

# **SAN JUAN WATER DISTRICT**

## **Board of Director's Meeting Minutes**

August 10, 2016 – 6:00 p.m.

### **BOARD OF DIRECTORS**

Pam Tobin	President
Ken Miller	Vice President
Ted Costa	Director
Dan Rich	Director
Bob Walters	Director

### **SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF**

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Donna Silva	Director of Finance
Teri Grant	Board Secretary/Administrative Assistant
Joshua Horowitz	Legal Counsel

### **OTHER ATTENDEES**

Lucy Eidam Crocker	Crocker & Crocker
Sandy Harris	Customer
Mitch Dion	Self
Greg Zlotnick	Self
Kevin Thomas	SSWD
Tony Barela	SJWD
Jason Mayorga	SJWD
Greg Turner	SJWD

### **AGENDA ITEMS**

- I. Public Forum**
- II. Public Hearing**
- III. Consent Calendar**
- IV. Presentation**
- V. Committee Reports**
- VI. Information and Action Items**
- VII. Upcoming Events**
- VIII. Closed Session**
- IX. Open Session**
- X. Adjourn**

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

#### **I. PUBLIC FORUM**

There were no public comments.

## II. PUBLIC HEARING

### 1. FY 2016-2017 Budget

Ms. Silva reminded the Board that a workshop was conducted on June 29, 2016 to review the budget and proposed rates. She explained that the budget was prepared and presented based on a zero percent rate increase and that a potential rate increase would be discussed separately and handled at a later date as part of the five-year financial plan. She explained that, during the public hearing, the budget will be discussed and commented on by the Board and the public with the anticipation that it will be adopted at the end of the discussions.

Ms. Silva informed the Board that there were two changes in the budget since the Board packet was mailed. The first change was adding \$900,000 to the wholesale budget for treatment of SSWD's water purchased from PCWA, and the second item corrected a calculation error for the Incentive Award Program which reduced it from \$225,000 to \$144,200 for the total budget. She explained that the District does not usually budget for SSWD water revenue since it is an uncertain revenue source; however, SSWD has contacted the District with a schedule for deliveries.

Director Miller voiced concern that the Board had come to a decision in the past to separate discussions regarding the wholesale and retail budgets, and that the general public might not be aware that there are two budgets presented. Ms. Silva explained that, since the District is considered one legal entity, it is common practice to present the wholesale and retail budgets together. She explained that the one budget document separates the wholesale and retail budgets, and the one budget document will be considered for adoption. Ms. Lorance commented that the Board discussed combining the budgets for this year at the workshop; however, if the Board wants the budget presented differently next year then they can direct staff as such. The Board requested that Ms. Silva present the wholesale and retail budgets and not just the changes.

Ms. Silva reviewed, and briefly explained, the proposed budget. She reviewed the assumptions in detail, and the Board requested that the potential savings from the dental and vision plan changes be incorporated into the budget. In addition, she reviewed the *Estimated Sources and Uses of Funds - Summary*, the *Wholesale Operating Fund Summary*, and the *Retail Operating Fund Summary*.

In response to Director Costa's question, Ms. Lorance explained that the Board directed staff to include the two new positions in the budget assumptions; however, Board approval would be needed before either position was filled. She explained that Bryce Consulting is completing an audit of human resources at the District to help identify the requirements for the new human resource position and once that is completed the information will be brought back to the Board.

Ms. Silva informed the Board that, after receiving comments from the Board and reviewing the current Incentive Award Program, staff would like to revise the incentive program in order to make it specific and measurable. In addition, staff would like direction from the Board as to whether to fund the program now with the expectation that it would be revised prior to implementation, or wait to fund it in fiscal year 2017-18 after the program has been revised. The Board discussed the Incentive Award Program and would like to remove the funding from the budget and re-draft the policy. Director Costa commented that there is nothing stopping the General Manager from bringing a request to the Board to provide an incentive on an individual basis.

In response to Director Rich's question, Ms. Silva explained that the \$900,000 payment from SSWD is not being considered to offset wholesale rate increases since it is a one-time revenue, but could be discussed when the financial plan is reviewed. She explained that the Board will be discussing the level that they want to keep the reserves at, which could mean a rate increase for both wholesale and retail. She explained that the budget was presented unbalanced at this time in order to give the District time to complete a comprehensive multi-year financial study.

Director Costa voiced concern regarding the approximate \$3 million shortfall in projected revenue versus expenses that is shown in the FY 2016-17 budget. President Tobin commented that the objective is to pass the budget now then receive the information from The Reed Group in order to determine what the potential rate increase might be.

Director Walters suggested that the HR position be removed from the budget. The Board discussed the HR position and the WTP position. President Tobin reminded the Board that everything in the budget was instructed by the Board to be included in the budget. Director Costa voiced concern regarding passing a budget that will result in a higher rate increase. Mr. Horowitz explained that the budget is an aspirational document and the Board has the discretion to modify the budget at any time. In addition, Mr. Horowitz explained that, after receiving Mr. Reed's recommendations, the Board can make changes to the budget.

President Tobin opened the Public Hearing at 7:08 pm.

President Tobin requested comments from the public. There were no public comments. The Public Hearing was duly posted and published as required by law. There were no written comments received.

Ms. Lorance requested that the motion include removing the Incentive Award Program funding and adjusting the budget for the savings related to the dental and vision plan changes, as per the Board's previous direction.

President Tobin closed the Public Hearing at 7:15 pm

Mr. Horowitz informed the Board that the budget could be adjusted at any time as long as the item is not encumbered. Ms. Silva commented that, when the

budget is adopted, the Board is giving staff the authority to go forth and carry out the projects and objectives that are funded unless an item requires additional Board approval, such as the two new positions. Director Miller voiced concern that the budget includes a 2.5% COLA increase that would be implemented immediately. In response to Director Costa's concern regarding the gap in the budget, Ms. Lorange explained that funds will be transferred from capital reserves to cover the gap.

In response to Director Walters' question, Ms. Lorange explained that the budget gives the authority to spend up to the amount that she is authorized to spend before obtaining additional Board approval. Mr. Horowitz commented that the budget gives staff the ability to execute the Board's policies and direction based on the spending plan and if it does not require additional Board approval then the budget is the approval to encumber the funds. Ms. Silva commented that staff still needs to abide by the purchasing policy that the Board has already adopted which outlines the spending limits and authority of the General Manager.

In response to Director Costa's question, Mr. Horowitz commented that the Board could give the General Manager a dollar amount to spend; however, Ms. Lorange commented that would not be her recommended approach. In response to President Tobin's question, Ms. Silva explained that the budget is not tied to any rate increases; however, the capital reserves will be depleted to some extent since the operating expenses are greater than the operating revenues. Ms. Silva explained that this budget is staff's recommendation for the appropriate level of spending to achieve the District's objectives and will give the District time to complete the long-range planning with Mr. Reed.

***Director Costa moved to adopt Resolution No. 16-12 adopting the FY 2016-2017 Budget with revisions to remove the Incentive Award Program funding and adjust for any savings from dental and vision plan changes. President Tobin seconded the motion and it carried with 4 Aye votes and one No vote (Miller).***

### **III. CONSENT CALENDAR**

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

**1. Minutes of the Board of Directors Meeting, July 13, 2016**

*Recommendation: Approve draft minutes*

**2. Payment of Bills and Claims**

*Recommendation: Adopt Resolution No. 16-13*

**3. Wholesale/Retail Financial Plan and Rate Update Study Contract Amendment**

*Recommendation: Authorize General Manager to sign the contract amendment with The Reed Group for an additional \$23,420 bringing the contract total to \$71,870 for the Financial Plan and Rate Update Study*

**4. Memorandum of Agreement Regarding Sharing of Costs for Legislative Advocacy Services**

*Recommendation: Authorize General Manager to sign the Memorandum of Agreement between the District and the cities of Roseville and Folsom in the amount of \$38,667 for federal legislative advocacy services*

***Director Walters moved to approve the Consent Calendar. Director Costa seconded the motion and it carried unanimously.***

**IV. PRESENTATION**

**1. Board Governance – Josh Horowitz**

Mr. Horowitz suggested that, in the interest of time, his presentation be postponed until the September meeting. The Board agreed with his suggestion.

In response to Ms. Lorance's question, Mr. Horowitz confirmed that it is not necessary to read the committee minutes and to just reference the minutes; however, any actions items would need to be discussed.

**ACTION AND INFORMATIONAL ITEMS**

**V. COMMITTEE REPORTS**

**1. Legal Affairs Committee (7/20/16)**

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

Mr. Horowitz informed the Board that the committee's recommendation to adopt a resolution in support of submitting a water transfer legislative sponsorship proposal to ACWA will be discussed in Closed Session.

**2. Personnel Committee (7/25/16)**

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

***Director Walters moved to transition to the ACWA JPIA vision and dental insurance plans. Director Rich seconded the motion and it carried unanimously.***

**3. Public Information Committee (7/26/16)**

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

President Tobin informed the Board that the committee is recommending that the District purchase tablets for the Board members and set up District email addresses which the public can access. Ms. Lorance reported that the cost is less than \$500 per device and the devices would be supported by the District's IT Administrator; however, if a Board member chose to purchase a tablet personally the District's IT Administrator would not be able to support the device per District policy.

Ms. Lorance explained that, in order to keep public and personal emails separate, it is recommended that the District provide Board members with District email addresses. Mr. Horowitz commented that, under the Public Records Request Act, requests for emails would require someone to go through a device to sort through and locate all SJWD-related emails pertinent to the request. He added that, for a litigation setting, discovery is broader and the device could be reviewed by an attorney or District staff including all personal information. Director Rich suggested that this item be finalized before the Prop 218 notice is distributed in order to allow the public direct access to Board members.

***Action: Referred email and tablet discussion to the Legal Affairs Committee***

*Director Costa left the meeting at 7:55pm as previously arranged with the Board President.*

Ms. Lorance informed the Board that Crocker & Crocker's proposed FY2016-17 Workplan and Budget for public information consulting services was reduced 15% from last year's budget for the combined wholesale and retail activities. Ms. Eidam Crocker provided the Board with a verbal report of the activities that Crocker & Crocker will provide to the District in FY2016-17.

***President Tobin moved to authorize the General Manager to sign the contract for FY 2016-17 with Crocker & Crocker in the amount not to exceed \$140,000. Director Walters seconded the motion and it carried with 4 Aye votes (Director Costa absent).***

**4. Finance Committee (8/9/16)**

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

***Director Rich moved to authorize staff to purchase a 2017 Ford Escape SE 4WD in the amount of \$24,527 to replace Vehicle #30 for general District use. President Tobin seconded the motion and it carried with 4 Aye votes (Director Costa absent).***

Ms. Silva informed the Board that the Fourth Quarter Financial Report is the first financial report since the creation of the capital reserve funds and the first time Balance Sheets are being provided for the funds. She explained that the

numbers are not final and will be changing as the Department works through the year-end review and accounting work.

## **VI. INFORMATION AND ACTION ITEMS**

### **1. GENERAL MANAGER'S REPORT**

#### **1.1 Report Back Item**

There were no items discussed.

#### **1.2 Miscellaneous District Issues and Correspondence**

Ms. Lorance reported that she received and will sign the RWA Regional Reliability Program agreement which will cost \$12,000 now with up to \$20,000 for the second phase.

Ms. Lorance reported that the State Water Resources Control Board (State Board) formed an Urban Advisory Group (UAG) which will be focused on long-term water conservation. Ms. Lorance will email the list of UAG members to the Board.

Ms. Lorance reported that she received a letter from CSDA requesting participation in their committees, so if any Board member is interested then they should contact the Board Secretary. The Board Secretary will email the CSDA letter in its entirety as it was missing a page in the Board packet.

Ms. Lorance informed the Board that a Supplemental Environmental Impact Statement/Environmental Impact Report (SEIS/EIR) is available regarding the Folsom Dam Raise Project. Information can be found in the letter she provided in the Board packet.

Ms. Lorance informed the Board that Citrus Heights Water District sent a thank you letter to the District regarding Keith Durkin providing them with a presentation on the District's key issues and strategic planning.

*For information, no action requested.*

### **2. ASSISTANT GENERAL MANAGER'S REPORT**

#### **2.1 Report Back Items**

There were no items discussed.

#### **2.2 Miscellaneous District Issues and Correspondence**

Ms. Lorance reported that a letter was sent to Reclamation requesting additional funding for basin studies. Mr. Durkin explained that Mike Finnegan, retired Area Manager for Reclamation, is now performing consulting work for Placer County Water Agency. Mr. Durkin explained that

the letter was sent at the recommendation of Mr. Finnegan in order to request funding during Reclamation's budget process for this region.

Mr. Durkin informed the Board that he has provided San Juan issues updates to all Wholesale Customer Agency (WCA) boards. He commented that it was very well received and the WCAs are looking forward to the workshop on the financial plans with Bob Reed.

In response to Director Miller's question, Mr. Durkin explained that the discolored water near Folsom Dam is contained by a curtain wall for sediment control.

*For information, no action requested.*

### **3. DIRECTOR OF FINANCE'S REPORT**

#### **3.1. Report Back Items**

There were no items discussed.

#### **3.2. Miscellaneous District Issues and Correspondence**

There were no items discussed.

### **4. LEGAL COUNSEL'S REPORT**

#### **4.1 Legal Matters**

Mr. Horowitz informed the Board that there would be a Closed Session. In addition, he reported that the CalWater Fix hearings at the State Board started at the end of July and are ongoing while the federal and state projects make their presentations. He explained that there will be a break then the District and other protestants to the water right changes will begin in October.

### **5. DIRECTORS' REPORTS**

#### **5.1 SGA**

President Tobin reported that SGA meets August 11, 2016.

#### **5.2 RWA**

No report.

#### **5.3 ACWA**

##### **5.3.1 Local/Federal Government/Region 4 - Pam Tobin**

No report.



**5.3.2 JPIA - Bob Walters**

No report.

**5.3.3 Energy Committee - Ted Costa**

No report.

**5.4 CVP Water Users Association**

No report.

**5.5 Other Reports and Comments**

Director Walters commented that he wanted to make sure that the discussions at the September 19<sup>th</sup> meeting with the WCAs is not to negotiate the water supply agreements.

**VII. UPCOMING EVENTS**

1. ACWA Continuing Legal Education for Water Professionals  
September 15-16  
San Diego, CA
2. ACWA Regulatory Summit  
October 3-4  
Sacramento, CA

**President Tobin called for Closed Session at 8:20 pm.**

**VIII. CLOSED SESSION**

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving state and federal administrative proceedings and programs affecting District water rights.
2. Conference with legal counsel -- anticipated litigation; Government Code sections 54956.9(a) and (d)(4); consideration of initiation of litigation involving one case.
3. Public employee performance evaluation involving the Assistant General Manager; Government Code sections 54954.5(e) and 54957.
4. Conference to provide District's labor negotiators, Pam Tobin and Bob Walters, with direction concerning changes to Assistant General Manager's compensation and benefits; Government Code sections 54954.5(f) and 54957.6.

**President Tobin returned to Open Session at 9:10 pm.**

**IX. OPEN SESSION**

The Board directed its negotiators to advise the General Manger to provide a beneficial suggestion award of \$8,000 to the Assistant General Manager consistent with the General Manager's existing personnel and budget authority.

**X. ADJOURN**

**The meeting was adjourned at 9:11 p.m.**

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PAMELA TOBIN, President  
Board of Directors  
San Juan Water District

ATTEST:

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TERI GRANT, Board Secretary

## STAFF REPORT

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To: Board of Directors

From: Donna Silva, Finance Director  
Shauna Lorange, General Manager

Date: August 10, 2016

Subject: Fiscal Year 2016-2017 Wholesale and Retail Budget

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### **RECOMMENDED ACTION**

Conduct the legally required public hearing for budget adoption then approve Resolution 16-12 adopting the Fiscal Year 2015-16 Wholesale and Retail Operating and Capital Budget.

### **BACKGROUND**

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

The Budget was previously discussed at a workshop on June 29, 2016. The budget does not include a rate increase so a Prop 218 hearing isn't necessary at this time and has not been held.

The draft budget document is attached for review.

