13 % of the net losses of the Project; it also has the right to receive 0.13 % of the operating results of the Project income. The District is billed monthly for its share of the operations and maintenance costs of the Project. The District's net investment and its share of the operating results of the Project are reported as Investment in Electrical Power. The Project unaudited interim financial statements for the year ended June 30, 2015 are available from the California-Oregon Transmission Project at P.O. Box 15140, Sacramento, CA, 95866.

The following is the summarized financial information for the Project as of and for the years ended June 30, 2015:

	<u>Unaudited 2015</u>
Balance Sheet:	
Assets	<u>\$ 267,629,876</u>
Liabilities	\$ 22,187,414
Net Position	245,442,462
Liabilities and Net Position	<u>\$ 267,629,876</u>
Income Statement:	
Operating Revenues	\$ 11,895,784
Operating Expenses	<u>22,525,813</u>
Operating Loss	(10,630,029)
Net Non-operating Revenue - Interest and Other	489
Adjustment to Net Position for Capital Improvements	1,904,996
Change in Net Position	<u>\$ (8,724,544)</u>
Districts Share of Change in Net Position	\$ (11,639)

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 6: Long-Term Liabilities

As of June 30, 2015, the District has three components of outstanding debt described below.

2012 Refunding Bonds

On May 16, 2012, the District issued Refunding Bonds in the amount of \$13,625,000 for the purpose of refunding the 2003 Certificates of Participation. Principal payments are due on February 1 through 2033 and range from \$250,000 to \$1,480,000, with semi-annual interest payments due on February 1 and August 1 through February 1, 2033 that range from \$24,281 to \$284,550. Interest rates range from 1% to 5.25%.

2009 Revenue Certificates of Participation

On June 30, 2009, the District issued Revenue Certificates of Participation in the amount of \$30,510,000 to fund certain capital improvements secured by a lien on all revenues on the District. Principal payments are due on February 1 through 2039 and range from \$10,000 to \$3,015,000, with semi-annual interest payments due on February 1 and August 1 through February 1, 2033 that range from \$90,450 to \$1,008,477. Interest rates range from 3% to 6%.

1977 Economic Development Administration (EDA) Loan

On September 14, 1977, the District entered into a loan agreement in the amount of \$512,000 with the EDA related to the 1977 Drought Act. The interest rate is 5% with annual principal and interest payments of \$30,091 and \$29,217 due July 1 through 2016 and 2017, respectively.

Long-term debt consisted of the following for years ending June 30, 2015:

	<u>2015</u>
2012 Revenue Refunding Bonds	\$ 11,475,000
Participation	29,255,000
Administration Loan	<u>55,159</u>
Total Bonds and Notes Payable	40,785,159
Less: Current Portion Payable	<u>(897,333)</u>
Add: Unamortized Premium	1,435,162
Total Long-Term Debt	<u><u>\$ 41,322,988</u></u>

The District's long-term liability activity during the years ended June 30, 2015 was:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
2012 Revenue Refunding Bonds	\$ 11,895,000	\$ -	\$ (420,000)	\$ 11,475,000	\$ 440,000
2009 Revenue Certificates of Participation	29,670,000	-	(415,000)	29,255,000	430,000
1977 Economic Development	81,190	-	(26,031)	55,159	27,333
Total Bonds and Notes Payable	<u>\$ 41,646,190</u>	<u>\$ -</u>	<u>\$ (861,031)</u>	40,785,159	<u>\$ 897,333</u>
			Bond Premiums	1,435,162	
				<u>\$ 42,220,321</u>	
Compensated Absences	<u>\$ 780,738</u>	<u>\$ 251,249</u>	<u>\$ (491,055)</u>	<u>\$ 540,932</u>	<u>\$ 335,378</u>

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 6: Long-Term Liabilities (Continued)

The following is a schedule of maturities from long-term debt at June 30, 2015:

2012 Revenue Refunding Bonds

Year Ended June 30,	Principal	Interest	Total
2016	\$ 440,000	\$ 533,700	\$ 973,700
2017	450,000	518,500	968,500
2018	465,000	499,281	964,281
2019	485,000	481,013	966,013
2020	500,000	472,525	972,525
2021-2025	2,905,000	1,972,075	4,877,075
2026-2030	3,590,000	1,277,063	4,867,063
20310-2033	2,640,000	281,925	2,921,925
Total Long-Term Debt	<u>\$ 11,475,000</u>	<u>\$ 6,036,082</u>	<u>\$ 17,511,082</u>

2009 Revenue Certificates of Participation

Year Ended June 30,	Principal	Interest	Total
2016	\$ 430,000	\$ 1,672,400	\$ 2,102,400
2017	450,000	1,653,050	2,103,050
2018	475,000	1,630,550	2,105,550
2019	500,000	1,606,800	2,106,800
2020	525,000	1,580,550	2,105,550
2021-2025	3,085,000	7,429,225	10,514,225
2026-2030	4,025,000	6,494,463	10,519,463
2031-2035	8,700,000	5,087,875	13,787,875
2036-2039	11,065,000	1,708,200	12,773,200
Total	<u>\$ 29,255,000</u>	<u>\$ 28,863,113</u>	<u>\$ 58,118,113</u>

1977 Economic Development Administration Loan

Year Ended June 30,	Principal	Interest	Total
2016	\$ 27,333	\$ 2,758	\$ 30,091
2017*	27,826	1,391	29,217
Total Long-Term Debt	<u>\$ 55,159</u>	<u>\$ 4,149</u>	<u>\$ 59,308</u>

* Loan balance adjusted \$66 by EDA

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 6: Long-Term Liabilities (Continued)

The District is required by its 2009 Revenue Certificates of Participation and 2012 Revenue Refunding Bonds to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 115% of debt service payments on any future debt issued and deposit the net revenues in a revenue fund pledged for such future debt service payments.

Note 7: Net Investment in Capital Assets

Capital Assets, gross	\$ 150,532,975
Less: Accumulated Depreciation	<u>(67,802,668)</u>
Net Capital Assets	82,730,307
Add: Deferred Costs on Bond Refunding	303,918
Less: Debt Used for Capital Purposes	(40,785,159)
Less: Unamortized Premium	<u>(1,435,162)</u>
Net Investment in Capital Assets	<u><u>\$ 40,813,904</u></u>

Note 8: Restricted Net Position

Restricted net position consist of constraints placed on net position use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position consisted of the debt service reserve on the 2009 Certificates of Participation of \$2,911,577 at June 30, 2015.

	<u>Wholesale</u>	<u>Retail</u>	<u>Total</u>
2009 COP Reserve Fund	\$ 1,848,540	\$ 1,063,037	\$ 2,911,577
Restricted Net Assets	<u>\$ 1,848,540</u>	<u>\$ 1,063,037</u>	<u>\$ 2,911,577</u>

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Unrestricted Net Position

Designations

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources.

	Wholesale	Retail	Total
Capital Reserves	\$ 6,270,525	\$ 6,739,938	\$ 13,010,463
Operating Reserves	1,561,840	1,789,698	3,351,538
Hinkle Reservoir Lining Replacement Reserve	2,612,794	-	2,612,794
Rate Stabilization Reserve	1,000,000	-	1,000,000
Reserve for Employees' Vacation/Sick Leave	193,555	347,377	540,932
Kokila Reservoir Lining Replacement Reserve	-	382,023	382,023
Developers' Deposits - Construction/Inspection	-	47,018	47,018
Delta/Water Rights	102,166	-	102,166
PERS Stabilization	413,933	410,172	824,105
Vehicles/Equipment	60,000	214,000	274,000
Total Unrestricted, Designated Net Position	<u>\$ 12,214,813</u>	<u>\$ 9,930,226</u>	<u>\$ 22,145,039</u>

Note 10: Deferred Compensation Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for employees who elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. This information is reported in accordance with the Internal Revenue Code and listed on participating employee's W2s. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. The District is not provided with market value of all plan assets held in trust by the four deferred compensation plans.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Employees' Retirement Plan

Plan Description

The District contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Public Employees' Pension Reform Act of 2013 (PEPRA) created a new benefit and contribution level for new employees meeting certain criteria. PERS acts as a common investment and administrative agent for participating public employers within the State of California.

All permanent full and part-time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times the monthly average salary of their highest twelve (Tier 1) and thirty-six (Tier 2 and PEPRA) consecutive months full-time equivalent monthly pay. Copies of the PERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Below is a summary of the plans' provisions and benefits in effect at June 30, 2015, for which the District has contracted:

Major Benefit Options	Miscellaneous Tier I *	Miscellaneous Tier II *	Miscellaneous PEPRA
Hire Date	Prior to January 1, 2011	After January 1, 2011 and before January 1, 2013	On or after January 1, 2013
Benefit Provision			
Benefit Formula	3.0% @ 60	3.0% @ 60	2.0% @ 62
Social Security	yes	yes	yes
Full/Modified	modified	modified	full
Benefit vesting schedule	5 yrs service	5 yrs service	5 yrs service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50	minimum 50	minimum 50
Monthly benefits, as a % of eligible compensation	1.426% to 3.0%	1.426% to 3%	1.0% to 2.5
Required employer contribution rates	15.724%	15.084%	6.250%
Required employee contribution rates	7.76%	7.76%	6.31%

* Closed to new entrants

SAN JUAN WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 11: Employees' Retirement Plan (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as a reduction to the net pension liability for all Plans was \$695,324.

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

As of June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 5,167,620
Miscellaneous Tier II	88,079
Miscellaneous PEPRA	112
	<u>\$ 5,255,811</u>

San Juan Water District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014, was as follows:

Proportions as a percentage of the CalPERS Miscellaneous risk pool:

	Miscellaneous	Miscellaneous Second Tier	Miscellaneous PEPRA
Proportion - June 30, 2013	0.21549%	0.00367%	0.00000%
Proportion - June 30, 2014	0.20909%	0.00356%	0.00000%
Change - Increase (Decrease)	-2.96931%	-2.96884%	-2.94884%

SAN JUAN WATER DISTRICT

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 11: Employees' Retirement Plan (Continued)

For the year ended June 30, 2015, the District recognized pension expense of \$539,622. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 591,634	\$ -
Net differences between projected and actual earnings on plan investments	-	1,766,196
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	134,927
Adjustment due to differences in proportions	56,119	59,737
Total	<u>\$ 647,753</u>	<u>\$ 1,960,860</u>

\$591,634 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2016	\$ (478,348)
2017	(478,348)
2018	(478,090)
2019	(469,955)

Actuarial Assumptions

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013, total pension liability.

The June 30, 2013 and the June 30, 2014, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	3.3% - 14.2% (1)
Investment Rate of Return	7.50% (2)
Mortality Rate Table (3)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment

(2) Net of Pension Plan Investment and Administrative Expenses; includes Inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report on the CalPERS

Note 11: Employees' Retirement Plan (Continued)

All other actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Employees' Retirement Plan (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability/ (asset) of the Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.50 percent) or 1% point higher (8.50 percent) than the current rate:

Plan's Net Pension Liability/(Assets)	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Miscellaneous	\$ 9,207,101	\$ 5,167,620	\$ 1,815,235
Miscellaneous Tier II	156,929	88,079	30,940
Miscellaneous PEPRA	199	112	39

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

Note 12: Other Post-Employment Benefits (OPEB)

Plan Description

The District provides health care benefits to eligible retired District employees and survivor dependents as defined by their participating tier (first or second) and coverage level (basic or Medicare supplement) with a choice of several plans through an agent single-employer defined benefit plan established July 28, 2020. This is contracted with the California Public Employees' Retirement System (CalPERS) through the Public Employees' Medical and Hospital Care Act (PEMHCA). State statutes assign the authority to establish and amend the benefit provisions of the agent multiple-employer health care plans administered by CalPERS to the respective employer entities.

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Other Post-Employment Benefits (OPEB) (Continued)

Funding Policy

The District pays a percentage of the post-employment health care benefits for retirees, their spouses, and their dependents based during the life of the retiree on the retirees tier. Surviving spouses and eligible dependents of retirees may elect to continue health care benefits with the same District contribution towards the expense. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District.

The contribution requirements of the District are established and may be amended by the District's Board. Plan members are currently not required to contribute. The District is required to contribute at an actuarially determined rate. The current employer contribution rate is 26.9 percent of annual covered payroll.

Annual OPEB and NET OPEB Obligations

The year ended June 30, 2011 is the initial year for this OPEB plan. Accordingly, the annual required contribution of \$398,851, as determined by an actuarial valuation performed at March 26, 2014. The end of the year net OPEB obligation is determined as follows:

	<u>2015</u>
Annual OPEB Cost	\$ 475,891
Contributions Made	<u>(80,013)</u>
Increase in Net OPEB Obligation	395,878
Net OPEB Obligation, Beginning of Year	<u>238,965</u>
Net OPEB Obligation, End of Year	<u><u>\$ 634,843</u></u>

The District's annual OPEB cost, percentage of OPEB cost contributed, and net post-employment benefit obligation for the plan for the current fiscal year ended June 30, 2013 (only available data as this is the initial plan year) is as follows:

<u>Actuarial Valuation Date</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 542,461	43%	\$ 108,175
June 30, 2014	394,987	67%	238,965
June 30, 2015	475,891	17%	634,843

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Other Post-Employment Benefits (OPEB) (Continued)

Funded status and funding progress. As of July 1, 2021, the most recent actuarial valuation date (the initial actuarial valuation for the plan), the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,090,374
Actuarial Value of Plan Assets	1,686,228
Unfunded Actuarial Accrued Liability (UUAL)	<u>\$ 3,404,146</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	34.23%
Covered Payroll (Annual Payroll of Active Employees covered by the Plan)	\$ 3,897,433
UUAL as a Percentage of Covered Payroll	126.39%

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for the plan's current year was determined as part of the June 30, 2013 actuarial valuation using the following methods and assumptions:

Actuarial Cost Method	Years of Service
Amortization Method	Level Percentage, open
Remaining Amortization Period	30 years
Inflation Rate	2.75%
Asset Valuation Method	5-year smoothed with a 20% corridor around market value
Investment Return	7.25%
Projected Salary Increases	None
Cost of Living Adjustments	2.75%
Healthcare Cost Trend Rate	4.00%

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 13: Insurance

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

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

Coverage	Limits	Amount	Provider	Funding Source
General & Auto Liability (includes public officials liability)				
\$	-	\$ 1,000,000	ACWA/JPIA	Shared risk pool
	1,000,001	11,000,000	Everest Reinsurance Company	Shared risk pool
	11,000,001	20,000,000	Ironshore Specialty Insurance Company	Shared risk pool
	20,000,001	40,000,000	Great American Assurance Company	Shared risk pool
	40,000,000	60,000,000	Allied World National Assurance Company	Shared risk pool
Crisis Management – Response				
\$	-	\$ 250,000	ACWA/JPIA	Shared risk pool
Crisis Management – Communication				
\$	-	\$ 250,000	ACWA/JPIA	Shared risk pool
Property Damage				
\$	-	\$ 1,000	ACWA/JPIA (Mobile Equipment/Vehicles)	Deductible
	-	10,000	ACWA/JPIA (Buildings/Fixed Equip/Pers Prop)	Deductible
	10,001	100,000	ACWA/JPIA	Shared risk pool
Property Damage (additional)				
\$	-	\$ 100,000,000	ACWA/JPIA (Accounts Receivable, Valuable Papers)	Shared risk pool
	-	10,000,000	ACWA/JPIA (Business Interruption, Extra Expense)	Shared risk pool
	-	100,000	ACWA/JPIA (Catastrophic for Vehicles Garaged on Premises)	Shared risk pool
Fidelity				
\$	-	\$ 1,000	Self-insured	Deductible
	1,001	100,000	ACWA/JPIA	Shared risk pool
Workers Compensation Liability				
\$	-	\$ 2,000,000	ACWA/JPIA	Shared risk pool
Employers Liability				
\$	-	\$ 2,000,000	ACWA/JPIA	Shared risk pool

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

SAN JUAN WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 14: Net Position Restatement

As discussed in Note 1 to the financial statements, the District adopted Statement of Governmental Accounting Standards Board No. 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27. The estimated net pension liability has been determined by CalPERS actuarial using benefit provisions and assumptions, described in Note 11. As a result, there has been a total restatement of \$6,620,930 for the District relating to GASB 68.

Net position as previously reported, June 30, 2014	\$ 74,577,493
Effect of retroactive application - Miscellaneous Plans - GASB 68	(6,620,930)
Capital asset restatement (Note 4)	(935,464)
Restatement of Net Position	<u>(7,556,394)</u>
Net position, as restated, July 1, 2014	<u>\$ 67,021,099</u>

Note 15: Wholesale Customer Contingency

Citrus Heights Water District (CHWD) and the Fair Oaks Water Districts (FOWD), both wholesale customers of the San Juan Water District, are owners and operators of groundwater production facilities that can be used to provide water supply for the benefit of all San Juan Water District wholesale customer agencies. In 2008, a surface water shortage and reimbursement agreement to provide groundwater supplies during times of surface water shortage was prepared. The agreement, while included as a reference in the 2008 Wholesale Water Supply Agreements executed by the San Juan Water District and each of its wholesale water customer agencies, was never executed. Nevertheless, San Juan Water District in its capacity as the wholesale supplier, determined that there was a potential need for groundwater pumping in between 2009 and 2013 and asked both the CHWD and FOWD to maintain their readiness to supply groundwater. In 2014, due to a shortage in surface water supplies caused by a third year of drought, San Juan Water District requested groundwater to be pumped.

Both CHWD and FOWD failed to provide the San Juan Water District with annual bills for both their incremental costs to maintain active wells and for the pumping which occurred in 2014. In 2014, San Juan Water District was provided with bills in the approximate amount of \$4 million. San Juan Water District is disputing the amount and resolution of the matter is expected to occur in Fiscal Year 2015-2016. It is anticipated that the San Juan Water District will reach a settlement with the CHWD and FOWD, significantly less than the amount originally invoiced, but the Board of Directors has not yet approved a proposed settlement agreement. Approval is expected to occur in Fiscal Year 2015-2016.

SAN JUAN WATER DISTRICT

**COST-SHARING MULTIPLE EMPLOYER - MISCELLANEOUS PLANS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015
Miscellaneous	
Proportion of the Net Pension Liability	0.08305%
Proportionate Share of the Net Pension Liability	\$ 5,167,620
Covered-Employee Payroll	\$ 2,849,375
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	181.36%
Plan Fiduciary Net Position	\$ 25,281,631
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%
Miscellaneous Second Tier	
Proportion of the Net Pension Liability	0.00142%
Proportionate Share of the Net Pension Liability	\$ 88,079
Covered-Employee Payroll	\$ 792,038
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	11.12%
Plan Fiduciary Net Position	\$ 430,909
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%
Miscellaneous PEPRA	
Proportion of the Net Pension Liability	0.00000%
Proportionate Share of the Net Pension Liability	\$ 112
Covered-Employee Payroll	\$ 195,837
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	0.06%
Plan Fiduciary Net Position	\$ 547
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.00%

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: None.