### Attachments:

Exhibit 1 Proposed Budget Fiscal Year 2016-2017  
Resolution 16-12 Adopting San Juan Water District Fiscal Year 2016-2017 Operating and Capital Budget

**RESOLUTION NO. 16-12**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN JUAN WATER DISTRICT  
ADOPTING THE ANNUAL BUDGET  
FOR THE FISCAL YEAR 2016-2017**

WHEREAS, District staff has prepared a budget for the fiscal year 2016-2017 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2016-2017 retail budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including contributions to reserves sufficient to return them to prudent levels;

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

WHEREAS, it is the intention of the Board of Directors to adopt the proposed budget as submitted by the General Manager;

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

1. That certain document referred to as "The San Juan Water District Proposed Budget Fiscal Year 2016-2017" and all schedules, exhibits and policies contained therein, is hereby adopted and the appropriations for the annual budget of the San Juan Water District for the fiscal year beginning on July 1, 2016 and ending on June 30, 2017 are hereby adopted; and
2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and
3. The General Manager is authorized to approve expenditure adjustments within individual accounts and line items so long as the total appropriated is not exceeded.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 10th day of August 2016, by the following vote:

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

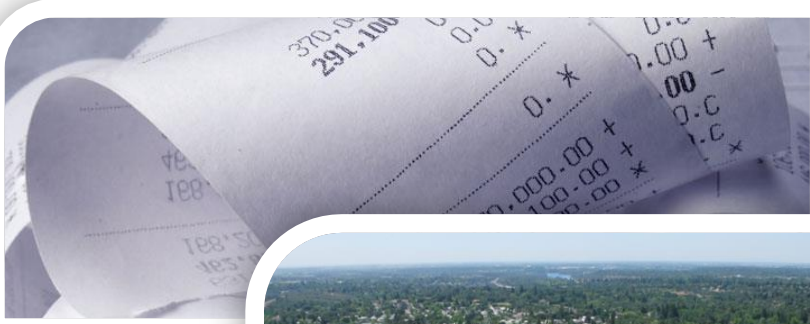
ATTEST

\_\_\_\_\_  
TERI GRANT  
Secretary, Board of Directors

\_\_\_\_\_  
PAMELA TOBIN  
President, Board of Directors  
San Juan Water District

# SAN JUAN WATER DISTRICT

## Granite Bay, California



## PROPOSED BUDGET

### Fiscal Year 2016-2017

### Wholesale and Retail

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# San Juan Water District

## Fiscal Year 2016-2017 Budget



Prepared by the Finance Department under Direction of  
the General Manager and Assistant General Manager

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**San Juan Water District**  
9935 Auburn Folsom Road  
Granite Bay, California 95746  
(916) 791-0115  
[www.sjwd.org](http://www.sjwd.org)

**Elected Officials**

Pamela Tobin, President/Director  
Kenneth H. Miller, Vice President/Director  
Edward J. "Ted" Costa, Director  
Dan Rich, Director  
Bob Walters, Director

**Appointed Officials**

Shauna Lorance, General Manager

**Management Team**

Keith B. Durkin, Assistant General Manager  
Donna Silva, Director of Finance  
Tony Barela, Operations Manager  
Lisa Brown, Customer Services Manager  
Rob Watson, Engineering Services Manager  
George Machado, Field Services Manager  
Greg Turner, Water Treatment Plant Superintendent

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August 10, 2016

Board of Directors  
Citizens of the San Juan Water District

**Directors**  
Edward J. "Ted" Costa  
Kenneth H. Miller  
Dan Rich  
Pamela Tobin  
Bob Walters  
**General Manager**  
Shauna Lorance

On behalf of the San Juan Water District and its staff, I am pleased to present the Budget for Fiscal Year 2016-2017. The Budget has been developed to be fiscally responsible in support of the District's Mission Statement:

*Our 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.*


Adoption and implementation of this budget will allow the District to accomplish major priorities in Fiscal Year 2016-2017, detailed throughout this document.

Through the Great Recession and the recent drought, the District worked hard to limit rate increases. In order to ensure ongoing fiscal health, the District is currently conducting a comprehensive rate study that will examine water demand, as well as operational and capital needs, and cost saving measures over the next five years. We anticipate proposing future rate increases as a result of that study, but those increases have not been incorporated into this budget document.

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

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

Respectfully Submitted,

  
Shauna Lorance  
General Manager

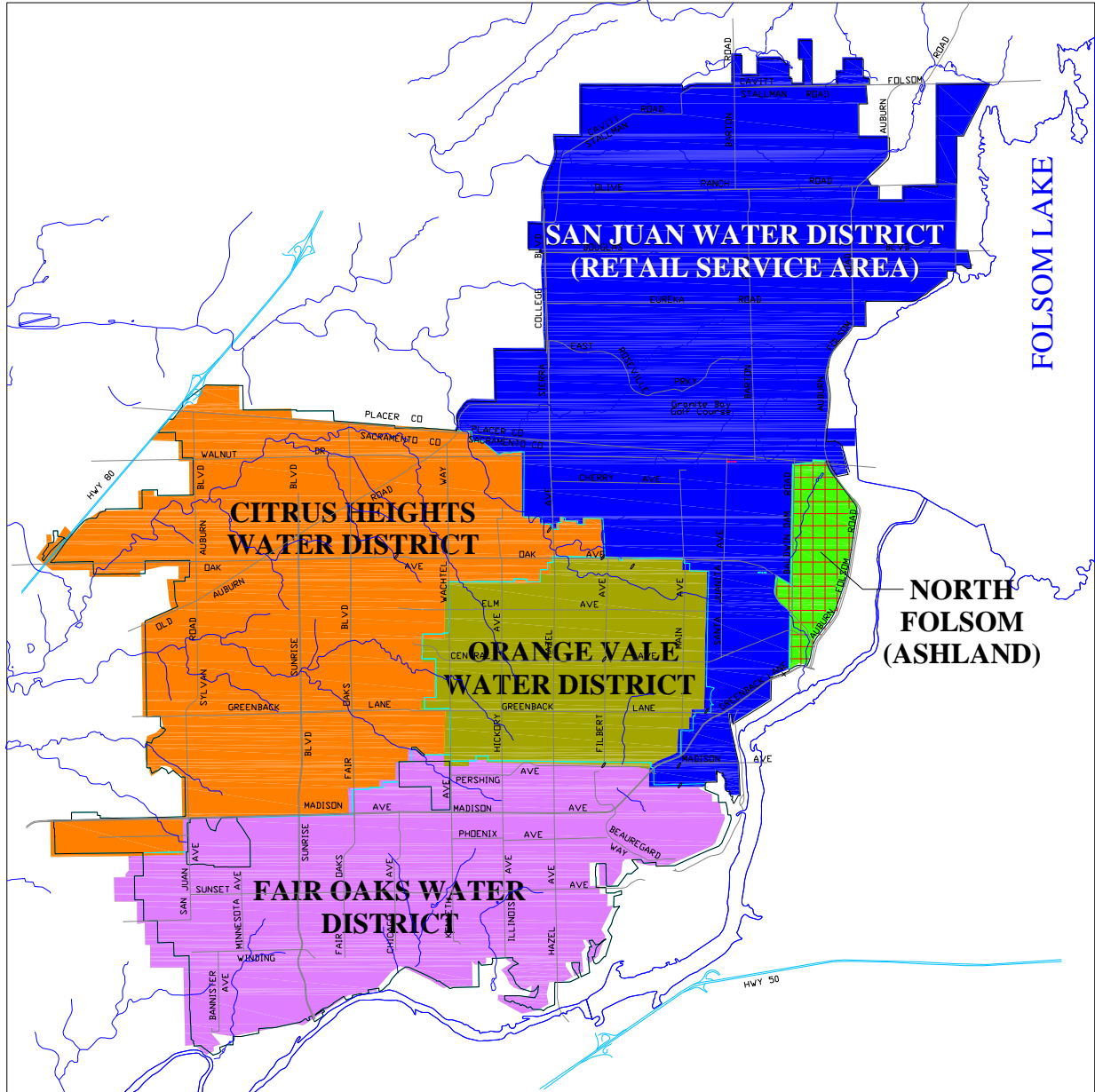
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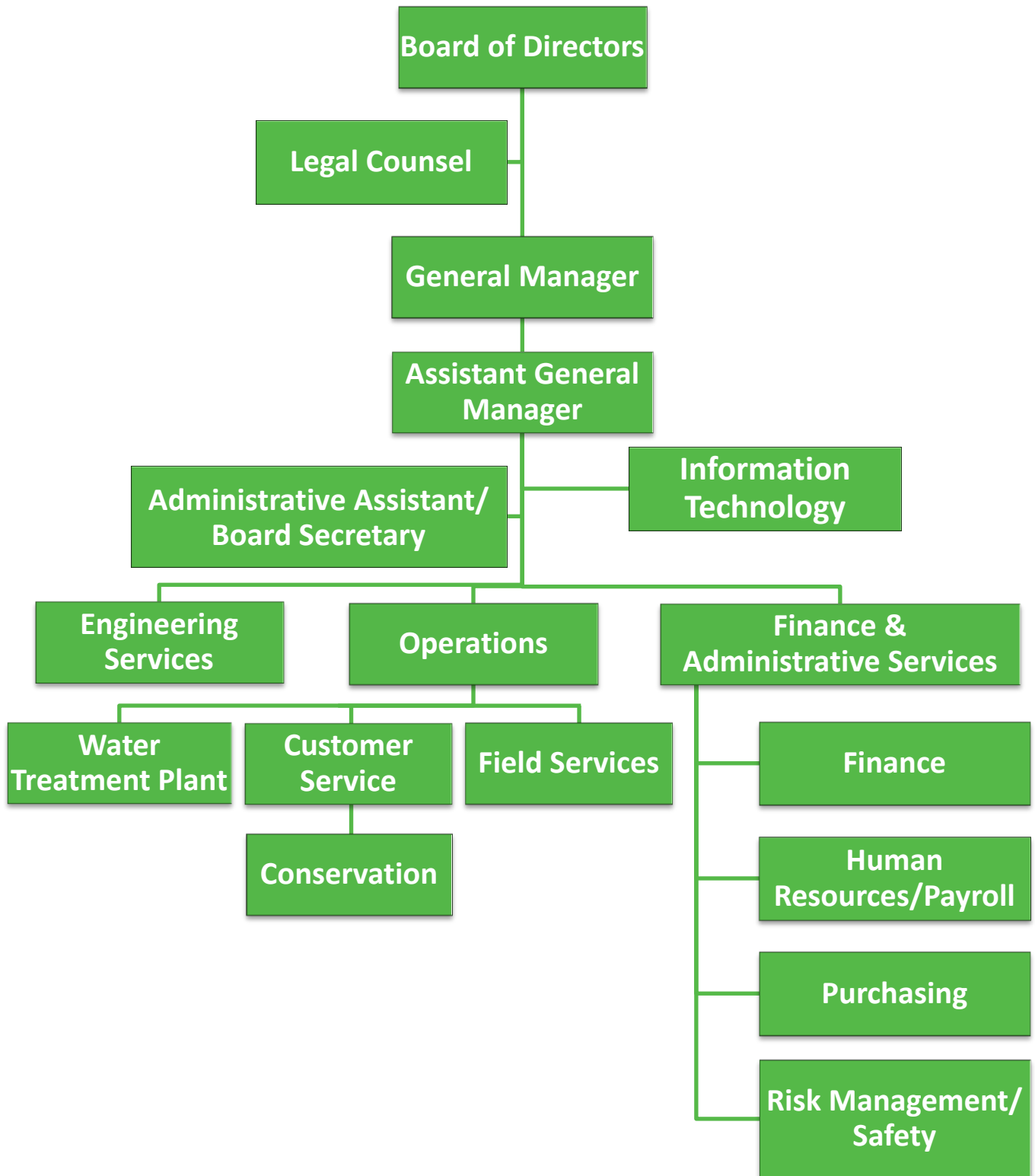
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**Wholesale Service Area Map**  
(SJWD Retail Service Area – in blue)



Organization Chart by Functional Area



**By The Numbers – Summary of District Information**

<b>Water System</b>	
Total Water Supply Available	82,200 acre feet
Treatment Plants	1
Treatment Plant Capacity	150 MGD
Reservoirs	2
Miles of Water Main	217
Storage Tanks	2
Booster Stations	9
Number of Booster Pumps	38
Number of Control Valve Stations	12
Number of Solar Facilities	1
Number of Pressure Zones – Retail Service Area	8
Number of Service Connections – Retail Service Area	10,603

<b>Miscellaneous Statistical Information</b>	
Size of Service Area	46 square miles
Size of Retail Service Area Only	17 square miles
Population of Service Area (2015)	180,983
Population of Retail Service Area Only (2015)	29,452
Number of Active Employees	47
Number of Bond Issues Outstanding	2
Wholesale Operating Budget	\$10,333,000
Wholesale Capital Budget	\$7,815,300
Retail Operating Budget	\$11,448,300
Retail Capital Budget	\$5,891,300

### **ABOUT THE DISTRICT**

The San Juan Water District (District) initially began as the North Fork Ditch Company dating back to 1854 providing water to the area. The San Juan Water District as in existence today was formed as the result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company and a group of homeowners in South Placer County. An election was then held within the boundaries of the sponsoring districts 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 46 square miles for wholesale (which includes the District's retail area) and 17 square miles for retail in Sacramento and Placer Counties. The District's wholesale agency consists of delivering water to the retail agencies under negotiated contracts; operating a surface water treatment plant and storage, transmission facilities; and providing the administrative support related to those activities. The Retail agency consists of storage, pumping, transmission and distribution facilities (which deliver water to approximately 10,600 active 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.

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 District completed the process of long-term water contract negotiations with the U. S. Bureau of Reclamation for Central Valley Project water resulting in a 40 year long-term contract that expires February 28, 2045, but is subject to renewal. The third water source is a contract with Placer County Water Agency for 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by the U. S. Bureau Folsom Pumping Plant. Total raw water delivery for the Fiscal Year 2014-2015 was 34,614 acre-feet and is anticipated to be 30,696 acre-feet for Fiscal Year 2015-2016, and 37,828 for Fiscal Year 2016-2017 excluding pass through deliveries for Sacramento Suburban Water District.

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 storage reservoir. Major upgrades and improvements to the plant in 2005 and 2009-2011 added a solids handling facility and chlorine storage/handling facility to

the plant. These two 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 customers. From the water treatment plant, the water flows into the 62 million gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 217 miles of transmission and distribution pipelines, which transport the high quality treated water to wholesale and retail customers.

### **Budget Purpose, Process and Control**

The District adopts an annual operating budget and an annual capital improvement budget to ensure the adequacy of resources to meet District needs and to accomplish the District's mission. As required by certain debt covenants, the annual operating budget is evaluated, to ensure that net revenues, as defined by the various debt covenants, are equal to or exceed a minimum of 115 percent of the anticipated debt service for the budget year.

The District's official budget process usually begins with a Board Workshop wherein the Board of Directors identifies short and long term strategic goals. Those goals are then communicated with Department Managers who prepare and submit draft budgets to the Finance Department. The Finance Department prepares the revenue budget, and reviews and compiles the various department budgets. A budget workshop is held to present and discuss the draft budget with the Board of Directors and interested members of the public. Feedback from that meeting is used to adjust the draft budget, if necessary. A public hearing is then held after which the Board of Directors votes on budget adoption.

Budget to actual financial data is monitored continuously throughout the year by management and is reported on a quarterly and annual basis to the Finance Committee and the Board of Directors. The General Manager has the authority to move budget between specific lines within a fund, or between funds to correct posting errors. Transfers between funds, for purposes other than error correction, require approval from the Board of Directors.

### **Budget Format**

The budget is prepared on an accrual basis (reporting revenues and expenses are earned and incurred, respectively) and is the same as reported in the Comprehensive Annual Financial Report. The program budget format is used versus a line item detail format to provide the most valuable information to the reader on all of the District's major areas of service (Distribution, Water Treatment Plant, Administration, Conservation, Customer Service and Engineering). Expenditure data is also presented in a functional format (Salaries & Benefits, Materials & Supplies, etc.) to provide readers with an alternate view.

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

### Financial Policies

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

### Reserve Policy

In accordance with Board Resolutions, Board Motions, and/or District Ordinances, certain reserve funds have been established and maintained as follows:

#### WHOLESALE OPERATING RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	Established in 1998 to provide working capital for operations and unexpected needs.	20% of operating expenses
Rate Stabilization	Established in 1998 to help ensure financial and rate stability for wholesale customers.	\$1,000,000
2009A COP Debt Service	To ensure adequate funds are available to meet the next year's debt service payment. Reserve is required by the COP Trust Agreement.	Lesser of \$1,863,149 or Wholesale's share of the maximum Installment Payment due in the then current or any future Fiscal Year.
PERS Rate Stabilization	To level out the amount budgeted for PERS payments on an annual basis.	When the actual PERS costs are lower than the actuarially determined normal costs, the difference is placed in this fund. When the PERS costs are higher than the normal costs, the difference is withdrawn from this reserve.
Compensated Absences	To accumulate funds for accrued employees' vacation and sick leave time.	Dependent upon the dollar value of the accrued vacation and vested sick leave amounts.
Delta/Water Rights	To cover legal expenses, public information, and other costs associated with Delta issues that affect the District's water rights.	Determined annually by Board of Directors.

**WHOLESALE CAPITAL RESERVES:**

NAME	PURPOSE	AMOUNT/LEVEL
Capital Improvement Program	Established in 1998 to fund capital replacements, rehabilitation, upgrades and improvements.	Determined annually by Board of Directors.
Connection Fee	Established in 2007 to hold and expend connection fees paid by new connections to the distribution system. The fee is designed to recognize the current value of providing capacity necessary to serve additional users.	Fluctuates based on fees received and capital improvements planned and completed.
Hinkle Lining	Established in the 1980's to accumulate monies for the eventual replacement of the lining and cover for Hinkle Reservoir.	There is not a recommended amount for this fund. \$50,000 plus accrued interest on the existing fund balance is added to this fund at the end of each fiscal year.
Vehicle and Equipment	To accumulate sufficient funds to replace vehicles and equipment on an annual basis, and larger equipment on an as-need basis.	Varies depending on the future planned replacements of vehicles and equipment.