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

SAN JUAN WATER DISTRICT

**COST-SHARING MULTIPLE EMPLOYER - MISCELLANEOUS PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Miscellaneous	
Actuarially Determined Contribution	\$ 378,019
Contribution in Relation to the Actuarially Determined Contribution	(378,019)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 3,091,444
Contributions as a Percentage of Covered-Employee Payroll	12.23%
Miscellaneous Second Tier	
Actuarially Determined Contribution	\$ 186,793
Contribution in Relation to the Actuarially Determined Contribution	(186,793)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 448,711
Contributions as a Percentage of Covered-Employee Payroll	41.63%
Miscellaneous PEPPRA	
Actuarially Determined Contribution	\$ 26,822
Contribution in Relation to the Actuarially Determined Contribution	(26,822)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 227,365
Contributions as a Percentage of Covered-Employee Payroll	0.00%

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	20 Years as of the Valuation Date
Assets valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment and administrative expense, including inflation
Retirement age	55 years
Mortality	RP-2000 Heath Annuitant Mortality Table

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SUPPLEMENTARY INFORMATION SECTION

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SAN JUAN WATER DISTRICT

**STATEMENT OF NET POSITION
WHOLESALE
JUNE 30, 2015**

	<u>2015</u>
Assets:	
Current Assets:	
Cash and investments	\$ 15,926,521
Receivables:	
Accounts	634,613
Taxes	33,257
Accrued interest	11,302
Prepaid expenses	<u>142,270</u>
Total Current Assets	<u>16,747,963</u>
Noncurrent:	
Capital assets, not being depreciated	519,226
Capital assets - net of accumulated depreciation	<u>55,820,434</u>
	56,339,660
Restricted noncurrent assets:	
Investments	<u>1,848,540</u>
	1,848,540
Other assets:	
Investment in electrical power	<u>357,018</u>
	357,018
Total Noncurrent Assets	<u>58,545,218</u>
Total Assets	<u>75,293,181</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	196,969
Deferred pension related outflows	<u>278,534</u>
Total Deferred Outflows of Resources	<u>475,503</u>
Liabilities, Deferred Inflows of Resources, and Net Position:	
Liabilities:	
Current:	
Accounts payable	844,360
Accrued liabilities	125,722
Accrued interest	524,666
Unearned revenues	69,500
Deposits payable	28,280
Accrued compensated absences	122,260
Bonds, notes, and capital leases	<u>587,697</u>
Total Current Liabilities	<u>2,302,485</u>
Noncurrent:	
Accrued compensated absences	71,295
Bonds, notes, and capital leases	26,555,519
Net OPEB liability	279,450
Net pension liability	<u>2,259,999</u>
Total Noncurrent Liabilities	<u>29,166,263</u>
Total Liabilities	<u>31,468,748</u>
Deferred Inflows of Resources:	
Deferred pension related inflows	<u>843,170</u>
Total Deferred Inflows of Resources	<u>843,170</u>
Net Position:	
Net investment in capital assets	29,393,413
Restricted for debt service	1,848,540
Unrestricted	<u>12,214,813</u>
Total Net Position	<u>\$ 43,456,766</u>

SAN JUAN WATER DISTRICT

**STATEMENT OF NET POSITION
RETAIL
JUNE 30, 2015**

	<u>2015</u>
Assets:	
Current Assets:	
Cash and investments	\$ 14,391,393
Receivables:	
Accounts	1,782,522
Taxes	33,257
Prepaid expenses	40,418
Inventories	105,352
	<u>16,352,942</u>
Total Current Assets	16,352,942
Noncurrent:	
Capital assets, not being depreciated	7,082,420
Capital assets - net of accumulated depreciation	19,308,227
	<u>26,390,647</u>
Restricted noncurrent assets:	
Investments	1,063,037
	<u>1,063,037</u>
Total Noncurrent Assets	27,453,684
Total Assets	43,806,626
Deferred Outflows of Resources:	
Deferred charge on refunding	106,949
Deferred pension related outflows	369,219
	<u>476,168</u>
Total Deferred Outflows of Resources	476,168
Liabilities, Deferred Inflows of Resources, and Net Position:	
Liabilities:	
Current:	
Accounts payable	1,246,597
Accrued liabilities	211,274
Accrued interest	396,834
Unearned revenues	71,940
Deposits payable	49,018
Accrued compensated absences	213,118
Bonds, notes, and capital leases	309,636
	<u>2,498,417</u>
Total Current Liabilities	2,498,417
Noncurrent:	
Accrued compensated absences	134,259
Bonds, notes, and capital leases	14,767,469
Net OPEB liability	355,393
Net pension liability	2,995,812
	<u>18,252,933</u>
Total Noncurrent Liabilities	18,252,933
Total Liabilities	20,751,350
Deferred Inflows of Resources:	
Deferred pension related inflows	1,117,690
	<u>1,117,690</u>
Total Deferred Inflows of Resources	1,117,690
Net Position:	
Net investment in capital assets	11,420,491
Restricted for debt service	1,063,037
Unrestricted	9,930,226
	<u>22,413,754</u>
Total Net Position	\$ 22,413,754

SAN JUAN WATER DISTRICT

**SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES
JUNE 30, 2015**

	<u>Wholesale</u>	<u>Retail</u>	<u>Total</u>
Salaries and benefits	\$ 899,318	\$ 934,341	\$ 1,833,659
Professional services	384,219	241,573	625,792
Maintenance	48,934	103,936	152,870
Public outreach	167,492	83,717	251,209
Materials and supplies	23,058	20,363	43,421
Other expenses	190,495	204,525	395,020
Net total	<u>\$ 1,713,516</u>	<u>\$ 1,588,455</u>	<u>\$ 3,301,971</u>

SAN JUAN WATER DISTRICT

**SCHEDULE OF OPERATIONS - BUDGET TO ACTUAL
WHOLESALE AND RETAIL COMBINED
JUNE 30, 2015**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues:			
Water sales - wholesale	\$ 6,379,883	\$ 6,903,051	\$ (523,168)
Water sales - retail	7,846,437	8,731,309	(884,872)
Other revenue	666,965	767,731	(100,766)
Total Operating Revenues	<u>14,893,285</u>	<u>16,402,091</u>	<u>(1,508,806)</u>
Operating Expenses:			
Source of supply			
Water charged to retail service area	2,217,448	2,216,330	(1,118)
Placer County Water Agency	412,063	441,000	28,937
US Bureau of Reclamation	150,152	-	(150,152)
Wheeling	138,380	192,642	54,262
Bureau pumping	108,540	86,261	(22,279)
Other Public Agencies	55,841	81,717	25,876
Administration and general	3,301,971	2,797,522	(504,449)
Water treatment	2,147,336	2,152,993	5,657
Transmission and distribution	2,671,982	1,792,869	(879,113)
Customer service	540,731	660,634	119,903
Pumping and telemetry	-	666,541	666,541
Engineering	432,701	380,099	(52,602)
Conservation	682,311	847,880	165,569
Pension expense	586,942	372,190	(214,752)
Total Operating Expenses Excluding Depreciation	<u>13,446,398</u>	<u>12,688,678</u>	<u>(757,720)</u>
Net Income (Loss) from Operations Excluding Depreciation	<u>1,446,887</u>	<u>\$ 3,713,413</u>	<u>\$ (751,086)</u>
Depreciation and amortization	<u>3,838,509</u>		
Net Income from Operations	<u>\$ (2,391,622)</u>		

SAN JUAN WATER DISTRICT

**SCHEDULE OF OPERATIONS - BUDGET TO ACTUAL
WHOLESALE
JUNE 30, 2015**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues:			
Water sales - wholesale	\$ 6,379,883	\$ 6,903,051	\$ (523,168)
Other revenue	449,156	556,000	(106,844)
Total Operating Revenues	<u>6,829,039</u>	<u>7,459,051</u>	<u>(630,012)</u>
Operating Expenses:			
Source of supply			
Placer County Water Agency	412,063	441,000	28,937
US Bureau of Reclamation	150,152	-	(150,152)
Wheeling	138,380	192,642	54,262
Bureau pumping	108,540	86,261	(22,279)
Other Public Agencies	55,841	81,717	25,876
Administration and general	1,713,516	1,734,662	21,146
Water treatment	2,147,336	2,152,993	5,657
Transmission and distribution	-	134,714	134,714
Customer service	453	-	(453)
Engineering	104,641	60,426	(44,215)
Conservation	147,446	296,056	148,610
Pension expense	128,795	204,190	75,395
Total Operating Expenses Excluding Depreciation	<u>5,107,163</u>	<u>5,384,661</u>	<u>277,498</u>
Net Income (Loss) from Operations Excluding Depreciation	<u>1,721,876</u>	<u>\$ 2,074,390</u>	<u>\$ (907,510)</u>
Depreciation and amortization	<u>2,496,179</u>		
Net Income from Operations	<u>\$ (774,303)</u>		

SAN JUAN WATER DISTRICT

SCHEDULE OF OPERATIONS - BUDGET TO ACTUAL
 RETAIL
 JUNE 30, 2015

	Actual	Final Budget	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Water sales - retail	\$ 7,846,437	\$ 8,731,309	\$ (884,872)
Other revenue	217,809	211,731	6,078
Total Operating Revenues	8,064,246	8,943,040	(878,794)
Operating Expenses:			
Source of supply			
Water charged to retail service area	2,217,448	2,216,330	(1,118)
Administration and general	1,588,455	1,062,860	(525,595)
Transmission and distribution	2,671,982	1,658,155	(1,013,827)
Customer service	540,278	660,634	120,356
Pumping and telemetry	-	666,541	666,541
Engineering	328,060	319,673	(8,387)
Conservation	534,865	551,824	16,959
Retirement Benefit Fund (OPEB)	-	-	-
Pension expense	458,147	168,000	(290,147)
Total Operating Expenses Excluding Depreciation	8,339,235	7,304,017	(1,035,218)
Net Income (Loss) from Operations Excluding Depreciation	(274,989)	\$ 1,639,023	\$ 156,424
Depreciation and amortization	1,342,330		
Net Income from Operations	\$ (1,617,319)		

SAN JUAN WATER DISTRICT

**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
JUNE 30, 2015**

	<u>Wholesale</u>	<u>Retail</u>	<u>Total</u>
Non-operating Revenues			
Tax assessments	\$ 899,732	\$ 899,732	\$ 1,799,464
Investment income	124,988	22,696	147,684
Connections and annexations	112,615	908,072	1,020,687
Other revenue	108,943	14,359	123,302
Total Non-operating Revenues	<u>1,246,278</u>	<u>1,844,859</u>	<u>3,091,137</u>
Non-operating Expenses			
Interest expense	(1,373,108)	(765,739)	(2,138,847)
Other expenses	(669,500)	(1,596)	(671,096)
Total Non-operating Expenses	<u>(2,042,608)</u>	<u>(767,335)</u>	<u>(2,809,943)</u>
Capital contributions	<u>370,250</u>	<u>589,599</u>	<u>959,849</u>
Non-operating Income (Loss)	<u>\$ (426,080)</u>	<u>\$ 1,667,123</u>	<u>\$ 1,241,043</u>

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STATISTICAL SECTION

This part of the San Juan Water District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the district’s overall financial health.

Financial Trends..... 55

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

Revenue Capacity 57

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

Debt Capacity 61

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

Demographic and Economic Information..... 69

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

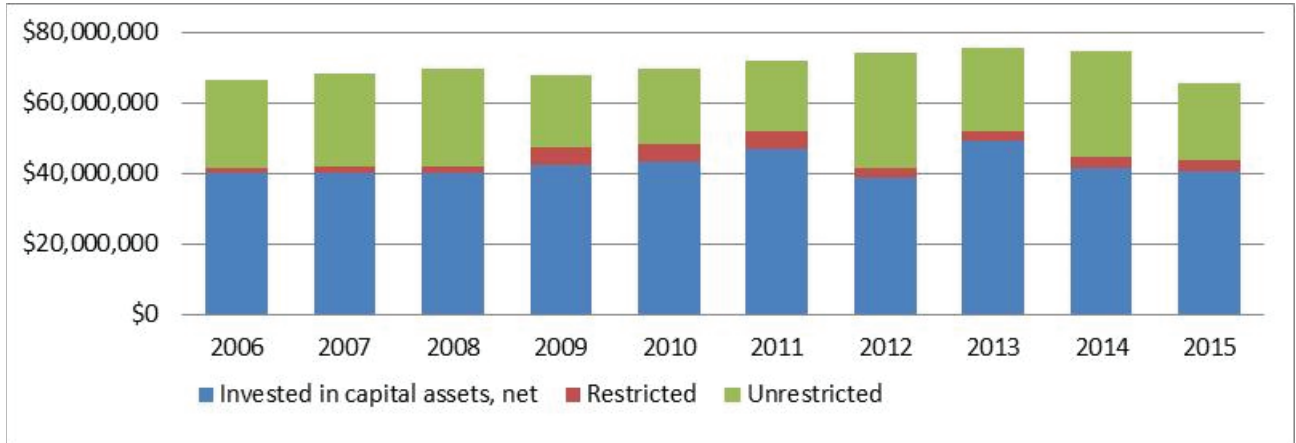
Operating Information 71

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

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

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SAN JUAN WATER DISTRICT
Table 1: Net Position by Component
(Accrual Basis of Accounting)



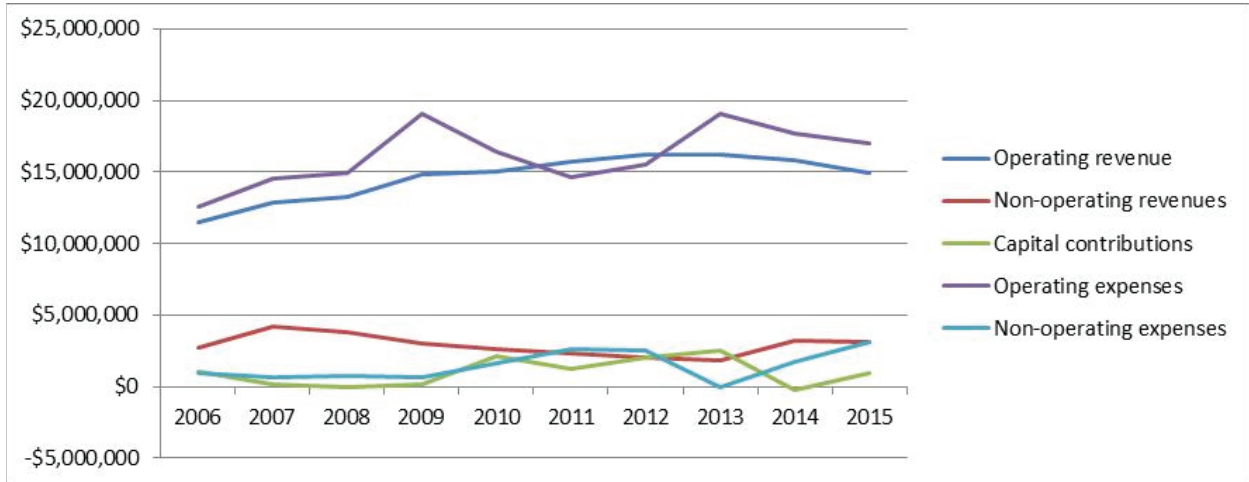
	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Assets:										
Invested in capital assets, net	\$40,061,013	\$40,198,780	\$40,225,803	\$42,545,198	\$43,492,739	\$47,026,193	\$38,861,678	\$49,186,800	\$41,785,998	\$40,813,904
Restricted	1,694,605	1,747,260	1,798,667	4,704,111	4,931,780	4,835,676	2,911,170	2,911,170	2,911,170	2,911,577
Unrestricted	24,728,796	26,577,138	27,894,578	20,886,799	21,465,447	20,112,276	32,444,787	23,665,458	29,880,325	22,147,861
Total net assets	\$66,484,414	\$68,523,178	\$69,919,048	\$68,136,108	\$69,889,966	\$71,974,145	\$74,217,635	\$75,763,428	\$74,577,493	\$65,873,342

* Restated to reflect implementation of GASB Statements 63 and 65, and other prior-year adjustments

** Restated to reflect implementation of GASB Statement 68 and fixed asset prior year adjustments.

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT
 Table 2: Changes in Net Position
 (Accrual Basis of Accounting)
 Reported by Fiscal Year



Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT
 Table 3: Wholesale Water Rates and Connection Fees
 Last Ten Years Effective January 1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Uniform Commodity Rate (UCR)¹:										
San Juan Water District Retail	\$ 93.44	\$ 100.31	\$ 102.85	\$ 115.19	\$ 127.86	\$ 90.60	\$ 90.60	\$ 90.60	\$ 93.32	\$ 97.98
Citrus Heights Water District	59.07	63.26	69.31	77.71	86.25	90.60	90.60	90.60	93.32	97.98
Fair Oaks Water Company	59.07	63.26	69.31	77.71	86.25	90.60	90.60	90.60	93.32	97.98
Orange Vale Water Company	59.07	63.26	69.31	77.71	86.25	90.60	90.60	90.60	93.32	97.98
City of Folsom	90.42	130.61	130.61	146.28	162.37	90.60	90.60	90.60	93.32	97.98
Annual Service Charge:										
San Juan Water District Retail	\$335,000	\$335,000	\$237,742	\$266,271	\$295,561	\$311,080	\$311,080	\$311,080	\$320,412	\$336,433
Citrus Heights Water District	357,000	357,000	297,343	333,024	369,657	367,450	367,450	367,450	378,474	397,397
Fair Oaks Water Company	272,000	272,000	204,388	228,915	254,095	208,340	208,340	208,340	214,590	225,320
Orange Vale Water Company	95,600	95,600	66,885	74,911	83,151	80,300	80,300	80,300	82,709	86,844
City of Folsom	37,700	37,700	26,360	26,360	32,771	35,160	35,160	35,160	36,215	38,026
Annual Debt Service Charge²:										
San Juan Water District Retail	\$215,500	\$215,500	\$443,901	\$618,403	\$563,089	\$563,594	\$585,863	\$570,181	\$613,611	\$614,299
Citrus Heights Water District	251,600	251,600	534,537	738,294	621,614	627,938	621,477	648,443	672,537	673,415
Fair Oaks Water Company	184,900	184,900	320,878	444,071	415,185	385,416	434,744	405,722	443,222	443,957
Orange Vale Water Company	56,800	56,800	103,854	143,636	173,021	166,458	179,008	180,570	191,913	192,041
City of Folsom	14,100	14,100	48,972	48,972	50,104	59,659	51,581	53,653	56,430	56,446
Connection Fees (implemented in 2008):										
Up to 1" Meter			\$ 312	\$ 319	\$ 337	\$ 344	\$ 354	\$ 364	\$ 372	\$ 381
1" Meter			520	531	560	572	588	605	619	633
1 1/2" Meter			1,040	1,062	1,121	1,145	1,178	1,212	1,240	1,269
2" Meter			1,664	1,699	1,793	1,832	1,884	1,938	1,983	2,029
3" Meter			3,328	3,398	3,585	3,663	3,767	3,874	3,964	4,055
4" Meter			5,200	5,309	5,602	5,724	5,887	6,055	6,196	6,339
6" Meter			13,000	13,273	14,004	14,309	14,717	15,136	15,489	15,845
8" Meter			18,720	19,113	20,166	20,606	21,193	21,797	22,305	22,818
10" Meter			30,160	30,793	32,490	33,199	34,145	35,118	35,936	36,763
12" Meter			44,720	45,659	48,175	49,226	50,629	52,072	53,285	54,511

Notes:

¹ Effective 2011, the UCR for SJWD Retail and Folsom no longer include pumping costs. SJWD Retail are now direct costs in the budget, Folsom pays a pumping surcharge to SJWD Retail.