**RETAIL OPEARTING RESERVES:**

NAME	PURPOSE	AMOUNT/LEVEL
Operating	To provide working capital for retail operations, as wells as readily available capital for unexpected needs and modest variations between expected and actual water demands.	20% of annual operating expenditures.
PERS Rate Stabilization	To provide stability in the amount budgeted for PERS payments on an annual basis.	When the actual PERS costs are lower than the normal costs, the difference is placed in this reserve. When the PERS costs are higher than the normal costs, the difference is withdrawn from this reserve.
Compensated Absences	To accumulate funds for accrued employees' vacation and sick leave time.	Dependent on the dollar value of the accrued vacation and vested sick leave amounts.
2009A COP Debt Service	To ensure adequate funds are available to meet the next year's debt service payment. Reserve is required by the COP Trust Agreement.	Lesser of \$1,048,021 or retail's portion of the maximum Installment Payment due in the then current or any future Fiscal Year.
Customer Deposits	Established to segregate funds contributed as a deposit for work to be completed by the District.	This reserve must be used for funds on deposit for developers or customers. When projects are completed, any remaining funds are returned to the developer or customer.



**RETAIL CAPITAL RESERVES:**

NAME	PURPOSE	AMOUNT/LEVEL
General CIP	Established “to accumulate sufficient funds for use due to unforeseen and unexpected emergency expenditures for repair, replacement or rehabilitation of the District’s water pipeline systems and pumping stations.” In practice, the Capital Improvement Reserve is used for <i>planned</i> and unplanned capital replacements, rehabilitation, upgrades, and improvements.	Fluctuates based on capital improvements planned and completed.
Kokila Reservoir Replacement	Established to accumulate funds for eventual replacement of the lining and cover of Kokila Reservoir.	Funded annually in the amount of \$10,000 plus accrued interest earned on the existing reserve balance.
Vehicles	Established to accumulate sufficient funds to replace vehicles and equipment on an annual basis and larger equipment on an as need basis.	No designated amount for this reserve; however in practice it is adjusted at the end of each fiscal year to be equal to the next years planned expenditures on vehicles and equipment.

**Investment Policy**

In accordance with District Ordinance No. 3000.05 management responsibility for the investment program is delegated to the General Manager. The Finance Director has been designated as the “Investment Officer” in charge of operational management.

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

**Procurement Policy**

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

### **Accounting System and Controls**

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

### **Fund Structure and Descriptions**

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

#### **Enterprise Funds:**

- Wholesale Operating Fund
- Retail Operating Fund

#### **Capital Outlay Funds:**

- Wholesale Capital Outlay Fund
- Retail Capital Outlay Fund

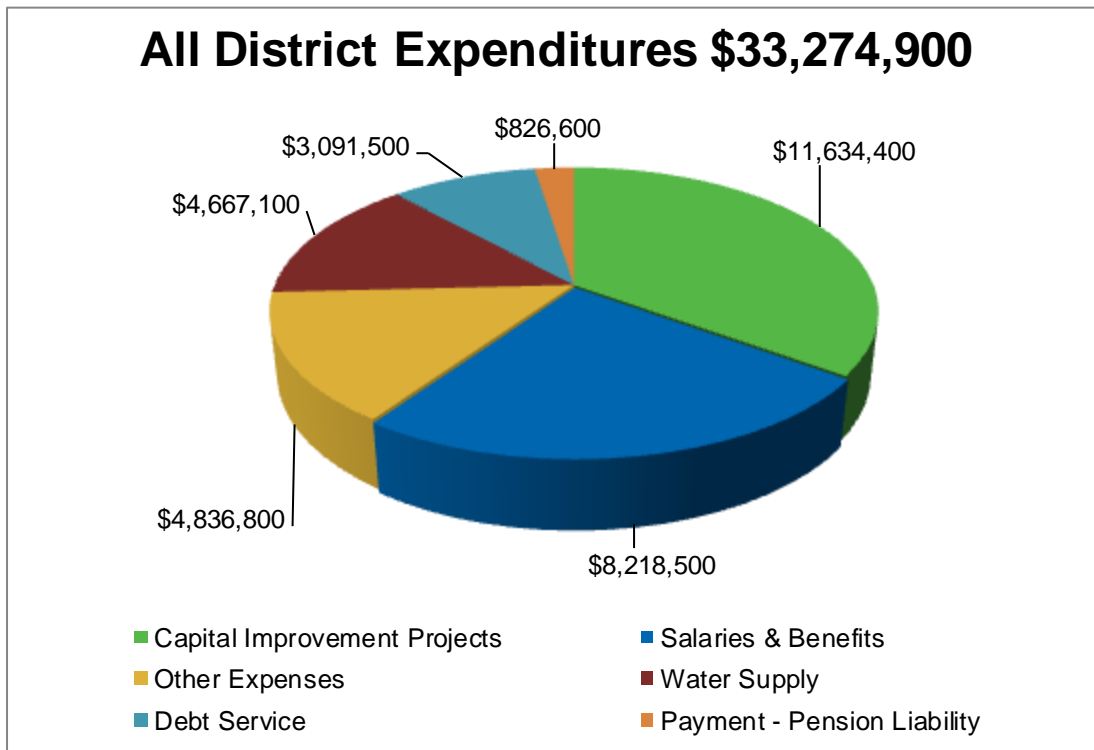
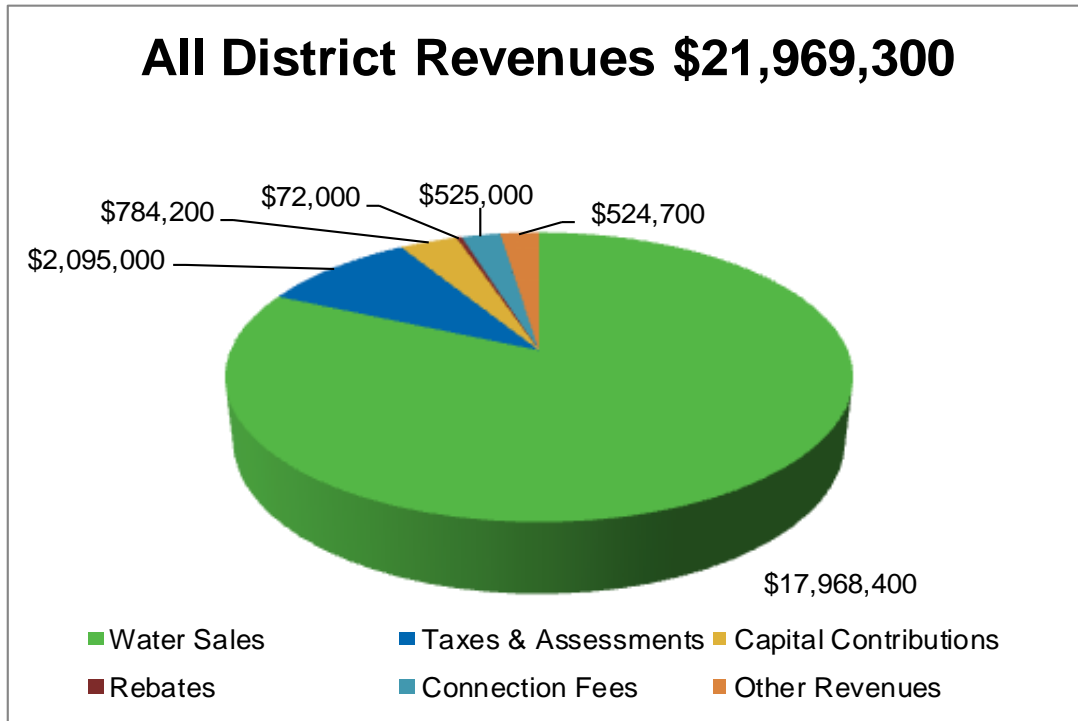
The funds are combined for purposes of formal financial reporting (audited financial statements). Budgets and descriptions for these funds can be found starting on page 28.

## Budget Assumptions

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

- Water rates held constant from calendar year 2016
- Water consumption increases from the previous mandatory conservation of 35% less than 2013 consumption to 20% less than 2013 consumption
- Treatment of 7,500 acre feet of water for Sacramento Suburban Water District
- Property taxes increase 5%
- Investment income assumed to hold constant
- Limited solar rebate revenue
- No Central Valley Project water to be purchased
- Board of Directors approval of installment payment in the amount of \$866,900 for groundwater reimbursement
- 10% decrease in Workers Compensation rates
- 5% increase in Health Care costs
- Restored funding of Incentive Award Program at 3% of salaries (\$144,200)
- Remit existing PERS reserves (\$826,000) to CalPERS as payment towards unfunded pension liability (saves \$1.8 million over 19 years)
- Cost of Living Allowance (COLA) 2.5%, tied to the Western Cities CPI
- Two new positions, both starting on January 1, 2017: HR Specialist and Water Treatment Plant Operator

Estimated Sources and Uses of Funds – Summary



### Estimated Sources and Uses of Funds – Summary

	Wholesale				Total
	Wholesale Operations	Wholesale Capital Outlay	Retail Operations	Retail Capital Outlay	
Est. Beginning Available Reserves July 1, 2016	\$ 3,224,712	\$ 8,806,500	\$ 2,803,239	\$ 7,736,100	\$ 22,570,551
<b>Sources</b>					
Water Sales	8,310,600	-	9,657,800	-	17,968,400
Taxes & Assessments	-	1,045,000	-	1,050,000	2,095,000
Capital Contributions	-	784,200	-	-	784,200
Connection Fees	-	75,000	-	450,000	525,000
Rebates	-	72,000	-	-	72,000
Other Revenues	122,400	55,600	300,900	45,800	524,700
<b>Total Revenues</b>	<b>8,433,000</b>	<b>2,031,800</b>	<b>9,958,700</b>	<b>1,545,800</b>	<b>21,969,300</b>
<b>Uses</b>					
Capital Improvement Projects	-	6,825,000	-	4,809,400	11,634,400
Salaries & Benefits	3,558,900	-	4,659,600	-	8,218,500
Water Supply	1,945,800	-	2,721,300	-	4,667,100
Debt Service - Interest	1,389,400	-	774,200	-	2,163,600
Debt Service - Principal	607,500	-	320,400	-	927,900
Pay Unfunded Pension Liability	415,800	-	410,800	-	826,600
Other Expenses	2,216,200	105,000	2,515,600	-	4,836,800
<b>Total Expenses</b>	<b>10,133,600</b>	<b>6,930,000</b>	<b>11,401,900</b>	<b>4,809,400</b>	<b>33,274,900</b>
<b>Net Sources and Uses</b>	<b>\$ (1,700,600)</b>	<b>\$ (4,898,200)</b>	<b>\$ (1,443,200)</b>	<b>\$ (3,263,600)</b>	<b>\$ (11,305,600)</b>
Transfer In/(Out)	210,600	(210,600)	1,025,600	(1,025,600)	-
<b>Ending Available Reserves Est.</b>	<b>\$ 1,734,712</b>	<b>\$ 3,697,700</b>	<b>\$ 2,385,639</b>	<b>\$ 3,446,900</b>	<b>\$ 11,264,952</b>

**MAJOR REVENUES AND EXPENDITURES**

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

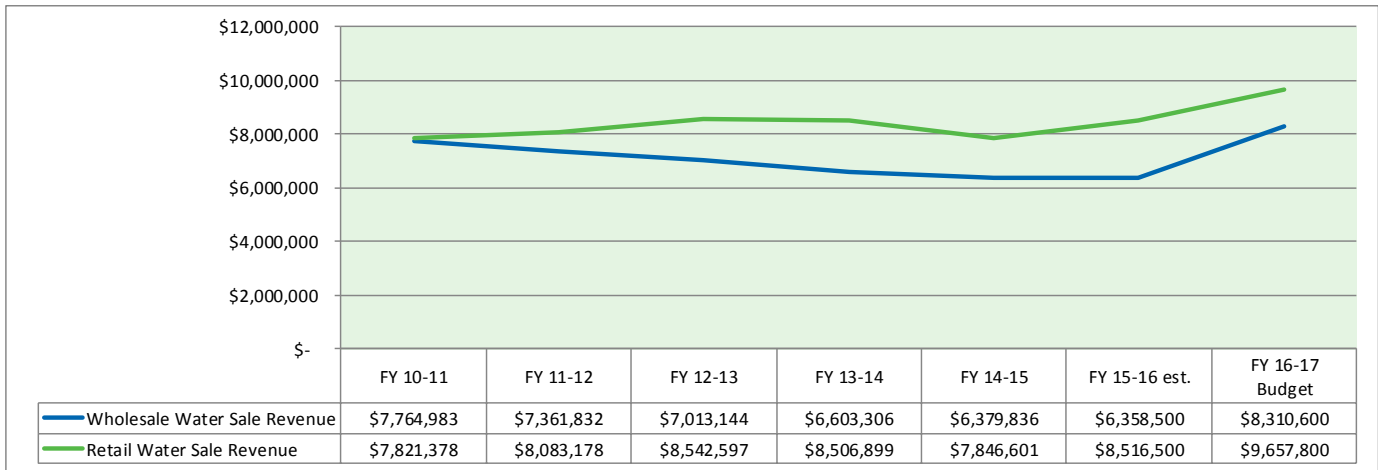
**Water Sales**

Revenue from the sale of water accounts for 81% of all District revenues. The Board of Directors considers and adopts rates through separate processes for wholesale and retail. Wholesale customers are presented with a rate study and are given 150 days to provide comments to the Board of Directors on proposed rate changes. After the 150 day comment period, the Board of Directors review the comments and make a decision on rates for the upcoming calendar year.

Retail rates are subject to the provision of Proposition 218 wherein customers are provided information on proposed rate changes, and are invited to attend a public hearing on the proposed changes. Proposed rate changes can be denied if a majority of ratepayers submit votes against the proposed change. If a majority of “no” votes is not received, the Board of Directors will vote on the proposed rate increase and set the effective date for any proposed and approved changes.

While the District is currently conducting a multi-year rate study, no rate increases are assumed in this budget.

**Water Sale Revenues**

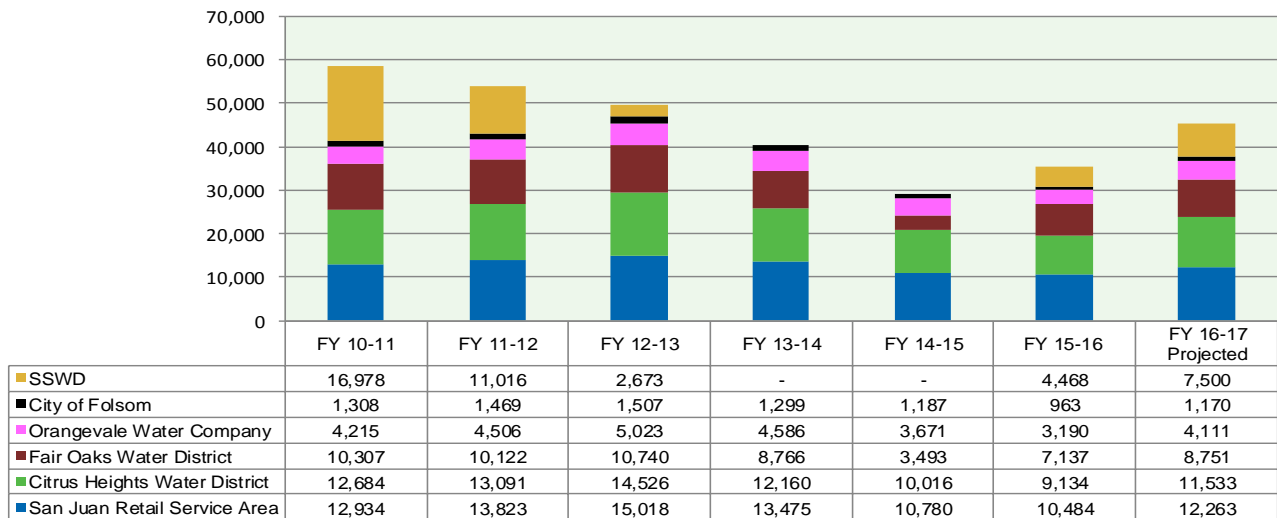


Due to a combination of the severe drought, and conservative water rate increases, total combined Water Sale Revenues have fallen since fiscal year 2010-11.

Water revenues are driven by two primary factors, amount of use and rate per unit. The chart above shows retail and wholesale water revenues from fiscal year 2010-11 to current. The charts following show water use for the same time period.