² 2012 Annual Debt Service Charges were revised during the calendar year.

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT

Table 4: Retail Water Rates and Connection Fees

Last Ten Years Effective January 1 Beginning 2007 (Effective September 1 Prior To 2007)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commodity Rate/CCF:										
Residential										
0 to 20 ccf	\$ 0.28	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.45	\$ 0.46	\$ 0.47
21 to 200 ccf	0.47	0.57	0.62	0.68	0.73	0.74	0.74	0.75	0.77	0.79
201+ ccf	0.33	0.40	0.44	0.48	0.51	0.52	0.52	0.53	0.54	0.56
Commercial	0.40	0.49	0.53	0.53	0.62	0.63	0.63	0.64	0.66	0.68
Daily Base Charge (fixed based on meter size):										
Up to 1"	\$ 0.82	\$ 0.89	\$ 0.97	\$ 1.06	\$ 1.13	\$ 1.15	\$ 1.15	\$ 1.17	\$ 1.20	\$ 1.23
1 1/2"	2.26	2.37	2.58	2.81	3.01	3.07	3.07	3.13	3.19	3.29
2"	3.53	3.78	4.12	4.49	4.80	4.90	4.90	5.00	5.10	5.25
3"	6.94	7.51	8.19	8.93	9.56	9.75	9.75	9.95	10.14	10.45
4"	10.77	11.72	12.77	13.92	14.89	15.19	15.19	15.49	15.80	16.28
6"		23.40	25.51	27.81	29.76	30.36	30.36	30.97	31.59	32.53
8"		42.09	45.88	50.01	53.51	54.58	54.58	55.67	56.79	58.49
10"		67.79	73.89	80.54	86.18	87.90	87.90	89.66	91.45	94.19
12"		100.50	109.55	119.41	127.77	130.32	130.32	132.93	135.60	139.66
Fire District	4.03	4.55	4.96	5.41	5.79	5.90	5.90	6.02	6.15	6.33
Daily Base Charge for Private Fire Lines (fixed based on meter size):										
4"	\$ 0.30	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.45	\$ 0.46	\$ 0.47
6"	0.44	0.50	0.55	0.60	0.64	0.65	0.65	0.66	0.68	0.70
8"	0.59	0.67	0.73	0.80	0.86	0.88	0.88	0.90	0.92	0.94
10"	0.73	0.82	0.89	0.97	1.04	1.05	1.05	1.07	1.09	1.13
Connection Fees (in addition, new connections also pay a Wholesale Connection fee listed in Wholesale Rates):										
Up to 1" Meter	\$ 11,533	\$ 11,891	\$ 12,164	\$ 12,834	\$ 13,114	\$ 13,488	\$ 13,872	\$ 14,195	\$ 14,521	
1 1/2" Meter	23,065	23,780	24,327	25,667	26,227	26,974	27,743	28,389	29,042	
2" Meter	36,904	38,048	38,923	41,068	41,963	43,159	44,389	45,423	46,468	
3" Meter	See	73,808	76,096	77,846	82,135	83,926	86,318	88,778	90,847	92,936
4" Meter	Note	115,325	118,900	120,806	127,462	130,241	133,953	137,771	140,981	144,224
6" Meter		230,651	237,801	243,270	256,674	262,269	269,744	277,432	283,896	290,426
8" Meter		415,179	428,050	437,895	462,023	472,095	485,550	499,388	511,024	522,778
10" Meter		668,900	689,636	705,498	744,371	760,598	782,275	804,570	823,316	842,252
12" Meter		991,817	1,022,563	1,046,082	1,103,721	1,127,782	1,159,924	1,192,982	1,220,778	1,248,856

Note: Prior to Fiscal Year 2006-2007, connection fees were acreage based.

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT
 Table 5: Retail Metered Water Sales by Type
 Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Total Water Sales	Total Water Deliveries (CCF)
2006	\$ 4,962,285	\$ 689,690	\$ 5,651,975	5,819,855
2007	5,738,787	817,126	6,555,913	6,558,306
2008	5,868,469	879,339	6,747,808	6,267,424
2009	6,580,530	946,169	7,526,699	5,821,462
2010	6,372,458	919,104	7,291,562	5,078,489
2011	6,821,008	1,000,370	7,821,378	5,038,636
2012	7,058,136	1,025,042	8,083,178	5,229,292
2013	7,432,485	1,110,112	8,542,597	5,823,065
2014	7,388,798	1,119,919	8,508,716	5,430,370
2015	6,860,453	1,036,906	7,897,360	4,414,012

*Sources: San Juan Water District Finance & Administrative Services Department
 San Juan Water District Customer Service Department*

SAN JUAN WATER DISTRICT
Table 6: Ten Largest Retail Customers
Current Year and Six Years Ago

Customer	Fiscal Year					
	2015			2008 ¹		
	Total Revenue	Rank	% of Revenue ²	Total Revenue	Rank	% of Revenue
Roseville Joint Union High School	\$ 21,334	1	1.90%	\$ 18,424	1	0.27%
Eureka Union School District/Oakhills	15,221	2	1.36%	8,861	7	0.13%
Rolling Greens Estates LLC	13,781	3	1.23%	14,732	2	0.22%
Placer County Department of Facility Svc	12,340	4	1.10%	8,715	9	0.13%
San Juan Unified School District	11,430	5	1.02%			
City of Folsom	11,310	6	1.01%			
Eureka Union School District/Cavitt Jr High	11,189	7	1.00%	10,228	5	0.15%
Bushnells Landscape Creations	10,817	8	0.96%	11,407	3	0.17%
Granite Bay Estates	8,708	9	0.78%			
Otow Revocable Living Trust	6,628	10	0.59%	8,728	8	0.13%
Maison Chapeaux				7,624	10	0.11%
Sierra Valley Real Estate				9,569	6	0.14%
Granite Bay Business Park				10,581	4	0.16%
Total	\$ 122,758		10.95%	\$ 108,869		1.61%

Note:

¹ The District began collecting this data in fiscal year 2007-2008.

² "% of Revenue" is expressed as a percentage of the District's total commercial customer retail revenue.

Source: San Juan Water District Customer Service Department

SAN JUAN WATER DISTRICT
 Table 7: Property Tax Levies and Collections - Bonded Debt
 Last Ten Years

Fiscal Year End	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	-	1,956	0.0%	-	-	0.0%
2007	-	-	0.0%	-	-	0.0%
2008	-	-	0.0%	-	-	0.0%
2009	-	-	0.0%	-	-	0.0%
2010	-	-	0.0%	-	-	0.0%
2011	-	-	0.0%	-	-	0.0%
2012	-	-	0.0%	-	-	0.0%
2013	-	-	0.0%	-	-	0.0%
2014	-	-	0.0%	-	-	0.0%
2015	-	-	0.0%	-	-	0.0%

Note1: Includes tax revenue for bonded debt only; 1998 General Obligation Bonds were repaid in 2004.

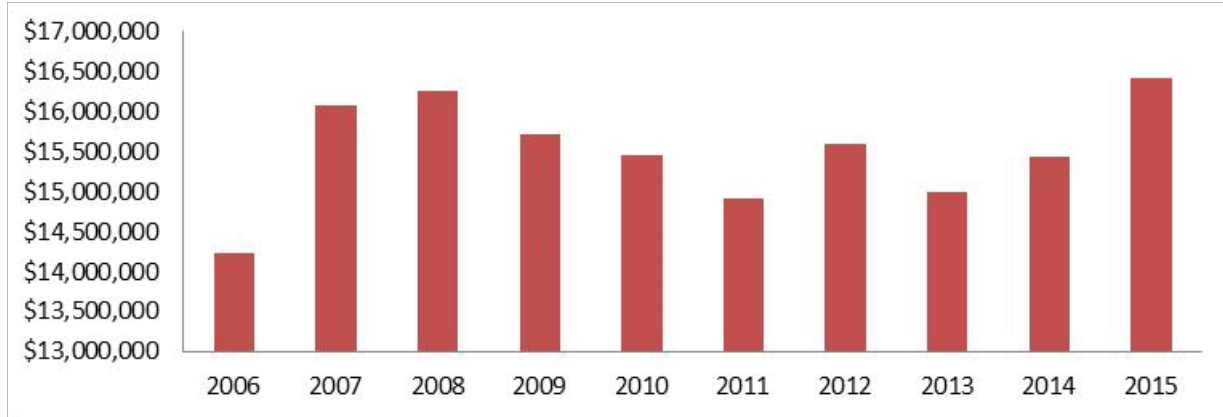
Sources: County of Sacramento Auditor-Controller
 County of Placer Auditor-Controller

SAN JUAN WATER DISTRICT
Table 8: Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	Primary Land Use	2015		2006	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Steadfast Sunrise I LLC	Commercial	\$ 84,881,125	0.52%	\$ -	0.00%
FAOF Oak Creak LLC	Apartments	52,433,753	0.32%		
MP Birdcage Marketplace LLC	Shopping Center	49,660,040	0.30%	47,625,852	0.34%
The Realty Associates Fund VIII LP	Shopping Center	34,981,401	0.21%		
Rollingwood Commons Apartments LLC	Apartments	34,922,165	0.21%	31,979,361	0.23%
Grove at Sunrise LLC	Apartments	29,802,025	0.18%		
Wal Mart Real Estate Business Trust	Commercial	29,723,954	0.18%		
Sacto Fair Oaks Blvd Apartments LLC	Apartments	23,828,398	0.15%		
Marshall Field Stores Inc.	Commercial	23,555,598	0.14%		
PK I Cable Park LP	Commercial	22,992,641	0.14%		
Costco Wholesale Corporation	Commercial	21,941,765	0.13%		
PK II Country Galbes SC LP	Shopping Center	21,155,752	0.13%		
Madison & Sunrise Associates LLC	Commercial	20,721,784	0.13%		
Salishan Apartments LP	Apartments	20,021,112	0.12%		
Lowe's HIW Inc	Commercial	19,908,845	0.12%		
Fair Oaks Promenade LLC	Apartments	19,261,465	0.12%		
Placer Partners LLC	Commercial	19,525,578	0.12%		
Hunting Square Limited LP	Apartments	19,070,302	0.12%		
Lake Point LLC	Apartments	18,714,117	0.11%		
Orangevale Partners LLC	Apartments	17,793,369	0.11%		
Lyon Oak Creek LLC	Apartments			44,249,474	0.31%
Rollingwood North LLC	Apartments			39,400,000	0.23%
Demmon Family Partnership	Apartments			34,107,538	0.24%
National Life and Accident Insurance Co.	Commercial			29,759,632	0.21%
CPF Renaissance Creek LLC	Shopping Center			27,741,920	0.20%
Western Investment Real Estate Trust	Commercial			26,895,004	0.19%
Garay LP & Mark M Garay	Apartments			23,148,900	0.16%
Theodore Mitchell	Miscellaneous			22,877,130	0.16%
Total		\$ 584,895,189	3.56%	\$ 327,784,811	2.33%
2014-2015 Total Secured Assessed Valuation:		\$16,414,070,048			
2005-2006 Total Secured Assessed Valuation:		\$14,080,296,615			

Source: California Municipal Statistics, Inc

SAN JUAN WATER DISTRICT
 Table 9: Assessed Actual Value - Taxable Property
 (Accrual Basis of Accounting)
 Last Ten Fiscal Years (in thousands of dollars)



Fiscal Year	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value	Total Property Tax Revenue	Total Direct Tax Rate
2006	\$ 14,234,265	\$ 227,710	\$ 14,461,975	\$ 644	0.004%
2007	16,073,386	268,952	16,342,338	1,790	0.011%
2008	16,248,701	73,486	16,322,187	1,835	0.011%
2009	15,701,866	74,471	15,776,337	1,822	0.012%
2010	15,454,819	67,677	15,522,496	1,687	0.011%
2011	14,900,077	63,928	14,964,005	1,565	0.010%
2012	15,579,095	32,499	15,611,594	1,561	0.010%
2013	14,980,101	242,107	15,222,208	1,606	0.011%
2014	15,425,919	232,223	15,658,142	1,678	0.011%
2015	16,414,070	223,352	16,637,422	1,798	0.011%

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

Sources County of Sacramento County of Placer

SAN JUAN WATER DISTRICT
 Table 10: Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Economic Development Admin Loan	California Energy Commission Loan	Total Debt	Percentage of Personal Income	Per Capita
2006	\$ -	\$ -	\$ 21,535,000	\$ 249,370	\$ 30,883	\$ 21,815,253	47.78%	115.56
2007	-	-	20,660,000	231,751	26,453	20,918,204	43.30%	109.49
2008	-	-	19,765,000	213,251	21,762	20,000,013	39.87%	103.33
2009	-	-	49,345,000	193,826	16,787	49,555,613	94.65%	252.72
2010	-	-	47,980,000	173,430	11,513	48,164,943	89.84%	267.58
2011	-	-	46,985,000	152,013	5,924	47,142,937	62.09%	261.11
2012	-	13,625,000	30,085,000	129,527	-	43,839,527	N/A	243.55
2013	-	12,145,000	30,075,000	105,916	-	42,325,916	N/A	232.89
2014	-	11,895,000	29,670,000	81,190	-	41,646,190	N/A	228.53
2015	-	11,475,000	29,255,000	55,159	-	40,785,159	N/A	269.15

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

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT
Table 11: Computation of Direct and Overlapping Bonded Debt
June 30, 2014

2014-15 Assessed Valuation:

\$ 16,636,422,966

Direct and Overlapping Tax and Assessment Debt	Total Debt 6/30/2015	Percent Applicable ¹	District's Share of Debt 6/30/2015
Los Rios Community College District	\$ 361,280,000	7.831%	\$ 28,291,837
Folsom-Cordova Unified School District School Facilities Improvement District No. 2	28,421,422	10.843%	3,081,735
San Juan Unified School District	404,827,785	37.261%	150,842,881
Placer Union High School District	28,289,040	4.531%	1,281,776
Roseville Joint Union High School District	79,820,973	16.720%	13,346,067
Eureka Union School District	3,359,744	73.612%	2,473,175
Loomis Union School District	4,815,000	17.447%	840,073
Roseville City School District	23,191,221	0.681%	157,932
City of Folsom	3,760,000	12.708%	477,821
City of Folsom Assessment District No. 90-1	845,000	100.000%	845,000
Sacramento Area Flood Control District Operation and Maintenance Assessment District	3,120,000	13.502%	421,262
California Statewide Community Development Authority Obligations	278,875	100.000%	278,875
San Juan Suburban Water District	-	100.000%	-
Total Direct and Overlapping Tax and Assessment Debt	\$ 942,009,060		\$ 202,338,434
Overlapping General Fund Debt			
Sacramento County General Fund Obligations	\$ 276,872,688	9.511%	\$ 26,333,361
Sacramento County Pension Obligations	973,933,985	9.511%	92,630,861
Sacramento County Board of Education Certificates of Participation	7,260,000	9.511%	690,499
Placer County General Fund Obligations	38,085,000	7.456%	2,839,618
Placer County Office of Education Certificates of Participation	1,650,000	7.456%	123,024
Los Rios Community College District Certificates of Participation	5,440,000	7.831%	426,006
Sierra Joint Community College District Certificates of Participation	8,457,000	5.588%	472,577
Folsom-Cordova Unified School District Certificates of Participation	18,890,000	7.011%	1,324,378
San Juan Unified School District Certificates of Participation	749,716	37.261%	279,352
Roseville Joint Union High School District Certificates of Participation	1,625,000	16.720%	271,700
Eureka Union School District Certificates of Participation	4,025,000	73.612%	2,962,883
Other School District Certificates of Participation	17,580,000	Various	731,675
City of Folsom Certificates of Participation	6,991,777	12.588%	880,125
City of Roseville Certificates of Participation	13,820,518	2.653%	366,658
Sacramento Metropolitan Fire District Pension Obligations	67,713,975	20.067%	13,588,163
South Placer Fire Protection District Certificates of Participation	5,375,000	79.884%	4,293,765
Sunrise Recreation and Park District Certificates of Participation	6,410,000	38.033%	2,437,915
Placer Mosquito and Vector Control District Certificates of Participation	3,910,000	7.456%	291,530
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT	\$ 1,458,789,659		\$ 150,944,090
Less: Sacramento County self-supporting obligations			593,011
City of Roseville supported obligations			106,074
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$ 150,245,005
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 353,282,524
TOTAL NET OVERLAPPING DEBT			\$ 352,583,439
GROSS COMBINED TOTAL DEBT ²			\$ 353,282,524
NET COMBINED TOTAL DEBT			\$ 352,583,439

Ratios to 2014-15 Assessed Valuation

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.22%
Gross Combined Total Debt	2.12%
Net Combined Total Debt	2.12%

Notes:

¹ Percentage of overlapping debt applicable to the District is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping District's assessed value that is within the boundaries of the District divided by the overlapping District's total taxable assessed value.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

SAN JUAN WATER DISTRICT

Table 12: Ratio of Annual Debt Service Expenses for All Debt to Total General Expenses
Last Ten Fiscal Years

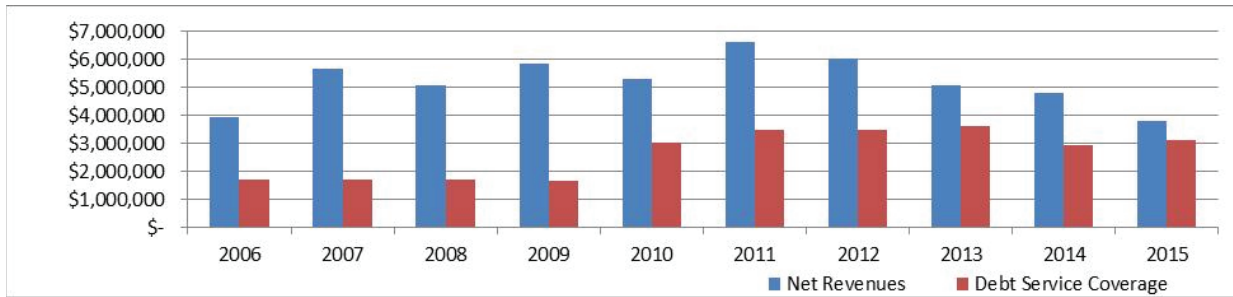
Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenses¹	Ratio of Debt Service to Total General Expenses
2006	\$ 875,960	\$ 916,858	\$ 1,792,818	\$ 12,648,726	14.17%
2007	897,049	948,978	1,846,027	14,366,884	12.85%
2008	918,191	863,197	1,781,388	14,738,945	12.09%
2009	954,401	826,187	1,780,588	18,906,512	9.42%
2010	1,390,670	1,810,145	3,200,815	15,715,490	20.37%
2011	1,024,924	2,465,408	3,490,332	14,143,017	24.68%
2012	1,053,410	2,448,654	3,502,064	15,838,223	22.11%
2013	1,516,616	2,117,353	3,633,969	16,544,003	21.97%
2014	679,726	2,265,829	2,945,555	17,641,917	16.70%
2015	861,031	2,246,935	3,107,966	15,037,972	20.67%