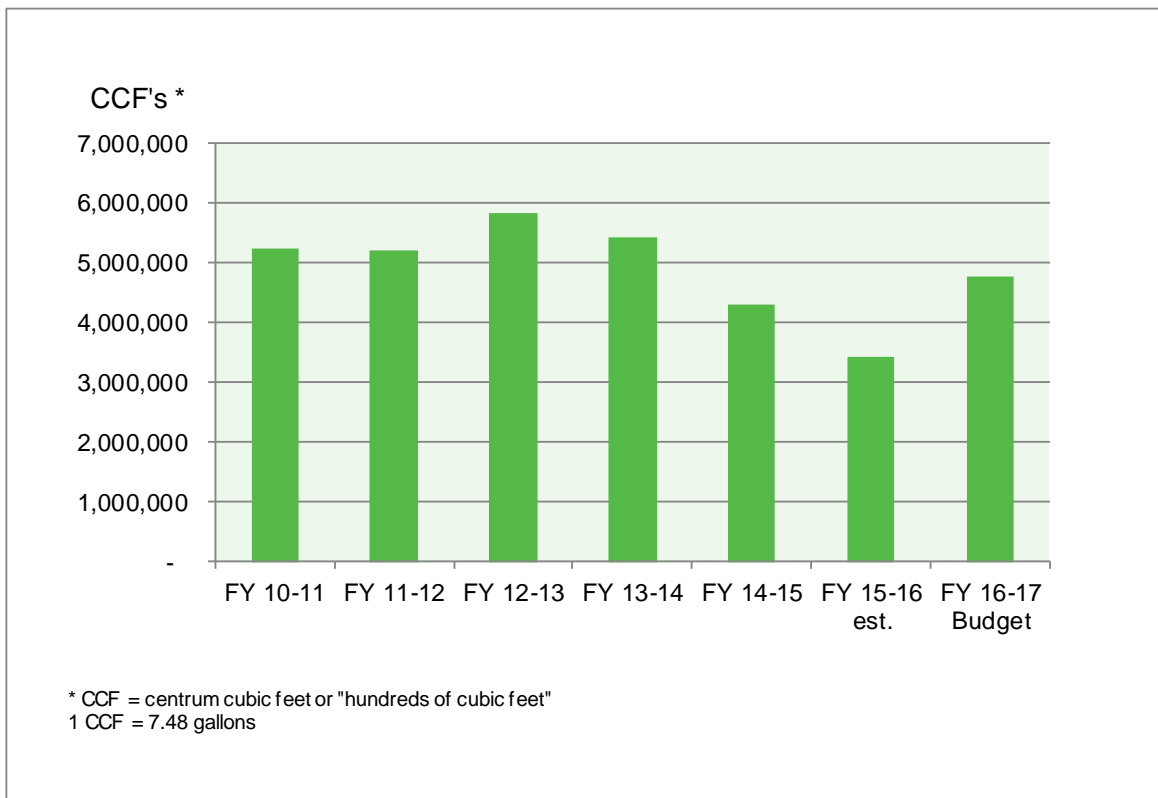
Wholesale water sale revenues declined steadily from fiscal year 2010-11 through fiscal year 2015-16. However, revenues are expected to increase in the current year as a result of a rate increase effective January 1, 2016 combined with increased consumption assumptions.

**Wholesale Water Deliveries – Acre Feet**



Wholesale water deliveries also experienced a steady decline from FY 2010-11. The District periodically treats water for the Sacramento Suburban Water District (see orange component in chart below). Since this revenue source is unpredictable, it is not usually anticipated in annual budgets, but it is a major contributor to the increase in water deliveries in FY 2015-16. Sacramento Suburban Water District confirmed they will be requesting treatment of 7,500 acre feet of water by December 2016, therefore the associated revenues were included in this budget. Because calendar year 2013 was the last year of “unconstrained water use”, meaning the State of California hadn’t requested voluntary, or imposed mandatory water conservation, it is typically used to gauge current year water use. Wholesale customer agencies reported an expectation that their demand for water will be approximately 20% less than their 2013 demand.

Retail Water Deliveries – Centrum Cubic Feet\*



In FY 2011-12, water use was relatively constant from the prior year, but due to a 2% rate increase, effective the prior January, revenues were slightly up. In FY 2012-13, water use increased 11% and while there was no rate increase in the prior year, there was an inflation adjustment of 2% mid-way through the year, resulting in an increase in revenues. In FY 2013-14, water use began a multi-year decline, but a mid-year 2% rate increase, combined with the prior year 2% increase resulted in revenues that were just slightly lower than the prior year. In FY 2014-15, water use dropped significantly as a result of the drought. The District restructured their rates and at the end of the year, in June 2015, implemented a drought surcharge. Revenues for FY 2014-15 fell 7.8% from the prior year. In FY 2015-16, water use continued its sharp decline but due to the drought surcharge and a 15% rate increase in January 2016, revenues were restored to FY 2013-14 levels. The drought surcharge was removed March 1, 2016.

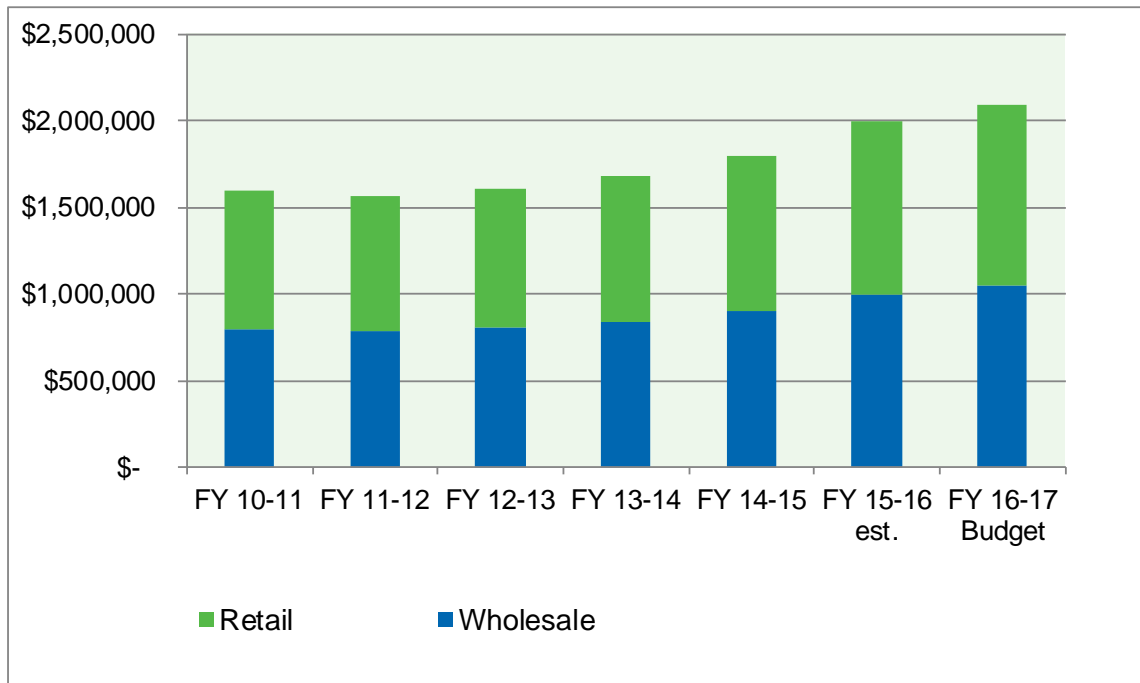
The District anticipates water use will increase in FY 2016-17 as a result of the rainfall over the past year. The increased consumption of water, combined with the prior year rate increase is expected to yield increased revenues that are needed to pay for deferred maintenance and capital projects.



**Property Tax**

Representing approximately 10% of total District revenues, the Property Tax is the second largest revenue source. Property Tax revenue is shared evenly between Wholesale and Retail and has been designated by the Board of Directors to be spent on capital projects, not operations.

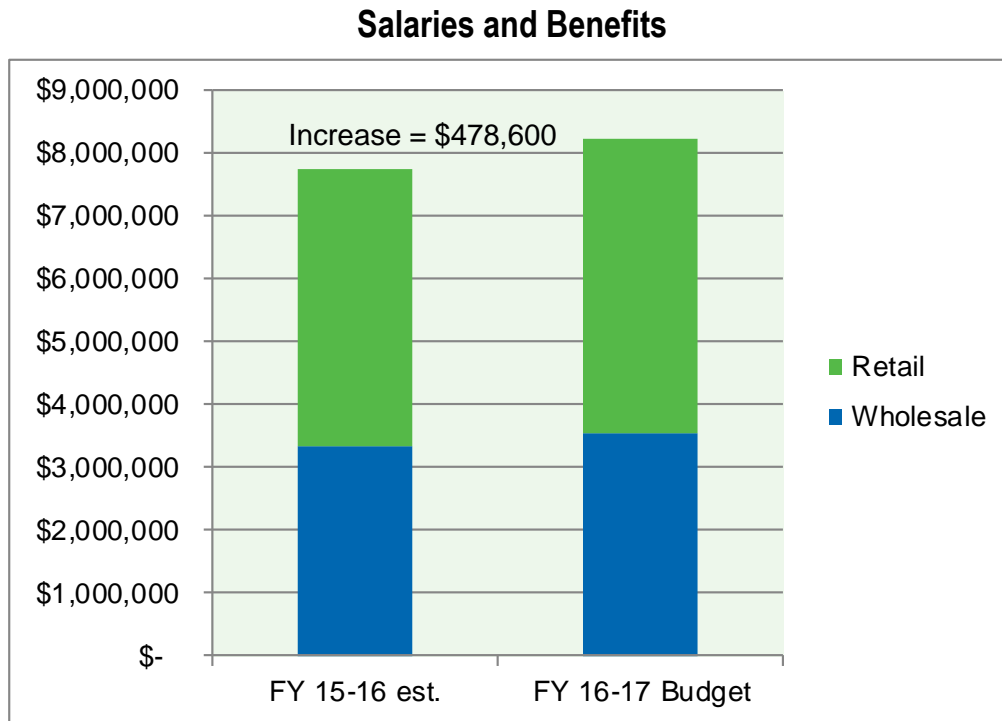
**Property Tax Revenues**



Property Tax revenues have been increasing over the past four years, a result of the rebound in the housing market after the Great Recession. This budget anticipates a 5% increase in Property Tax revenues.

### Salaries and Benefits

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



The level of District staffing (number of employees) has remained relatively unchanged for many years. Salary and Benefit costs are expected to increase by \$478,600 or 6.2% due to the following factors:

1. Placeholder funding for two new positions starting January 1, 2017 (\$106,000)
2. Funding the Incentive Award Program (\$144,200)
3. Cost of Living Adjustment (\$128,000)
4. Potential Merit Pay Increases (\$68,000)

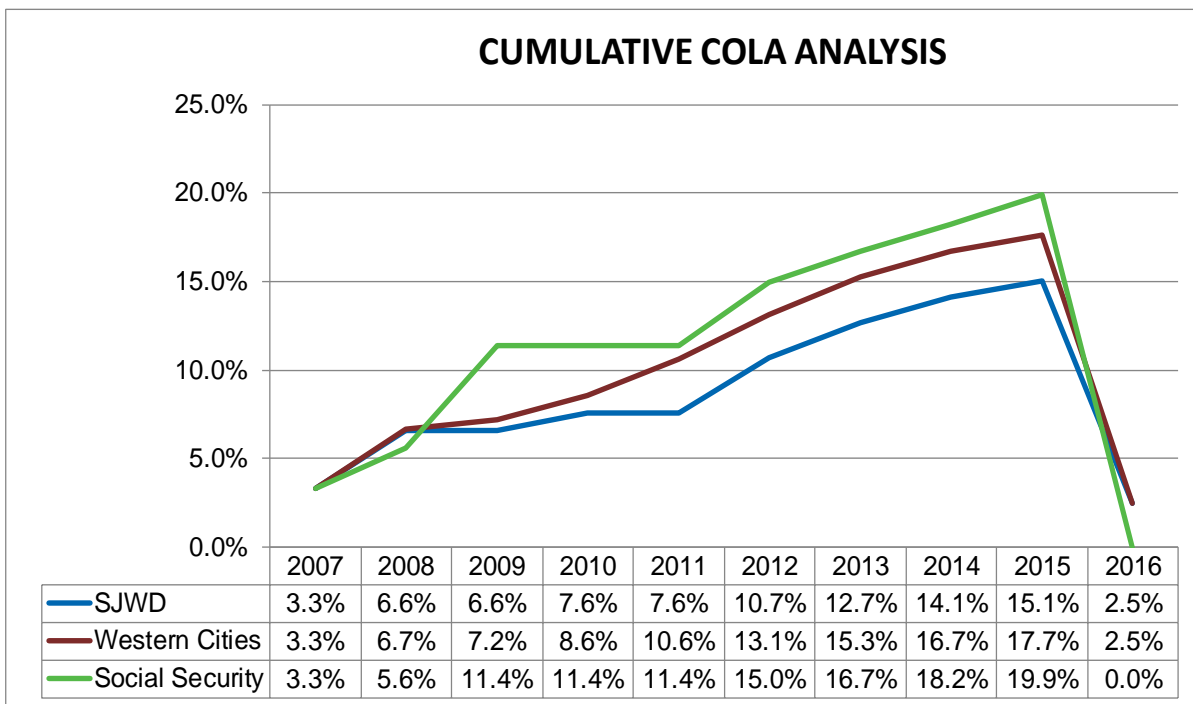
This year, in order to increase treatment plant staffing redundancy and to ensure compliance with ever expanding payroll and human resource law, the budget includes funding for a new Treatment Plant Operator and a Human Resources Specialist, both subject to separate Board of Directors approval.

The District has a Performance Incentive Award program that was not funded during the Great Recession and the drought. This budget restores partial funding for this program, up to a maximum of 3% of base pay.

Approximately 35% of the District's employees are at the top of the salary range. This budget anticipates a modest amount for merit pay increases, if earned and awarded for

those employees who are not at the top of their range.

The District does periodic compensation studies to ensure it is offering a fair and competitive compensation package to its employees. Between compensation studies, the District considers annual cost of living adjustments (COLA), tied to the Western Cities Consumer Price Index (CPI). The award of the COLA is not automatic. It is subject to Board of Directors approval via adoption of the budget. The chart below summarizes historical COLA approved by the Board of Directors and provides a comparison of those adjustments to both the Western Cities Consumer Price Index, as well as the COLA's awarded to Social Security recipients. Social Security uses a different index to calculate and award COLA's.



The Board of Directors considers annual Cost of Living Adjustments with each budget cycle. The chart above illustrates that the COLA's granted did not keep pace with the Western Cities CPI. The District completed and implemented a compensation study in 2015. The implementation of the study to salary ranges is effectively a “re-start” on the comparison of cumulative COLA adjustments as the study brought compensation to market levels, removing any disparity from previous year COLA's.

This budget includes a 2.5% COLA adjustment for employees, in line with the Western Cities CPI.

**Water Supply Costs**

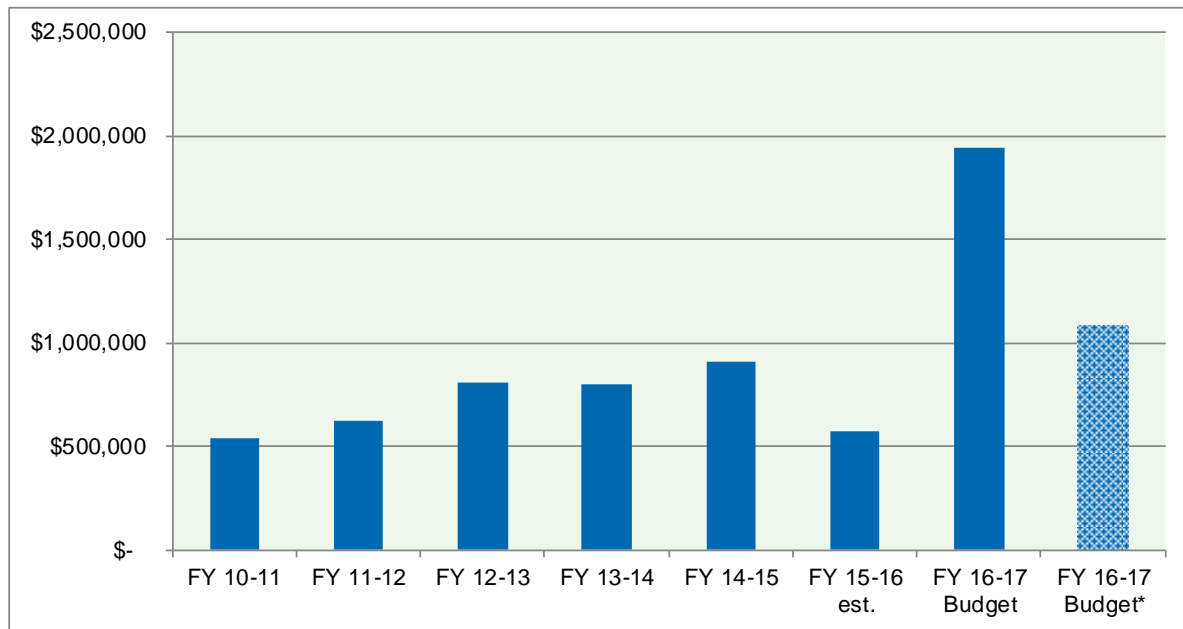
The District's existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of pre-1914 water rights on the American River. The second source is a contract with the U.S. Bureau of Reclamation for 24,200 acre-

# San Juan Water District

## Fiscal Year 2016-2017 Proposed Budget

feet of Central Valley Project water (CVP water). The third water source is a contract with Placer County Water Agency (PCWA) for 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by the U. S. Bureau Folsom Pumping Plant. Total raw water delivery for the Fiscal Year 2014-2015 was 34,614 acre-feet and is anticipated to be 30,696 acre-feet for Fiscal Year 2015-2016, and 37,828 for Fiscal Year 2016-2017, excluding pass through deliveries for Sacramento Suburban Water District.