Notes:

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

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT
Table 13: Debt Service Coverage
Last Ten Fiscal Years



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Retail Water Sales	\$ 5,668,705	\$ 6,575,947	\$ 6,766,658	\$ 7,542,865	\$ 7,299,989	\$ 7,834,917	\$ 8,090,259	\$ 8,544,267	\$ 8,481,583	\$ 7,846,601
Wholesale Water Sales	5,769,324	6,228,302	6,410,653	7,111,208	7,865,283	7,764,982	7,364,002	7,013,144	6,614,968	6,379,883
Connections/Annexations	306,605	926,276	174,865	45,699	163,266	163,541	176,362	34,741	1,134,335	1,020,687
Property Tax Revenue	643,882	1,790,197	1,835,558	1,822,166	1,687,204	1,597,524	1,561,130	1,606,174	1,677,842	1,799,464
Investment Income	867,082	1,384,866	1,561,139	847,510	468,099	271,233	187,780	52,954	271,721	147,684
Other	901,639	160,689	255,298	327,374	484,166	335,357	108,047	102,808	104,088	123,302
Total	\$ 14,157,237	\$ 17,066,277	\$ 17,004,171	\$ 17,696,822	\$ 17,968,007	\$ 17,967,554	\$ 17,487,580	\$ 17,354,088	\$ 18,284,537	\$ 17,317,621
Operation & Maintenance Costs										
Source of Supply	\$ 2,704,782	\$ 3,173,789	\$ 3,240,902	\$ 3,221,008	\$ 3,284,931	\$ 2,820,910	\$ 3,186,686	\$ 3,506,604	\$ 2,912,572	\$ 3,129,435
Pumping and Telemetry *	551,418	623,259	580,370	663,975	542,837	590,217	621,783	609,304	759,067	-
Water Treatment	2,003,075	2,146,066	2,223,995	2,211,536	2,171,923	2,119,426	1,701,918	1,932,517	1,888,549	2,147,336
Transmission/Distribution	1,249,430	1,629,065	1,731,271	1,639,125	1,767,690	1,657,517	1,764,998	1,926,664	2,240,966	2,671,982
Administration/General	2,040,731	1,986,027	2,387,564	2,161,541	3,199,146	2,450,651	2,455,196	2,661,692	3,691,980	3,301,971
Customer Service	599,116	594,680	679,121	689,023	666,916	658,999	681,163	697,301	597,623	540,731
Conservation	383,433	501,649	503,713	636,509	637,461	617,917	662,589	614,749	649,832	682,311
Engineering	397,717	449,342	319,227	359,576	317,451	342,523	325,113	264,582	633,782	432,701
Other	287,268	285,117	268,108	249,251	76,552	59,022	62,824	52,172	98,895	671,096
Total	\$ 10,216,970	\$ 11,388,994	\$ 11,934,271	\$ 11,831,544	\$ 12,664,907	\$ 11,317,182	\$ 11,462,270	\$ 12,265,585	\$ 13,473,266	\$ 13,577,563
Net Revenues	\$ 3,940,267	\$ 5,677,283	\$ 5,069,900	\$ 5,865,278	\$ 5,303,100	\$ 6,650,372	\$ 6,025,310	\$ 5,088,503	\$ 4,811,271	\$ 3,740,058
Debt Service										
2012 Bonds							\$ -	\$ 1,883,113	\$ 804,300	\$ 971,800
2009 COPs					\$ 1,272,129	\$ 1,718,275	\$ 1,718,075	\$ 1,717,675	\$ 2,112,275	\$ 2,106,075
2003 COPs	\$ 1,665,319	\$ 1,668,219	\$ 1,661,969	\$ 1,648,383	\$ 1,733,552	\$ 1,732,488	\$ 1,747,713	-	-	-
EDA Loan	30,088	30,088	30,088	30,088	30,088	30,088	30,088	30,087	30,091	30,091
CEC Advance	6,188	6,188	6,188	6,188	6,188	6,188	6,188	3,094	-	-
Total	\$ 1,701,595	\$ 1,704,495	\$ 1,698,245	\$ 1,684,659	\$ 3,041,957	\$ 3,487,039	\$ 3,502,064	\$ 3,633,969	\$ 2,946,666	\$ 3,107,966
Debt Service Coverage	2.32	3.33	2.99	3.48	1.74	1.91	1.72	1.40	1.63	1.20

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT
Table 14: Principal Employers for Counties Served

Employer	Fiscal Year					
	2015			2006		
	Number of Employees	Rank	% of Total Employed	Number of Employees	Rank	% of Total Employed
<u>County of Sacramento</u>						
State of California	74,329	1	11.44%	67,467	1	10.06%
Sacramento County	10,598	2	1.63%	14,408	2	2.15%
University of California Davis Health System	9,706	3	1.49%	7,901	3	1.18%
U.S. Government	9,668	4	1.49%			
Sutter Health Sacramento Sierra Region	8,817	5	1.36%			
San Juan Unified School District	7,523	6	1.16%	5,775	8	0.86%
Kaiser Permanente	6,464	7	0.99%	6,656	6	0.99%
Dignity Health	6,286	8	0.97%	4,897	10	0.73%
Intel Corporation	6,200	9	0.95%	7,000	4	1.04%
Elk Grove Unified School District	5,758	10	0.89%			
Sacramento City Unified School District				7,000	4	1.04%
Los Rios Community College District				6,000	7	0.89%
City of Sacramento				5,105	9	0.76%
Total	145,349		22.37%	132,209		19.70%
Total Employed in Sacramento County	649,800			670,500		

Employer	Fiscal Year					
	2015			2006		
	Number of Employees	Rank	% of Total Employed	Number of Employees	Rank	% of Total Employed
<u>County of Placer</u>						
Kaiser Permanente	3,839	1	2.26%	1,980	3	1.25%
Sutter Health	3,693	2	2.18%	985	10	0.62%
Squaw Valley Alpine Meadows	2,500	3	1.47%	1,200	6	0.76%
Placer County	2,378	4	1.40%	2,527	2	1.60%
Hewlett-Packard Co.	2,000	5	1.18%	4,000	1	2.53%
Thunder Valley Casino Resort	1,875	6	1.10%			
PRIDE Industries, Inc.	1,221	7	0.72%	1,050	9	0.66%
Safeway, Inc	1,218	8	0.72%			0.00%
City of Roseville	1,047	9	0.62%	1,288	4	0.81%
Roseville School District	1,015	10	0.60%			
Union Pacific Railroad Co. Inc.				1,100	7	0.70%
Raley's				1,251	5	0.79%
Wal-Mart Stores, Inc				1,053	8	0.67%
Total	20,786		12.25%	16,434		10.39%
Total Employed in Placer County	169,700			158,250		

Note: Information is not available specific to San Juan Water District service area, so counties served are shown.

*Sources: Sacramento Business Journal
California State Employment Development Department*

SAN JUAN WATER DISTRICT
 Table 15: Demographic and Economic Statistics
 Last Ten Fiscal Years

	Wholesale Population	Retail Population	Total Personal Income (in millions)	Per Capita Personal Income	Unemployment Rate
2006	188,786	30,442	\$ 45,653,787	\$ 33,521	4.70%
2007	191,051	30,512	48,313,850	35,197	5.20%
2008	193,554	30,605	50,157,252	36,340	6.80%
2009	196,089	30,578	52,356,182	37,179	11.30%
2010	180,000	30,641	53,612,730	37,700	12.40%
2011	180,548	30,615	75,928,511	42,338	12.30%
2012	180,000	30,722	61,406,829	29,141	10.80%
2013	181,739	30,831	63,877,648	30,050	8.48%
2014	182,239	31,009	65,495,913	30,713	7.37%
2015	151,531	29,452	Not yet available		5.78%

Note:

Population for 2006 through 2014 includes estimates of Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, San Juan Water District Retail and City of Folsom (served by San Juan Water District Wholesale) based on the 2010 Urban Water Management Plan. 2015 population estimates are based on the draft 2015 Urban Water Management Plan.

Sources: *U.S. Department of Commerce, Bureau of Economic Analysis (2011 income statistics)*
San Juan Water District Urban Management Plan
California Employment Development Department

SAN JUAN WATER DISTRICT
 Table 16: Staffing - Certificates - Licenses by Function/Program
 Last Ten Fiscal Years

Comparison by Function/Program	Full-Time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Executive	3	3	3	3	3	3	3	3	3	3
Conservation	3.5	3.5	3.5	3.5	5	5	4	4	4	4
Customer Service	3	3	3	3	3	3	4	4	4	4
Engineering Services	3	3	3	3.5	4	4	4	4	4	4
Field Services	16	17	17	17	15	15	15	15	15	15
Finance/Administrative Services	4	5	5	5	5	5	5	5	5	5
Water Treatment Operations	10	10	10	10	10	10	10	10	10	10
Total	43	45	45	45	45	45	45	45	45	45

Actual Versus Budgeted	FY 2006		FY 2015	
	Filled as of		Filled as of	
	June 30	Budgeted	June 30	Budgeted
Executive	Breakdown of filled		3	3
Conservation	position by department is		4	4
Customer Service	not available.		4	4
Engineering Services			4	4
Field Services			14	14
Finance/Administrative Services			5	5
Operations Manager			1	1
Water Treatment Operations			9	10
Total	39	45	44	45

Certificates and Licenses	December 31, 2015
California Department of Health Services Water Distribution Operator	
Grade 1	0
Grade 2	0
Grade 3	1
Grade 4	12
Grade 5	2
California Department of Health Services Water Treatment Operator	
Grade 1	0
Grade 2	1
Grade 3	2
Grade 4	1
Grade 5	3
California Professional Engineer - Civil	5

Note: The 2005 Human Resource Master Plan re-allocated positions within the District and added 2 positions.

Source: San Juan Water District Finance & Administrative Services Department

SAN JUAN WATER DISTRICT

Table 17: Wholesale Water System Capital Asset and Operating Indicators
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Facilities:										
# of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Plant Capacity (MGD) ¹	120	120	120	120	120	120	120	150	150	150
# of ARVs						71	71	86	86	89
# of Blow-offs						52	52	59	59	60
# of Fire Hydrants						13	13	14	14	14
# of Valves						21	21	45	45	48
# of Pumping Stations ²	3	3	3	3	3	-	-	-	-	-
# of Storage Tanks/Reservoirs	1	1	1	1	1	1	1	1	1	1
Water Supply Available:										
Pre-1914 Water Rights	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
USBR/CVP Water Contract	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
PCWA Contract	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total Water Supply	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200
Water Supply Delivered:										
Pre-1914 Water Rights	35,476	35,402	32,539	28,999	30,364	32,732	34,912	34,961	30,952	29,372
USBR/CVP Water Contract	5,947	9,908	7,884	7,022	418	1,211	555	3,048	-	-
PCWA Contract	11,802	12,249	12,818	11,301	9,075	8,574	8,841	11,326	10,374	-
Total Water Supply Delivered	53,225	57,559	53,241	47,322	39,857	42,517	44,308	49,335	41,326	29,372
Production (average in acre feet):										
Five Year	70,217	69,559	68,168	64,669	61,047	59,005	56,159	54,169	50,834	48,106
Ten Year	64,992	67,421	68,044	67,248	65,683	64,455	62,845	61,166	57,751	54,577
Fifteen Year	60,211	62,200	62,948	63,263	63,363	63,880	63,667	63,419	61,777	59,824
Twenty Year	58,937	59,626	59,885	60,140	59,945	60,385	60,690	60,753	60,156	59,548
Connections: ³										
San Juan Water District (retail)	10,306	10,339	10,345	10,348	10,373	10,361	10,410	10,441	10,507	10,559
Citrus Heights Water District	19,486	19,498	19,573	19,547	19,568	19,576	19,547	19,547	19,557	19,600
Fair Oaks Water District	13,848	14,469	14,474	14,450	14,129	14,135	14,133	14,221	14,225	14,278
Orange Vale Water Company	5,518	5,566	5,572	5,572	5,543	5,545	5,545	5,600	5,600	5,600
City of Folsom					981	981	981	981	981	981
Total Connections	49,158	49,872	49,964	49,917	50,594	50,598	50,616	50,790	50,870	51,018
Population ⁴										
	188,786	191,051	193,554	196,089	180,000	180,548	181,048	181,739	182,239	151,531

Notes:

1 Treatment plant is rated for 150; normal permitted operation is 120 and permit conditions allow for up to 150 flows between May 15th and September 30th with State DPH conditional approval.

2 Pump stations were assigned directly to Retail beginning January 1, 2011. Prior to that, costs were recovered through the Wholesale Rate charged to SJWD Retail.

3 Connections in italics are projections because the agency's fiscal year ends on December 31.

4 The District updated population statistics in its 2010 Urban Water Management Plan.

Sources: San Juan Water District Finance & Administrative Services Department
San Juan Water District Engineering Services Department
San Juan Water District Wholesale Operations Department

SAN JUAN WATER DISTRICT
 Table 18: Wholesale Water Production by Month
 Last Ten Fiscal Years (in million gallons)

Month	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
July	3,255	3,099	2,563	2,937	2,292	3,240	2,866	2,152	2,226	1,634
August	3,101	3,226	2,409	2,917	2,095	3,126	2,714	2,325	2,071	1,620
September	2,670	2,932	1,907	2,427	1,844	2,607	2,345	2,497	1,621	1,389
October	2,166	2,116	1,170	1,646	1,413	1,873	1,525	1,294	1,350	1,110
November	1,466	1,138	878	857	1,059	786	965	596	931	631
December	1,048	968	661	764	679	780	930	661	688	454
January	881	1,065	559	728	722	719	922	637	563	488
February	819	962	537	631	673	619	651	534	196	439
March	812	1,308	1,325	620	538	617	549	854	350	726
April	980	1,732	2,021	1,405	577	1,186	835	1,106	629	773
May	2,510	1,793	2,639	1,854	1,285	1,793	1,788	1,745	1,227	885
June	3,004	2,323	2,791	2,112	2,544	2,042	1,936	1,816	1,613	1,129
Annual Total	22,712	22,662	19,460	18,898	15,721	19,388	18,026	16,219	13,466	11,279
Average Monthly Water Production	1,893	1,889	1,622	1,575	1,310	1,616	1,502	1,352	1,122	940
Average Daily Water Production	62.2	62.1	53.3	51.8	43.1	53.1	49.4	44.4	36.9	30.9

Source: San Juan Water District Water Treatment Department

SAN JUAN WATER DISTRICT
Table 19: Retail Water System Capital Asset and Operating Indicators
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Facilities:										
Miles of Main Line	213.5	213.5	213.5	214	214	214	214	214	214	216
# of ARVs						768	768	807	804	673
# of Blow-offs						788	788	861	861	739
# of Fire Hydrants						1,412	1,412	1,423	1,443	1,432
# of Valves						2,761	2,761	2,766	2,810	2,675
# of Pumping Stations	5	5	5	5	5	6	6	6	6	6
# of Storage Tanks/Reservoirs	1	1	1	1	1	1	1	1	1	1
Connections:										
Single-Family Residential	9,753	9,752	9,756	9,761	9,778	9,771	9,811	9,851	9,908	9,989
Multi-Family Residential	118	117	121	121	119	119	119	119	119	119
Commercial	190	217	215	215	239	238	239	242	242	242
Institutional	11	11	11	11	11	11	11	11	11	11
Landscape Irrigation	222	230	230	228	214	210	209	205	207	211
Agricultural Irrigation	4	4	4	4	4	4	4	5	5	5
Other	8	8	8	8	8	8	8	8	8	8
Total Connections	10,306	10,339	10,345	10,348	10,373	10,361	10,401	10,441	10,500	10,585
Total New Connections	18	33	6	3	25	(12)	40	40	59	85
Consumption (units of ccf): ⁽¹⁾										
Single-Family Residential	5,043,423	5,680,870	5,392,177	5,020,192	4,369,153	4,327,393	4,500,448	5,008,334	4,645,129	3,022,810
Multi-Family Residential	90,785	99,732	92,353	96,145	87,162	80,391	83,539	80,962	76,392	57,293
Commercial	155,681	173,631	167,395	149,209	171,923	197,402	199,458	175,946	195,122	129,490
Institutional	98,444	104,898	103,931	93,052	81,364	68,920	74,877	116,328	97,881	85,287
Landscape Irrigation	425,275	503,444	501,790	453,918	358,816	355,991	360,465	426,595	402,151	252,183
Agricultural Irrigation	5,361	4,531	8,808	8,144	9,282	7,612	9,634	13,195	12,787	10,745
Other	886	1,200	970	802	789	927	871	1,705	908	827
Total Consumption	5,819,855	6,568,306	6,267,424	5,821,462	5,078,489	5,038,636	5,229,292	5,823,065	5,430,370	3,558,634
Average Daily Consumption	15,945	17,995	17,171	15,949	13,914	13,804	14,327	15,954	14,878	9,750
Population	30,442	30,512	30,605	30,578	30,641	30,615	30,722	30,831	31,009	29,452

Note:

(1) Beginning on January 1, 2005, the District was fully metered; data prior to that time is not available.

Sources:

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

SAN JUAN WATER DISTRICT

Table 20: Retail Water Connection Fee Report Per Government Code Section 66013(d) and (e) Fiscal Year Ended June 30, 2015

Connection Fees, beginning balance		\$ 3,627,456
Connection Fees Collected	\$ 908,072	
Interest Earned	5,144	
Fees Available	<u>913,216</u>	
Applied to:		
Capital Costs Funded	\$ 4,540,672	
Refunds	<u>-</u>	
Total Funds Applied	4,540,672	
Net Changes for the Year		<u>(3,627,456)</u>
Connection Fees, ending balance		<u>\$ -</u>

California Government Code (CGC) Section 66013 (c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Retail Water Connection Fee Report meets this requirement.

Capacity fees are imposed for initiating water connection service by the District at the request of the customer. No fees are imposed upon real property or upon person as an incident of property ownership, but rather as a condition of service.

Source: San Juan Water District Finance & Administrative Services Department