### Wholesale Water Supply Cost



\* excludes groundwater reimbursement installment payment explained below

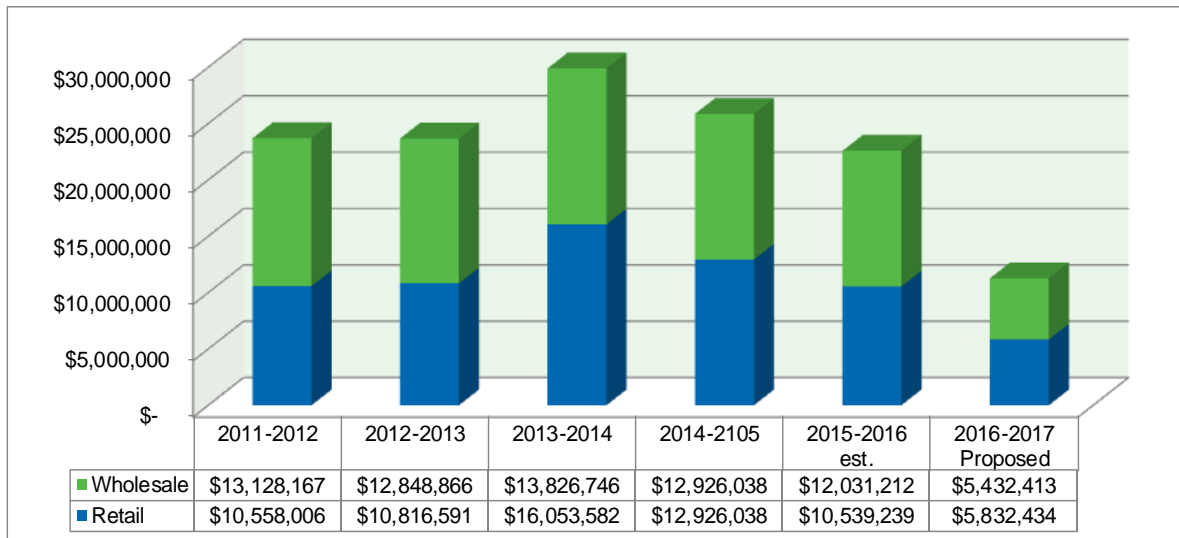
As illustrated in the chart above, water supply costs are significantly higher in Fiscal Year 2016-2017 than in prior years. There are two primary reasons for this increase. First, in 2008 a surface water shortage and reimbursement agreement to provide groundwater supplies during times of surface water shortage was prepared, and referenced in the signed 2008 Wholesale Water Supply Agreements, but was never executed. Nevertheless, the District, in its capacity as the wholesale supplier, determined that there was a potential need for groundwater pumping between 2009 and 2013, and asked both the Citrus Heights Water District (CHWD) and Fair Oaks Water District (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 District with annual bills for both their incremental costs to maintain active wells and for the pumping which occurred in 2014. In 2014, the District was provided with bills in the approximate amount of \$4 million. The District is disputing the amount, and resolution of the matter is expected to occur in Fiscal Year 2016-2017 for an amount

significantly less than the amount originally invoiced and will be able to make annual payments on the amount due. This budget includes a payment of \$866,900 towards that resolution. The light blue bar on the graph above shows water supply costs for fiscal year 2016-2017 without the payment towards the groundwater reimbursement.

Even after removing the effect of the groundwater reimbursement, water supply costs still appear higher than in prior years. This is due in part to an assumed increase in water use, but is also due to an overall increase in the cost of raw water. The District pays a nominal amount to the State Water Resources Control Board, under protest, as a water rights fee for the Pre 1914 water. The cost of the CVP water is set by the United States Department of the Interior, Bureau of Reclamation. It is also a primary driver for the cost of the PCWA water. Both the CVP and PCWA water costs increased dramatically for this budget year. The CVP water rate increased 57%, but the District does not anticipate purchasing CVP water for this budget year. For PCWA water, the District pays the average of the District's CVP rate and the CVP rate for the City of Roseville and PCWA. In addition, the District has to pay a wheeling charge to the Bureau of Reclamation for the use of federal facilities (Folsom Lake) to convey the water from PCWA to the District. The wheeling rate has increased 69% from the prior year, going from \$15.96 per acre foot to \$27.04 per acre foot.

### Reserve Summary

Wholesale and Retail Operating and Capital Reserves Combined



The combination of the Great Recession, followed by the drought, resulted in the need to defer maintenance and capital projects and utilize reserves to augment operations and critical capital projects. This is illustrated above by the sharp decline in District reserve balances. The District is currently undergoing a study to determine future operational and capital needs, and a rate structure that will reasonably accommodate those needs, so that the District can continue in its mission to deliver a reliable water supply of the highest quality at reasonable and equitable costs.

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### **OPERATING FUNDS**

The Wholesale and Retail Operating Funds account for the operations of the District. Department operating costs are shared and split between Wholesale and Retail based upon the proportionate benefit received by each, which can differ from person to person, department to department and expense to expense. The District is comprised of the following functional areas, or departments:

#### **Administration and General**

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

Major initiatives/projects for the Fiscal Year include:

- Updating District Ordinances and Policies
- Setting the path for fiscal sustainability after the economic downturn and the extended drought conditions
- Water Fix - ensuring our customers are not negatively impacted by the construction and operation of the new Delta “tunnels” which are designed to provide reliable water transmission from north to south of the Delta
- Evaluating existing water supply contracts and rights for best combination of dry year reliability and cost
- Improving District website for look, feel and functionality

#### **Conservation**

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

Major initiatives/projects for the Fiscal Year include:

- Rehabilitate outdated sections of the demonstration WEL (Water Efficient Landscape) Garden (wholesale)
- Organize a mulch give-a-way event (wholesale)
- Implement rebate incentive programs that support continued water use reduction to meet a 20% reduction requirement by the year 2020
- Develop and coordinate a student art calendar contest to be distributed to all wholesale agencies



## Customer Service

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

Major initiatives/projects for the Fiscal Year include:

- Implement and manage a Districtwide emergency notification system program sending customer and employee alerts when necessary
- Purchase utility billing module of newly implemented Tyler Accounting System and migrate from existing utility billing software
- Work with Field Service staff to update manually read meters with radio or touch read meters to improve reading efficiency

## Engineering Services

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

## Water Treatment

This Department maintains and operates the Sidney N. Peterson Water Treatment Plant (the Plant). The Plant is staffed and operated continuously, 24 hours per day, 7 days per week and 365 days per year. The Department also maintains the Hinkle Reservoir, a 62 million gallon floating covered reservoir, where treated water is stored prior to distribution. The plant supplies potable water to the Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, City of Folsom's northern area (Ashland), Sacramento Suburban Water District, as well as San Juan Water District's retail service area.

Major initiatives/projects for the Fiscal Year include:

- Completion of the Flocculation/Sedimentation Improvement Project – a construction project replacing existing flocculation and sedimentation equipment and constructing a new redundant settled water channel for increased reliability
- Complete large maintenance and repairs to Hinkle Reservoir cover to extend useful life

### **Distribution (Field Services)**

This Department operates and maintains Wholesale and Retail water transmission and distribution pipelines ranging in size from 6" to 96" in diameter and totaling over 217 miles in length, including water meters, air release valves and other appurtenances. The Department also maintains and operates six pump stations and three reservoirs ranging from 4.56 to 0.05 million gallons within the Retail system. The Department responds to emergency repairs, works directly with customers, and monitors and maintains water quality standards in the system to meet all federal and state drinking standards.

Major initiatives/projects for the Fiscal Year include:

- Recoating of Los Lagos Tank and installation of a new sampling and mixing system
- A comprehensive water loss evaluation of the Retail Distribution System
- Install two pressure control stations and combine a portion of Sierra Pressure Zone with Bacon Pressure Zone to reduce demand on Sierra Pump Station and increase turnover in Kokila reservoir
- Significant maintenance work relating to:
  - ◆ Electrical System
  - ◆ Kokila Reservoir
  - ◆ Old Shop Building

**Wholesale Operating Fund**

The Wholesale Operating Fund is used to account for the operating revenues and expenses of the Wholesale division. This includes the acquisition of raw water, the water treatment plant, and the related administrative support to conduct wholesale water activities. This fund holds and is used to report on all wholesale operating reserves.

**PROPOSED FISCAL YEAR 2016-2017 BUDGET**

	<u>Wholesale Operations</u>
<b>Est. Beginning Available Reserves July 1, 2016</b>	<b>\$ 3,224,712</b>
Sources	
Water Sales	8,310,600
Other Revenues	122,400
Total Sources	<u>\$ 8,433,000</u>
Uses	
Salaries & Benefits	3,558,900
Water Supply	1,945,800
Other Expenses	2,216,200
Debt Service - Interest	1,389,400
Debt Service - Principal	607,500
Pay-off Unfunded Pension Liability	415,800
Total Uses	<u>\$ 10,133,600</u>
Net Sources and Uses	<u>\$ (1,700,600)</u>
Transfer In/(Out)	210,600
<b>Est. Ending Available Reserves June 30, 2017</b>	<b><u>\$ 1,734,712</u></b>

### WHOLESALE OPERATING FUND SUMMARY

	FY 2013-2014	FY 2014-2015	FY 2015-2016 Estimated	FY 2016-2017 Proposed
<b>Est. Beginning Available Reserves</b>	<b>\$ 12,848,866</b>	<b>\$ 13,826,746</b>	<b>\$ 14,474,812</b>	<b>\$ 3,224,712</b>
<b>Sources</b>				
Water Sales	6,614,719	6,379,836	6,358,500	8,310,600
Capital Contributions	(225,068)	370,250	-	-
Connection Fees	53,231	112,615	-	-
Taxes & Assessments	838,921	899,732	-	-
Rebates	365,683	399,179	-	-
Other Revenues	784,268	338,246	225,600	122,400
<b>Total Revenues</b>	<b>\$ 8,431,754</b>	<b>\$ 8,499,858</b>	<b>\$ 6,584,100</b>	<b>\$ 8,433,000</b>
<b>Uses</b>				
<b>Administration and General:</b>				
Salaries & Benefits	1,348,655	852,026	1,610,200	1,559,600
Professional Services	765,421	382,644	596,200	577,500
Maintenance and Repair	28,691	14,657	10,800	18,200
Materials and Supplies	35,188	23,058	23,500	22,400
Public Outreach	-	160,670	187,600	197,200
Other Expenses	308,906	186,607	273,800	391,200
<b>Total Administration and General</b>	<b>2,486,862</b>	<b>1,619,662</b>	<b>2,702,100</b>	<b>2,766,100</b>
<b>Water Treatment Plant</b>				
Salaries & Benefits	1,064,213	1,386,438	1,303,600	1,547,400
Professional Services	156,777	14,055	44,000	39,900
Maintenance and Repair	69,194	234,476	228,059	226,300
Materials and Supplies	557,573	423,436	381,500	473,500
Other Expenses	49,251	205,659	69,841	116,400
<b>Total Water Treatment Plant</b>	<b>1,897,009</b>	<b>2,264,064</b>	<b>2,027,000</b>	<b>2,403,500</b>
<b>Water Supply</b>				
Placer County Water Agency	608,390	550,442	312,100	893,300
Purchase of Treated Water (Groundwater)	-	-	-	866,900
Pumping to Treatment Plant	106,115	108,540	109,900	111,000
Pre - 1914 Water Rights Water	16,365	17,892	19,400	21,000
Central Valley Project Water	54,929	150,152	59,700	-
Other	16,316	84,960	73,400	53,600
<b>Total Water Supply</b>	<b>802,115</b>	<b>911,988</b>	<b>574,500</b>	<b>1,945,800</b>
<b>Engineering</b>				
Salaries & Benefits	181,531	203,946	292,600	317,000
Professional Services	89,154	(32,797)	4,500	29,800
Maintenance and Repair	4,303	5,786	1,000	1,200
Materials and Supplies	24,189	656	8,900	5,600
Other Expenses	9,557	(40,009)	10,000	15,300
<b>Total Engineering</b>	<b>308,734</b>	<b>137,582</b>	<b>317,000</b>	<b>368,900</b>
<b>Conservation</b>				
Salaries & Benefits	212,917	157,444	147,800	134,900
Professional Services	-	574	-	3,500
Maintenance and Repair	7,600	7,484	11,000	10,300
Materials and Supplies	26	14	15,300	15,100
Other Expenses	5,105	8,346	7,200	15,500
<b>Total Conservation</b>	<b>225,648</b>	<b>173,862</b>	<b>181,300</b>	<b>179,300</b>
<b>Non-Departmental</b>				
Debt Service - Principal	446,017	563,833	587,700	607,500
Debt Service - Interest	1,207,550	1,435,587	1,413,900	1,389,400
Capital Improvement Projects	95,051	78,898	-	-
Payment Towards Unfunded Pension Liability	-	-	-	415,800
Other	(15,111)	666,315	8,800	57,300
<b>Total Non-Departmental</b>	<b>1,733,508</b>	<b>2,744,633</b>	<b>2,010,400</b>	<b>2,470,000</b>
<b>Total Uses</b>	<b>\$ 7,453,875</b>	<b>\$ 7,851,791</b>	<b>\$ 7,812,300</b>	<b>\$10,133,600</b>
Transfer Out to New Capital Outlay Fund	-	-	(11,203,300)	
Transfer In from Capital Outlay Fund			1,181,400	210,600
<b>Est. Ending Available Reserves</b>	<b>\$ 13,826,746</b>	<b>\$ 14,474,812</b>	<b>\$ 3,224,712</b>	<b>\$ 1,734,712</b>

**Retail Operating Fund**

The Retail Operating Fund is used to account for the operating revenues and expenses of the retail service area. This includes the payment to the Wholesale fund for the cost of treated water, as well as the distribution of the treated water to all customers in the District’s retail service area, including related administrative support. This fund holds and is used to report on all retail operating reserves.

**PROPOSED FISCAL YEAR 2016-2017 BUDGET**

	Retail Operations	
<b>Est. Beginning Available Reserves July 1, 2016</b>	<b>\$</b>	<b>2,803,239</b>
Sources		
Water Sales		9,657,800
Other Revneues		300,900
<b>Total Revenues</b>	<b>\$</b>	<b>9,958,700</b>
Uses		
Salaries & Benefits		4,659,600
Treated Water		2,721,300
Other Expenses		2,515,600
Debt Service - Interest		774,200
Debt Service - Principal		320,400
Pay-off Unfunded Pension Liability		410,800
<b>Total Expenses</b>	<b>\$</b>	<b>11,401,900</b>
<b>Net Sources and Uses</b>	<b>\$</b>	<b>(1,443,200)</b>
<b>Transfer In/(Out)</b>		<b>1,025,600</b>
<b>Est. Ending Available Reserves June 30, 2017</b>	<b>\$</b>	<b>2,385,639</b>

### RETAIL OPERATING FUND SUMMARY

	FY 2013- 2014	FY 2014-2015	FY 2015-2016 Estimated	FY 2016-2017 Proposed
<b>Est. Beginning Available Reserves</b>	<b>\$12,848,866</b>	<b>\$ 16,053,582</b>	<b>\$ 12,926,038</b>	<b>\$ 2,803,239</b>
<b>Sources</b>				
Water Sales	8,506,899	7,846,601	8,516,500	9,657,800
Capital Contributions	-	589,599	-	-
Connection Fees	24,090	908,072	-	-
Taxes & Assessments	838,921	899,732	-	-
Rebates	30,587	8,739	3,700	-
Other Revenues	1,174,282	246,124	302,200	300,900
<b>Total Revenues</b>	<b>\$10,574,780</b>	<b>\$ 10,498,867</b>	<b>\$ 8,822,400</b>	<b>\$ 9,958,700</b>
<b>Uses</b>				
<b>Administration and General:</b>				
Salaries & Benefits	945,824	1,493,002	1,207,800	1,269,500
Professional Services	335,098	231,803	249,600	407,700
Maintenance and Repair	29,125	99,973	86,100	96,900
Materials and Supplies	166,762	17,592	14,300	16,800
Public Outreach	-	92,484	66,800	68,400
Other Expenses	276,521	387,984	210,900	315,400
<b>Total Administration and General</b>	<b>\$ 1,753,331</b>	<b>\$ 2,322,838</b>	<b>\$ 1,835,500</b>	<b>\$ 2,174,700</b>
<b>Distribution System</b>				
Salaries & Benefits	2,267,265	1,957,512	1,944,300	2,202,000
Professional Services	78,505	173,424	361,800	288,700
Maintenance and Repair	70,349	60,251	248,000	350,700
Materials and Supplies	31,595	17,499	27,200	33,900
Other Expenses	543,860	629,914	459,700	477,100
<b>Total Distribution System</b>	<b>\$ 2,991,574</b>	<b>\$ 2,838,600</b>	<b>\$ 3,041,000</b>	<b>\$ 3,352,400</b>
<b>Water Supply</b>				
Purchase Water from Wholesale	2,110,208	2,217,448	2,368,500	2,721,300
Other	-	25,246	20,500	-
<b>Total Water Supply</b>	<b>\$ 2,110,208</b>	<b>\$ 2,242,694</b>	<b>\$ 2,389,000</b>	<b>\$ 2,721,300</b>
<b>Engineering</b>				
Salaries & Benefits	289,882	324,001	295,500	317,000
Professional Services	11,052	7,289	5,600	33,200
Maintenance and Repair	3,886	410	1,100	1,400
Materials and Supplies	2,555	2,983	9,300	7,700
Other Expenses	17,674	22,306	13,800	18,900
<b>Total Engineering</b>	<b>\$ 325,048</b>	<b>\$ 356,988</b>	<b>\$ 325,300</b>	<b>\$ 378,200</b>
<b>Conservation</b>				
Salaries & Benefits	335,308	422,080	489,600	410,500
Professional Services	2,645	35,202	109,000	79,000
Maintenance and Repair	397	2,820	7,000	4,000
Materials and Supplies	6,394	8,815	10,700	11,400
Other Expenses	79,440	109,363	112,200	84,800
<b>Total Conservation</b>	<b>\$ 424,184</b>	<b>\$ 578,279</b>	<b>\$ 728,500</b>	<b>\$ 589,700</b>
<b>Customer Service</b>				
Salaries & Benefits	395,574	394,667	422,000	460,600
Professional Services	84,742	126,947	132,000	176,200
Maintenance and Repair	100	453	3,100	2,600
Materials and Supplies	32,400	26,903	31,000	36,200
Other Expenses	66,237	46,500	47,700	48,100
<b>Total Customer Service</b>	<b>\$ 579,052</b>	<b>\$ 595,471</b>	<b>\$ 635,800</b>	<b>\$ 723,700</b>
<b>Non-Departmental</b>				
Debt Service - Principal	233,775	297,198	309,600	320,400
Debt Service - Interest	708,032	798,317	787,000	774,200
Capital Improvement Projects	(1,760,619)	4,222,479	-	-
Payment Towards Unfunded Pension Liabili	-	-	-	410,800
Other	5,480	(30,983)	38,100	(43,500)
<b>Total Non-Departmental</b>	<b>\$ (813,332)</b>	<b>\$ 5,287,011</b>	<b>\$ 1,134,700</b>	<b>\$ 1,461,900</b>
<b>Total Uses</b>	<b>\$ 7,370,064</b>	<b>\$ 13,626,411</b>	<b>\$ 10,089,800</b>	<b>\$ 11,401,900</b>
Transfer Out to New Capital Outlay Fund	-	-	(10,331,800)	-
Transfer In from Capital Outlay Fund	-	-	1,476,400	1,025,600
<b>Est. Ending Available Reserves</b>	<b>\$16,053,582</b>	<b>\$ 12,926,038</b>	<b>\$ 2,803,239</b>	<b>\$ 2,385,639</b>



**Wholesale Capital Outlay Fund**

This fund was created in Fiscal Year 2015-2016 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for wholesale capital expenditures and to account for the acquisition of wholesale capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all wholesale capital reserves.

**PROPOSED FISCAL YEAR 2016-2017 BUDGET**

	<u>Wholesale Capital Outlay</u>
<b>Est. Beginning Available Reserves July 1, 2016</b>	<b>\$ 8,806,500</b>
 Sources	
Taxes & Assessments	1,045,000
Capital Contributions	784,200
Connection Fees	75,000
Rebates	72,000
Other Revenues	55,600
<b>Total Sources</b>	<u>\$ 2,031,800</u>
 Uses	
Capital Improvement Projects	6,825,000
Maintenance - Facility	105,000
<b>Total Uses</b>	<u>\$ 6,930,000</u>
 Net Sources and Uses	 \$ (4,898,200)
 Transfer In/(Out)	 (210,600)
 <b>Est. Ending Available Reserves June 30, 2017</b>	 <u><u>\$ 3,697,700</u></u>



**WHOLESALE CAPITAL OUTLAY FUND SUMMARY**

	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
	<b>Estimated</b>	<b>Proposed</b>
<b>Est. Beginning Available Reserves</b>	<b>\$ -</b>	<b>\$ 8,806,500</b>
<b>Sources</b>		
Taxes & Assessments	995,000	1,045,000
Capital Contributions	889,500	784,200
Rebates	355,000	72,000
Connection Fees	52,000	75,000
Other Revenues	53,400	55,600
<b>Total Sources</b>	<b>\$ 2,344,900</b>	<b>2,031,800</b>
<b>Uses</b>		
Contributions to Others	1,417,000	-
Capital Outlay - Water Treatment Plant & Improvements	1,223,000	6,531,500
Capital Outlay - Mains/Pipelines & Improvements	700,000	-
Capital Outlay - Equipment and Furniture	123,300	158,000
Capital Outlay - Vehicles	31,500	76,500
Capital Outlay - Buildings & Improvements	15,000	-
Capital Outlay - Reservoirs & Improvements	15,000	59,000
Capital Outlay - Software	9,500	-
Facility Maintenance	26,000	105,000
<b>Total Uses</b>	<b>\$ 3,560,300</b>	<b>\$ 6,930,000</b>
<b>Net Sources and Uses</b>	<b>\$ (1,215,400)</b>	<b>\$ (4,898,200)</b>
Transfer In	11,203,300	-
Transfer Out	(1,181,400)	(210,600)
<b>Est. Ending Available Reserves</b>	<b>\$ 8,806,500</b>	<b>\$ 3,697,700</b>

The **Wholesale Capital Outlay Budget** includes spending on the following projects in Fiscal Year 2016-2017:

Treatment Plant - Flocculation/Sedimentation Basin and Settled Water	
Channel Improvements	\$ 6,372,000
ARC Flash Improvements	150,000
Hinkle Reservoir Cleaning and Repairs	105,000
In-Plant Pump Station Improvements	69,000
Treatment Plant - Lime System Control & Feeder System Improvements	64,000
Hinkle Reservoir Monitoring Wells Level Probes	59,000
Replacement of Wholesale Operations Vehicle #20	37,000
Replacement of Articulating Boom Lift	32,000
Other Miscellaneous Plant Improvements	26,500
IT System Back-Up	8,000
Replacement of Pool Vehicle (shared with Retail)	7,500
	<u>\$ 6,930,000</u>

**Retail Capital Outlay Fund**

This fund was created in Fiscal Year 2015-2016 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for retail capital expenditures and to account for the acquisition of retail capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all retail capital reserves.

**PROPOSED FISCAL YEAR 2016-2017 BUDGET**

	<u>Retail Capital Outlay</u>
<b>Est. Beginning Available Reserves July 1, 2016</b>	<b>\$ 7,736,100</b>
Sources	
Taxes & Assessments	1,050,000
Connection Fees	450,000
Other Revenues	45,800
<b>Total Sources</b>	<u><b>\$ 1,545,800</b></u>
Uses	
Capital Improvement Projects	4,809,400
<b>Total Uses</b>	<u><b>\$ 4,809,400</b></u>
<b>Net Sources and Uses</b>	<u><b>\$ (3,263,600)</b></u>
Transfer In/(Out)	(1,025,600)
<b>Est. Ending Available Reserves June 30, 2017</b>	<u><b>\$ 3,446,900</b></u>

**RETAIL CAPITAL FUND SUMMARY**

	<b>FY 2015-2016 Estimated</b>	<b>FY 2016- 2017</b>
<b>Est. Beginning Available Reserves</b>	\$ -	\$ 7,736,100
<b>Sources</b>		
Taxes & Assessments	1,000,000	1,050,000
Grant Revenue	705,600	-
Connection Fees	410,000	450,000
Other Revenues	(14,500)	45,800
<b>Total Sources</b>	<b>\$ 2,101,100</b>	<b>\$ 1,545,800</b>
<b>Uses</b>		
Capital Outlay - Pump Stations & Improvements	1,545,000	1,171,000
Capital Outlay - Mains/Pipelines & Improvements	1,236,300	2,356,000
Capital Outlay - Reservoirs & Improvements	-	781,000
Contributions to Others	326,500	-
Capital Outlay - Vehicles	83,700	349,000
Capital Outlay - Equipment and Furniture	19,400	25,500
Capital Outlay - Software	9,500	126,900
<b>Total Uses</b>	<b>\$ 3,220,400</b>	<b>\$ 4,809,400</b>
<b>Net Sources and Uses</b>	<b>\$ (1,119,300)</b>	<b>\$ (3,263,600)</b>
Transfer In	10,331,800	-
Transfer Out	(1,476,400)	(1,025,600)
<b>Est. Ending Available Reserves</b>	<b>\$ 7,736,100</b>	<b>\$ 3,446,900</b>

The **Retail Capital Outlay Budget** includes spending on the following projects in Fiscal Year 2016-2017:

<i>Main Distribution Line Replacements:</i>	
6690-7767 Douglas Boulevard	\$ 1,445,000
5700-5708 and 5640-5682 Main Avenue	351,000
9151-9219 Oak Avenue	323,000
7225-7355 Dambacher Drive	189,000
Orangevale Ave Bridge	48,000
<i>Pump Station Improvements:</i>	
Bacon Pressure Zone - 5 Pressure Reducing Stations	673,000
Oak Avenue - American River Canyon Pressure Reducing Station	212,000
Upper & Lower Granite Bay Pump Station Control Valves	159,000
Lower Granite Bay - Crown Point Emergency Intertie	42,000
Bacon Pump Station Intrusion Alarm	32,000
Emergency Projects	53,000
<i>Reservoir Improvements:</i>	
Los Lagos Tank Recoating	760,000
Los Lagos Tank Mixing System	21,000
<i>Vehicle Replacements:</i>	
Pool Vehicle (shared with Wholesale)	15,000
Conservation Department Small Pick-Up Truck	31,000
Distribution Vehicle #9	48,000
Distribution Vehicle #21	64,000
Backhoe	117,000
Mud Trailer	8,000
Compressor	32,000
Engineering Department Truck	34,000
<i>Other:</i>	
Utility Billing Software Replacement	126,900
New Copier	17,500
New Barracuda Information Systems Back-Up	8,000
<b>Total Capital Improvement Projects</b>	<b>\$ 4,809,400</b>

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**Transfers In and Transfers Out**

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

**Transfer In To:**

Wholesale Operating Fund	\$	210,600
Retail Operating Fund	\$	1,025,600

**Total Transfers In**

\$ 1,236,200

**Transfer Out From:**

Wholesale Capital Fund	\$	(210,600)
Retail Capital Fund	\$	(1,025,600)

**Total Transfers Out**

\$ (1,236,200)

As illustrated by the transfer schedule shown above, neither the Wholesale nor Retail Operating Funds are generating net income sufficient to fund ongoing operations. Both funds are receiving transfers in from the Capital Funds to augment operating revenues. The District is evaluating options for correcting this negative trend such that transfers are going from the operations funds into the capital funds, in order to save resources for future capital needs and avoid debt issuance to the extent possible.

Debt Service Schedules

Revenue Certificates of Participation, Series 2009A  
Debt Service Schedule - Fiscal Year Basis

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2017	\$ 288,000	\$ 162,000	\$ 1,051,952	\$ 591,723	\$ 1,339,952	\$ 753,723	\$ 2,093,675
2018	304,000	171,000	1,037,219	583,436	1,341,219	754,436	2,095,654
2019	320,000	180,000	1,021,352	574,511	1,341,352	754,511	2,095,863
2020	336,000	189,000	1,003,852	564,667	1,339,852	753,667	2,093,519
2021	352,000	198,000	985,005	554,066	1,337,005	752,066	2,089,071
2022	371,200	208,800	964,819	542,711	1,336,019	751,511	2,087,529
2023	393,600	221,400	942,938	530,403	1,336,538	751,803	2,088,341
2024	416,000	234,000	919,769	517,370	1,335,769	751,370	2,087,140
2025	441,600	248,400	896,156	504,088	1,337,756	752,488	2,090,244
2026	464,000	261,000	872,482	490,771	1,336,482	751,771	2,088,253
2027	489,600	275,400	847,562	476,754	1,337,162	752,154	2,089,316
2028	512,000	288,000	821,368	462,020	1,333,368	750,020	2,083,388
2029	540,800	304,200	793,858	446,545	1,334,658	750,745	2,085,403
2030	569,600	320,400	764,243	429,887	1,333,843	750,287	2,084,129
2031	601,600	338,400	732,181	411,852	1,333,781	750,252	2,084,033
2032	633,600	356,400	698,360	392,828	1,331,960	749,228	2,081,188
2033	1,366,400	768,600	646,719	363,779	2,013,119	1,132,379	3,145,498
2034	1,440,000	810,000	566,880	318,870	2,006,880	1,128,870	3,135,750
2035	1,526,400	858,600	478,320	269,055	2,004,720	1,127,655	3,132,375
2036	1,619,200	910,800	384,416	216,234	2,003,616	1,127,034	3,130,650
2037	1,715,200	964,800	284,864	160,236	2,000,064	1,125,036	3,125,100
2038	1,817,600	1,022,400	179,392	100,908	1,996,992	1,123,308	3,120,300
2039	1,929,600	1,085,400	67,536	37,989	1,997,136	1,123,389	3,120,525
Outstanding	18,448,000	10,377,000	16,961,243	9,540,699	35,409,243	19,917,699	55,326,942
Paid 2009 - 2016	1,078,400	606,600	7,611,023	4,281,200	8,689,423	4,887,800	13,577,223
Total	\$ 19,526,400	\$ 10,983,600	\$ 24,572,266	\$ 13,821,899	\$ 44,098,666	\$ 24,805,499	\$ 68,904,165
	combined	\$ 30,510,000	combined	\$ 38,394,165			

**Refunding Revenue Bonds, Series 2012A  
Debt Service Schedule - Fiscal Year Basis**

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2017	\$ 291,645	\$ 158,355	\$ 336,040	\$ 182,460	\$ 627,685	\$ 340,815	\$ 968,500
2018	301,367	163,634	323,584	175,697	624,951	339,331	964,281
2019	314,329	170,672	311,744	169,268	626,073	339,940	966,013
2020	324,050	175,950	299,492	162,616	623,542	338,566	962,108
2021	343,493	186,507	282,885	153,598	626,378	340,105	966,483
2022	359,696	195,305	265,373	144,090	625,068	339,394	964,463
2023	375,898	204,102	247,050	134,141	622,948	338,243	961,192
2024	395,341	214,659	231,145	125,505	626,486	340,164	966,650
2025	408,303	221,697	219,123	118,977	627,426	340,674	968,100
2026	421,265	228,735	202,762	110,094	624,027	338,829	962,856
2027	440,708	239,292	180,220	97,855	620,928	337,147	958,075
2028	463,392	251,609	156,587	85,022	619,979	336,631	956,609
2029	489,316	265,685	131,692	71,505	621,007	337,189	958,197
2030	511,999	278,001	105,507	57,287	617,506	335,288	952,794
2031	541,164	293,837	77,989	42,346	619,152	336,182	955,334
2032	570,328	309,672	48,940	26,573	619,268	336,245	955,513
2033	599,493	325,508	18,359	9,969	617,852	335,476	953,328
Outstanding	7,151,784	3,883,217	3,438,492	1,867,004	10,590,275	5,750,221	16,340,496
Paid 2012-2016	1,678,579	911,421	1,469,618	797,961	3,148,197	1,709,382	4,857,579
Total	\$ 8,830,363	\$ 4,794,638	\$ 4,908,110	\$ 2,664,965	\$ 13,738,472	\$ 7,459,603	\$ 21,198,075
	combined	\$ 13,625,000	combined	\$ 7,573,075			

### **Labor Allocation**

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

**San Juan Water District**  
Fiscal Year 2016-2017 Proposed Budget

Dept.	Position Title	# Budgeted	Wholesale Allocation	Retail Allocation	Wholesale FTE	Retail FTE
<b>Executive</b>						
	General Manager	1	90%	10%	0.90	0.10
	Assistant General Manager	1	70%	30%	0.70	0.30
	Water Resources Specialist	1	90%	10%	0.90	0.10
	Board Secretary/Administrative Assistant	1	50%	50%	0.50	0.50
	Total Executive	4			3.00	1.00
<b>Finance and Administrative Services</b>						
	Director of Finance	1	50%	50%	0.50	0.50
	Information Technology Administrator	1	50%	50%	0.50	0.50
	Finance and Administrative Services Analyst	1	50%	50%	0.50	0.50
	Accountant	1	50%	50%	0.50	0.50
	Purchasing Agent	1	50%	50%	0.50	0.50
	Human Resources Specialist	0.5	50%	50%	0.25	0.25
	Accounting Technician III	1	50%	50%	0.50	0.50
	Total Finance and Administrative Services	6.5			3.25	3.25
<b>Conservation</b>						
	Conservation Lead	1	0%	100%	-	1.00
	Conservation Technician I	1	0%	100%	-	1.00
	Conservation Technician II	1	0%	100%	-	1.00
	Total Conservation	3			-	3.00
<b>Customer Service</b>						
	Customer Service Manager	1	0%	100%	-	1.00
	Meter Technician	1	0%	100%	-	1.00
	Customer Service Technician III	2	0%	100%	-	2.00
	Accounting Technician III - through 9/30/2016	0.25	0%	100%	-	0.25
	Total Customer Service	4.25			-	4.25
<b>Engineering Service</b>						
	Engineering Services Manager	1	50%	50%	0.50	0.50
	Associate/Senior Engineer	1	50%	50%	0.50	0.50
	Engineering Technician III	1	50%	50%	0.50	0.50
	Construction Inspector II	1	50%	50%	0.50	0.50
	Total Engineering Service	4			2.00	2.00
<b>Field Services (Distribution System)</b>						
	Operations Manager	0.6	0%	100%	-	0.60
	Field Services Manager	1	0%	100%	-	1.00
	Distribution Lead Worker	3	0%	100%	-	3.00
	Distribution Operator II	2	0%	100%	-	2.00
	Distribution Operator III	1	0%	100%	-	1.00
	Distribution Operator IV	6	0%	100%	-	6.00
	Pump Station Technician/Mechanic	1	0%	100%	-	1.00
	Total Field Services (Distribution System)	14.6			-	14.60
<b>Water Treatment Plant</b>						
	Operations Manager	0.4	100%	0%	0.40	-
	Water Treatment Plant Chief	1	100%	0%	1.00	-
	Maintenance Chief	1	100%	0%	1.00	-
	Chief Operator	1	100%	0%	1.00	-
	Water Treatment Operator IV	2	100%	0%	2.00	-
	Water Treatment Operator III	2	100%	0%	2.00	-
	Water Treatment Operator II	0.5	100%	0%	0.50	-
	Instrumentation Technician	1	100%	0%	1.00	-
	Maintenance Technician I	1	100%	0%	1.00	-
	Facilities Maintenance Help	1	70%	30%	0.70	0.30
	Total Water Treatment Plant	10.9			10.60	0.30
<b>Total Funded FTE's</b>		<b>47.25</b>			<b>21.20</b>	<b>0.60</b>

\* FTE = Full Time Equivalent

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**INSERT RESOLUTION HERE**

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Finance Director  
Date: August 10, 2016  
Subject: First Amendment to the contract with The Reed Group for the Wholesale/Retail Financial Plan and Rate Update Study

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### RECOMMENDED ACTION

Authorize General Manager to sign a contract amendment with The Reed Group for an additional \$23,420 bringing the contract total to \$71,870 for the Financial Plan and Rate Update Study.

### BACKGROUND

On February 1, 2016 the District entered into a contract with The Reed Group, Inc. to update the District's wholesale and retail financial plans and water rates in an amount not to exceed \$48,450. The District had previously contracted with this consultant for the last rate update study in an amount not to exceed \$55,000.

The Reed Group Inc. has worked closely with District staff to develop the financial plan and water rates to address the District's needs and has presented the draft plan to the Board of Directors. Additional time is required to address issues raised by the Board.

Extra time has been expended to reflect and consider (1) multiple changes to both wholesale and retail capital improvement plants, (2) changes in budget and related financial information, and (3) multiple financial plan scenarios, including the potential for issuing new long term debt, paying off the District's PERS unfunded liability, and alternative rate scenarios.

To complete the study, as currently envisioned, the following tasks will need to be completed:

- Perform requested additional analysis related to PERS unfunded liability obligations, long-term debt, and budget refinements (if any)
- Prepare a revised draft wholesale/retail financial plan and rate update study report for staff review prior to the end of July
- Conduct a second workshop with the Board to review study recommendations
- Prepare a final report based on staff comments and direction from the Board of Directors
- Assist District staff in preparing the Notice of Public Hearing Regarding Water Rates in compliance with Proposition 218
- Present study recommendations during a water rate hearing to adopt new retail water rates



# AGENDA ITEM III-4

## MEMORANDUM OF AGREEMENT REGARDING SHARING OF COSTS FOR LEGISLATIVE ADVOCACY SERVICES

THIS MEMORANDUM OF AGREEMENT (“MOA”) is entered into by and between the City of Roseville (“Roseville”), San Juan Water District (“SJWD”) and the City of Folsom (“Folsom”).

### RECITALS

WHEREAS, the above-named agencies (hereinafter referred to collectively as the “parties,” or each individually as a “party”) have been working together for several years on federal legislative advocacy efforts that have been very successful and the parties desire to continue this activity; and

WHEREAS, the purpose of this MOA is to memorialize an agreement and understanding of the parties with respect to federal legislative advocacy services associated with Roseville’s retention of The Ferguson Group, LLC in a separate agreement; and

WHEREAS, Roseville recently executed, or will execute in the near future, a document entitled the “Professional Services Agreement for Federal Advocacy Services” for services covering the period of July 1, 2016 through June 30, 2019 (hereinafter referred to as the “Agreement”); and

WHEREAS, the parties believe it to be in their best interest, as well as the public’s best interest, to continue working together on legislative advocacy issues.

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the parties agree as follows:

1. Technical Committee: The parties' Directors and Utility Managers hereby intend to form and appoint a Technical Committee consisting of two representatives from each party. Meetings of the Technical Committee may be attended by anyone authorized by a representative. The purpose of the Technical Committee will be to review and comment on scopes of work developed to support the project and direct the efforts of The Ferguson Group, LLC as it relates to the Agreement. The Technical Committee shall meet as needed at the Roseville Corporation Yard (2005 Hilltop Circle, Roseville, CA 95747), and at other such times and places as the Technical Committee may agree. Roseville will keep minutes and circulate to Technical Committee members a record of decisions of the Technical Committee, and provide such other secretarial support, as Roseville deems appropriate.

2. Decisions of the Technical Committee: The parties expect and intend that decisions of the Technical Committee will be made by consensus. In the event of a disagreement over any decision, the representatives will vote to resolve the disagreement, with each representative having one vote, and the vote of the majority of representatives will be the decision of the committee. Three representatives shall constitute a quorum, provided, however, in the event the aforementioned voting does not result in a majority, then the issues will be elevated to the single, highest ranked member, or his/her delegate, from each agency, and the vote of the majority of this group shall be the decision of the committee.

3. Coordination with Lobbyist: Roseville will also act as the lead agency in contracting with The Ferguson Group, LLC. The scope of work for any services must be approved by all parties, in writing, prior to Roseville entering into any such contract. However,

in the event any party within 15 calendar days of delivery (by e-mail or otherwise) by Roseville of a proposed scope of work fails to approve, reject, or propose modification of such scope of work, then the scope of work shall be deemed approved by such party. Tasks associated with such efforts could include:

- Roseville will serve as liaison between The Ferguson Group, LLC, SJWD, and Folsom for all meetings, strategic planning efforts, lobbying efforts, invoicing and any other such actions affecting participating parties.
- Roseville will administer the contract for legislative advocacy services.

4. Cost Sharing Invoices: The Agreement is considered by all parties as a passthrough agreement and the parties shall each pay in accordance with the following percentages:

Roseville	–	33.333%
SJWD	–	33.333%
Folsom	–	33.333%

The aforementioned percentages shall not be subject to change and are based on the estimated benefits anticipated by each party. Upon receipt of an invoice from the lobbying firm, Roseville shall forward a copy of the invoice to the other party or parties, who within 45 days of the date of the said invoice shall remit their percentage shares of said invoice as shown in this Section 4. In the event that either party believes an invoice should not be paid in whole or in part, the dispute shall be resolved by the Technical Committee as set forth herein.

The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts, provided, however, that notwithstanding any provision contained herein, any

party making payment to The Ferguson Group, LLC shall be reimbursed by the other parties for their respective percentage share of any and all amounts finally paid.

5. Term of MOA: This MOA shall be effective from July 1, 2016 and shall remain in full force and effect through June 30, 2019. Notwithstanding the foregoing, this MOA may continue for any necessary time thereafter until all obligations as stated in this MOA, including payment obligations, have been fully completed and performed by each of the parties.

6. Ceiling Price: In no event shall the total cost of lobbying support and services procured pursuant to this MOA over the one (1) calendar year term exceed one hundred eight thousand dollars (\$108,000) plus actual expenses of eight thousand dollars (\$8,000) for a grand total not to exceed amount of one hundred sixteen thousand dollars (\$116,000) to be paid by the parties. Therefore, each party shall not be obligated to pay any amount exceeding thirty eight thousand, six hundred sixty seven dollars (\$38,667), except by written amendment to this MOA and executed by all the parties.

7. Notices: Any invoice, payment, notice or written communication where required or permitted by this MOA will be provided by U.S. Mail, or by facsimile, transmission, with confirmation of receipt, as follows:

CITY OF ROSEVILLE  
Richard D. Plecker, Environmental  
Utilities Director  
2005 Hilltop Circle  
Roseville, CA 95747  
Fax: (916) 774-5690

CITY OF FOLSOM  
Marcus Yasutake,  
Utilities Director  
50 Natoma Street  
Folsom, CA 95630  
Fax: (916) 355-5603

SAN JUAN WATER DISTRICT  
Shauna Lorance,  
General Manager  
9935 Auburn Folsom Road  
Granite Bay, CA 95746  
Fax: (916) 791-7361

8. Amendments: Any amendments to this MOA must be in writing and executed by all parties.

9. Counterparts: This MOA may be executed by the parties in separate counterparts, each of which when so executed and delivered to Roseville shall constitute an original. All such counterparts shall together constitute one and the same instrument.

10. General Provisions: There is no agency relationship between the parties. Furthermore, notwithstanding anything contained herein, the employees of each party shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

Any internal, in-house or administrative costs or expenses incurred by any party related to such party's obligations under this MOA shall be the sole responsibility of such party incurring said costs and expenses.

This instrument and any attachments hereto constitute the entire agreement among the parties concerning the subject matter hereof.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. \_\_\_\_\_, adopted by the Council of the City of Roseville on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, and the San Juan Water District and the City of Folsom have caused this Agreement to be executed.

**[SIGNATURES ON FOLLOWING PAGES]**

CITY OF ROSEVILLE, a  
municipal corporation

SAN JUAN WATER DISTRICT, a  
Community Services District

BY: \_\_\_\_\_  
ROB JENSEN  
City Manager

BY: \_\_\_\_\_  
its: \_\_\_\_\_

ATTEST:

ATTEST:

BY: \_\_\_\_\_  
SONIA OROZCO  
City Clerk

BY: \_\_\_\_\_  
its: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
ROBERT R. SCHMITT  
City Attorney

BY: \_\_\_\_\_  
its: \_\_\_\_\_

APPROVED AS TO SUBSTANCE:

CITY OF FOLSOM, a  
municipal corporation

BY: \_\_\_\_\_  
RICHARD D. PLECKER  
Environmental Utilities Director

BY: \_\_\_\_\_  
City Manager

ATTEST:

BY: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney

# AGENDA ITEM V-1

## DRAFT

### Legal Affairs Committee Meeting July 20, 2016 4:00 p.m.

**Committee Members:** Bob Walters (Chair)  
Ted Costa, Director

**District Staff:** Shauna Lorance, General Manager  
Keith Durkin, Assistant General Manager  
Teri Grant, Board Secretary/Administrative Assistant  
Josh Horowitz, Legal Counsel

**Topics:** ACWA Request for Legislative Sponsorship Proposals for the First Year of  
2017-2018 Legislative Session (W)  
Ordinance Review (W &R)  
Cell Tower Agreements (W)  
Other Legal Affairs Matters  
Public Comment

**1. ACWA Request for Legislative Sponsorship Proposals for the First Year of 2017-2018 Legislative Session (W)**

The committee discussed the water transfer language that the Board wants added to a legislative bill. At this time the language is being reviewed by legislative counsel. Once that review is complete, the committee would like to work with ACWA regarding incorporation of the language into AB 2909 (Levine). In addition, the committee would like a meeting set up with Assemblymember Cooley to consider adding the language to a bill. Ms. Lorance commented that support from different agencies would also be requested.

*Recommendation: Adopt Resolution 16-13 in support of submitting a water transfer legislative sponsorship proposal to ACWA*

**2. Ordinance Review (W &R)**

Ms. Lorance reported that there were no ordinances to review at this time and this will be a standing agenda item until all the ordinances are reviewed. She explained that the District Ordinances, Board Policies, and the Employee Manual are being reviewed to identify which items should be moved to a different document.

Ms. Lorance informed the committee that once the revisions are made and approved by the Board then the documents will be reformatted and the proper public notification will be made. Mr. Horowitz will provide staff with the current procedures for publishing ordinance changes. In addition, he will include brief information regarding the differences between ordinances, resolutions, and policies at his August 10<sup>th</sup> Board presentation on Board Governance.

*For information only; no action requested*

**3. Cell Tower Agreements (W)**

Ms. Lorance informed the committee that the Finance Committee and the Board discussed the cell tower agreements earlier this month. The committee reviewed the cell tower agreement table that was provided and agreed that when the contracts expire the rental agreements will be renegotiated at the then current market rate, and a termination clause applicable to both parties will be included.

*For information only; no action requested*

**4. Other Legal Affairs Matters (W/R)**

Ms. Lorance informed the committee that she met with Bob Churchill, Citrus Heights Water District (CHWD) General Manager. She reported that Mr. Churchill is retiring in November and was wrapping up loose ends. Mr. Churchill provided Ms. Lorance with a revised water supply agreement for the wholesale customer agencies which she is reviewing.

Ms. Lorance reported that Mr. Churchill provided some information regarding a 1969 agreement which was between SJWD and CHWD for the purpose of SJWD taking water from the CHWD system at two points of diversion off the 42" CHWD pipeline. She explained that neither agency has been able to locate the agreement. Mr. Churchill would like to have an agreement in place for the operation, maintenance and replacement of the facility.

Ms. Lorance informed the committee that Mr. Churchill came across some customer properties that might not be included in the county election boundary maps. Ms. Lorance is having the Engineering Department review the maps that the District has in house and the elections boundary map. She commented that if the property is not included in the District's map and/or the election boundary map then she will work with CHWD to resolve the issue. Director Costa suggested that there be some type of public outreach to any customers who have not been included in the elections, and he volunteered to be the one to contact them personally.

Ms. Lorance informed the committee that there have been discussions regarding discussion of the wholesale water supply agreements at the joint meeting in September and that it could be considered whether or not all the wholesale customer agency agreements have to be the same. Director Walters requested that a meeting be scheduled between Director Rich, Ms. Lorance, Mr. Durkin, Mr. Horowitz and himself to discuss SJWD's expectations of the joint meeting.

Ms. Lorance informed the committee that Prop. 53 will be on the November ballot. She explained that the proposition is too broad and has the potential for unintended consequences. Mr. Horowitz stated that there is potential impact to local agencies. He explained that the proposition, if passed, will require projects with over \$2 billion in bond funding to go to a vote of the entire state and not just to the people within the applicable agency's boundaries. He explained that this applies to revenue bonds that would be repaid using revenue from the responsible agency.



Mr. Durkin informed the committee that, since the last Board meeting, he has met with Sacramento County Department of Transportation. He believes that the proposed paving requirement changes may have started as a result of customers complaining about the aesthetics of the roadways. A meeting is scheduled with Supervisor MacGlashan to discuss the utility providers' areas of concern regarding the proposed changes. In addition, a meeting with Supervisor Peters was cancelled at the supervisor's request and has not yet been rescheduled.

Mr. Durkin informed the committee that the proposed changes will result in a \$5 per month increase for the District's retail customers; therefore, it might be necessary to defer projects or maintenance, or an additional rate increase of over 10% will be needed. Mr. Durkin informed the committee that this item will be on the Sacramento County Board of Supervisors meeting agenda for August 9<sup>th</sup>. [*Update: this agenda item has been moved to the September 27<sup>th</sup> Board of Supervisors meeting.*]

The committee discussed the issue and the possibility of requesting an Attorney General's opinion, asking Sacramento County for a legal review, or having legal counsel send a letter to the county counsel.

*For information only; no action requested*

**4.1 Next Meeting Date**

The next meeting will be scheduled when needed.

**5. Public Comment**

There were no public comments.

The meeting was adjourned at 5:35 p.m.

**Personnel Committee Meeting  
San Juan Water District  
July 25, 2016  
11:00 a.m.**

**Committee Members:** Pam Tobin, Chair  
Bob Walters, Director

**District Staff:** Shauna Lorance, General Manager  
Keith Durkin, Assistant General  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** Employee Policy Review (W & R)  
Vision and Dental Plans (W & R)  
Summary of Leadership Program (W & R)  
Other Personnel Matters  
Public Comment  
Closed Session  
Open Session

**1. Employee Policy Review (W & R)**

Ms. Lorance informed the committee that there were no employee policies to review at this time. She explained that Bryce Consulting is updating and reformatting the manual and the committee will review the changes once they are complete.

*For information only; no action requested.*

**2. Vision and Dental Plan Update (W & R)**

Ms. Lorance provided the committee with a written staff report. A copy will be attached to the meeting minutes. She explained that the District could save over \$10,000 per year if the vision and dental plans were changed. She explained that ACWA JPIA provided a comparison, which is included in the staff report, for coverage under JPIA's Vision Service Plan and Delta Dental policies.

The committee reviewed the recommended vision plan 3043 and dental plan 3307 as compared to the District's current plans. Ms. Lorance informed the committee that, since the District administers the current vision reimbursement for employees, it puts the District at a greater risk for HIPPA violations. With the recognized savings associated with each plan, the committee agrees with staff's recommendation to transition to these plans.

*Recommendation: Consider a motion to transition to the ACWA JPIA vision and dental insurance plans*

**3. Summary of Leadership Program (W & R)**

Mr. Durkin provided the committee with the contract that was entered into between the District and Savage Enterprises for the Leadership Training Program which was

conducted in 2014. He explained that the program cost approximately \$57,000 and 11 employees received the intense 12-month leadership development training. Ms. Lorance explained that the employees were supervisors or managers. Mr. Durkin explained that the program required a significant commitment from those participating and each participant was required to develop Strategic Planning Contracts which outlined their individual development plans including personal and professional goals.

Mr. Durkin reported that, after the 12-month program, those who attended the training then created small training groups with other staff who were interested to pass along the knowledge they gained from the formal training.

The committee discussed the program and, since it was a success, would like to see the program implemented from time to time on an ongoing basis. Ms. Lorance commented that once some positions are filled, then she will bring the program back for approval. The committee also discussed the need to provide training for other employees. Mr. Durkin informed the committee that some type of training is provided to most employees, such as technical training through AWWA, financial and human resources training through CSDA, safety and other training through ACWA JPIA, etc. At Director Tobin's request, Mr. Durkin will check with Savage Enterprises to see if training for non-supervisors is available.

*For information only; no action requested.*

#### **4. Other Personnel Matters**

There were no other items discussed.

*For information only; no action requested.*

#### **5. Public Comment (W/R)**

There was no public comment.

Director Tobin called for Closed Session at 11:35 am.

#### **6. Closed Session**

6.1 Public employee performance evaluation involving the Assistant General Manager; Government Code sections 54954.5(e) and 54957.

6.2 Conference to provide District's labor negotiators, Pam Tobin and Bob Walters, with direction concerning changes to Assistant General Manager's compensation and benefits; Government Code sections 54954.5(f) and 54957.6.

#### **7. Open Session**

There was no report out of Closed Session.

The meeting was adjourned at 12:05 p.m.

# STAFF REPORT

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To: Personnel Committee

From: Shauna Lorance, General Manager

Date: July 21, 2016

Subject: Dental and Vision Insurance

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## **RECOMMENDED ACTION**

Staff recommends Board of Directors consideration transitioning to the ACWA JPIA vision and dental insurance for an annual savings of \$10,454.

## **BACKGROUND**

Vision: The District vision plan is a minimal reimbursement of up to \$200 every two years. With no contractual pricing agreements or discounts the \$200 reimbursement has very little buying power in an optometrist office. JPI has a VSP Plan that is \$3700 less per year than our current reimbursement but provides a much higher level of vision services coverage. The VSP plan 3043 would provide an exam every year, lenses every year, and a frame every two years (up to \$130 using discounted contract prices). There is a \$10 co-pay with this plan. (There is also the same plan with no co-pay with slightly higher rates, but this is a reasonable copay.) The plan has a composite rate of \$18.56 per employee (this rate covers all dependents) and is a non-voluntary plan which means all dependents must be enrolled. The annual cost would be \$13,585.92.

A strong reason to move to a vision insurance plan rather than a reimbursement program is with the reimbursement program, the District is in the business of adjudicating vision claims by reimbursing the \$200. That puts the District at risk per HIPPA regulations (claims are definitely considered HIPPA protected).

### Dental:

ACWA JPIA provided a comparison of the District's existing dental plan and the dental plans offered by JPIA.

The District currently offers dental insurance through Ameritas. The Dental plan is a voluntary plan, meaning employees do not have to include dependents on their coverage. The District covers the full cost of the dental premium for employees and 75% of the premium for employees.

JPIA offers dental insurance through Delta Dental. For a voluntary plan with better coverage than the District's existing dental coverage, Delta Dental would save the District \$6,754 per year. The District currently pays \$100,042 per year under the existing plan, and the premiums under the JPIA plan with better coverage would be \$93,288.

## **BUDGET IMPACT**

Implementing a vision plan, and changing the dental plan, would net a savings of \$10,454 per year.



## ACWA/JPIA 2016 Vision Plans

Vision Plan	Plan B					Plan C				
<b>Exam Frequency</b>	Every 12 months					Every 12 months				
<b>Prescription Glasses</b> Lenses covered in full -Single vision, lined bifocal and trifocal lenses -Polycarbonate lenses for kids Progressive Lens Upgrade Transitions Lenses <b>Frame</b> -Frame allowance of \$130 -Plus 20% discount	Every 12 months					Every 12 months				
	Co-pay Varies \$42 - \$62 co-pay					Co-pay Varies No Co-pay				
	Every 24 months					Every 12 months				
<b>Contact Lenses</b> up to \$120 - Every 12 months	In Lieu of Glasses				Glasses & Contacts (\$50 co-pay)	In Lieu of Glasses				Glasses & Contacts (\$50 co-pay)
<b>Divison</b>	3009	3001*	3043	3029*	3041	4005	4003*	4029	4017*	4033
<b>Exam &amp; Prescription Glasses</b>	\$0		\$10			\$0		\$15		
<b>Co-pay</b>	\$0		\$10			\$0		\$15		
<b>Monthly</b>	Composite	Tiered	Composite	Tiered	Composite	Composite	Tiered	Composite	Tiered	Composite
Employee Only		\$ 14.76		\$ 11.70			\$ 17.76		\$ 13.27	
Employee + 1		\$ 23.46		\$ 18.40			\$ 25.11		\$ 21.01	
Employee + Family		\$ 45.71		\$ 35.54			\$ 43.89		\$ 40.77	
Composite Rate	\$ 23.66		\$ 18.56		\$ 24.40	\$ 28.65		\$ 21.18		\$ 26.85

Rates are in effect from 1/1/2016 - 12/31/2016. Benefits quoted are for in network services. Out of network benefits are significantly lower. VSP has an extensive network of providers, which can be found at [www.vsp.com](http://www.vsp.com). This is a brief summary of benefits. More detailed summaries are available at [www.acwajpia.com](http://www.acwajpia.com). In the event of any discrepancy, the Evidence of Coverage prevails.

See the Program Policy Manual for contribution and participation requirements. In brief: The ACWA/JPIA vision plan may not be offered along side another vision plan. All employees must be covered at the employer's expense. Dependents, if 100% employer paid, should also all be enrolled. In that case the Composite rate makes sense. A composite rate applies to member regardless of number of dependents.

\* If employees are required to contribute to dependent coverage and dependent enrollment is optional, the Tiered rates would apply.

Sandra Smith, ACWA/JPIA, CA License No. 0172324

## 2016 Dental Plan Comparison

	ACWA JPIA		ACWA JPIA		ACWA JPIA		San Juan Water District Through Ameritas - currently a voluntary plan for dependents	
	Delta Dental PPO/3302 - voluntary plan		Delta Dental PPO/3002 - non- voluntary plan		Delta Dental PPO/3307 - voluntary plan		In Network	Out of Network <sup>1</sup>
	In Network	Out of Network <sup>1</sup>	In Network	Out of Network <sup>1</sup>	In Network	Out of Network <sup>1</sup>		
<b>Calendar Year Deductible</b>								
Individual	\$25	\$25	\$25	\$25	\$25	\$25	one \$50 Lifetime	one \$50 Lifetime
Family	\$50	\$50	\$50	\$50	\$50	\$50	No maximum	No maximum
<b>Annual Maximum Benefit</b>								
Per Individual	\$1,500 no carry over	\$1,500 no carry over	\$1,500 no carry over	\$1,500 no carry over	\$2000 no carry over	\$2000 no carry over	\$1500 including vision coverage* (\$100 @year@patient max vision) Agency reimburses vision up to \$200 every 2 years patient.	\$1500 including vision coverage* (\$100 @year@patient max vision) Agency reimburses vision up to \$200 every 2 years patient.
<b>Preventive</b>								
Plan pays	85%	80%	85%	80%	100%	100%	** of usual and customary allowance	** of usual and customary allowance
<b>Basic</b>								
Plan pays	80%	80%	80%	80%	85%	80%	** of usual and customary allowance	** of usual and customary allowance
<b>Major</b>								
Plan pays	50%	50%	50%	50%	50%	50%	50% of usual and customary allowance	50% of usual and customary allowance
<b>Orthodontia</b>								
Plan pays (Child)	50%	50%	50%	50%	50%	50%	50%	50%
Plan pays (Adult)	50%	50%	50%	50%	50%	50%	50%	50%
Max payout @	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,500	\$1,500
<b>Monthly Premium</b>								
	Total Cost	Employer Actual Cost	Total Cost	Employer Actual Cost	Total Cost	Employer Actual Cost	Total Cost	Employer Actual Cost
Single	\$35.36	\$35.36	\$35.36	\$35.36	\$47.86	\$47.86	\$66.00	\$66.00
Two-Party	\$74.40	\$64.64	\$69.99	\$69.99	\$101.16	\$87.84	\$168.64	\$142.98
Family	\$137.45	\$111.93	\$128.10	\$128.10	\$182.44	\$148.67	\$168.64	\$142.98
<b>VCMWD Enrollment</b>								
Single	5	5	5	5	5	5	5	5
Two-Party	13	13	13	13	13	13	13	13
Family	43	43	43	43	43	43	43	43
<b>Annual Premiums</b>	<b>\$84,652.20</b>	<b>\$69,961.32</b>	<b>\$79,139.64</b>	<b>\$79,139.64</b>	<b>\$112,791.60</b>	<b>\$93,288.36</b>	<b>\$117,286.08</b>	<b>\$100,042.56</b>

\*Carry-over Annual Maximum: Claimant must file minimum of one claim in benefit period to qualify for carry-over. If claims filed are less than \$750 each benefit period then claimant may carry-over \$250 to following benefit period. Maximum carry-over accumulation per person is \$1000. Maximums for dental are combined with vision maximums.

1.

<sup>1</sup> At out of network providers, payment is calculated based on a discounted rate similar to an in network rate. Out of network providers typically "balance bill" participants for the amount exceeding that rate.

The above is a brief summary of benefits. Should a discrepancy arise, the Evidence of Coverage prevails.

Sandra M. Smith, ACWA JPIA, CA Lic# 0172324.

Prepared for San Juan Water District 6/7/2016.

Other dental plan designs are available through ACWA JPIA. Additional information is available upon request.

**Public Information Committee Meeting Minutes**  
**San Juan Water District**  
**July 26, 2016**  
**10:00 a.m.**

**Committee Members:** Ken Miller (Chair)  
Pam Tobin, Member

**District Staff & Consultants:** Shauna Lorance, General Manager  
Lisa Brown, Customer Service Manager  
Chris von Collenberg, IT Administrator  
Teri Grant, Board Secretary/Administrative Assistant  
Lucy Eidam Crocker, Crocker & Crocker

**Topics:** Board Member Emails (W)  
2016-17 Workplan and Budget (W & R)  
Customer Survey (R)  
Wholesale Mailer (W)  
Customer Committee for Financial Plan and Community Outreach (R)  
Other Public Information Matters  
Public Comment

**1. Board Member Emails (W)**

Ms. Lorance informed the committee that most public agencies have agency email addresses for board members which the public can access. She explained that, in order to keep public and personal emails separate, it is recommended that the District provide Board members with District email addresses. In addition, in order to keep the separation, staff also recommended that the District purchase tablets for each Board member so that they can access the District email from a non-personal device. The cost is approximately \$500 per device plus a monthly data charge.

Ms. Lorance explained that the District IT Administrator would support the tablets and that Board members would return the tablet to the District upon the end of their term, if not re-elected. The committee discussed the recommendation and requested that Ms. Lorance confer with Legal Counsel regarding personal information and public information.

*Recommendation: Direct staff to purchase tablets and set up email addresses for the Board members*

**2. 2016-17 Workplan and Budget (W & R)**

Ms. Lorance informed the committee that the proposed FY2016-17 Workplan and Budget is very tight and does not include extra items such as additional PR for special issues. Ms. Eidam Crocker commented that the budget was reduced 15% from last year's budget for the combined wholesale and retail activities.

Ms. Eidam Crocker informed the committee that she provided an end of the year analysis to Ms. Brown which showed the statistics for various items such as webpages viewed, emails opened, etc. She explained that the plan provides recommendations for the coming year, including social media recommendations. She informed the committee that the proposed budget for wholesale activities is \$90,000 and \$50,000 for retail activities.

The committee discussed adding more staff pictures on the website and video clips, with possibly having a staff person personally invite customers to attend events via a video clip.

*Recommendation: Authorize the General Manager to sign the contract for FY 2016-17 with Crocker & Crocker in the amount not to exceed \$140,000*

### **3. Customer Survey (R)**

Ms. Lorance informed the committee that Crocker & Crocker recommends that a customer survey be conducted since the last one was done in 2007. She explained that now is a good time to implement this since the District is revising the financial plan and it is a good time to get customer perspectives about the District. She explained that information obtained from the last customer survey was used to develop outreach messages in the WaterGram. She commented that the only apprehension in conducting another survey was that the District received some complaints from customers regarding why the District was spending money to conduct the survey.

Director Miller would like to see what was done on the last survey and how it was used for the District's benefit. He suggested that the District consider mailing out a questionnaire either with the bill or as a direct mailer. Director Tobin suggested that an incentive be provided to those who reply such as their name being entered in a drawing for a gift card.

The committee discussed the survey and would like Crocker & Crocker to provide the pros and cons of a telephone survey versus a mailed survey. In addition, the committee would like Crocker & Crocker to review the last survey and provide a recommendation based on those results as well as providing the objective for this survey. The customer survey will be discussed at the next committee meeting.

*For information, no action requested.*

### **4. Wholesale Mailer (W)**

Ms. Lorance reminded the committee that the wholesale mailer has been discussed in the past and it is now time to get it mailed out. She explained that, with the revised financial plan and the information on the Hinkle Reservoir, more current information can be provided to the public.

Crocker & Crocker provided the committee with a Wholesale Mailer Content Outline. The committee discussed the mailer outline and made some revisions. Director



Miller suggested that the mailer be more specific to each wholesale customer agency. The committee agreed that the mailer should be sent out in early September.

For information, no action requested.

## **5. Customer Committee for Financial Plan and Community Outreach (R)**

Ms. Lorance provided the committee with a draft letter which thanks the Drought Committee volunteers for their work on the committee. In addition, the letter extends an invitation to the committee members to serve on a financial plan and rate committee.

The committee discussed the letter and made a slight revision. In addition, the committee suggested that the letter, which invites the customers to serve on the new committee, only be sent to the retail customers and that only a thank you letter is sent to those who served from the wholesale service area.

For information, no action requested.

## **6. Other Public Information Matters**

Ms. Lorance informed the committee that the owner of a private school, in the south western part of the retail service area, contacted the District regarding the possibility of lead in their drinking water. She explained that the school was doing self-testing in all of their schools and the one in the District's service area came in slightly above the EPA action level for lead.

Ms. Lorance reported that after discussing the matter with staff and then with the owner, she had the field crew sample in four locations at the school including the one location with the positive result at the drinking fountain. The test results showed that three samples were non-detect for lead and the sample taken at the drinking fountain was positive for lead. Therefore, the school was informed and immediately covered the drinking fountain until they can replace it.

The committee discussed the issue and Director Miller suggested that the District do random testing at the schools in the District.

For information, no action requested.

### **6.1 Next Meeting Date**

The next committee meeting is scheduled for August 15, 2016 at 10:00 am.

## **7. Public Comment**

There was no public comment.

The meeting adjourned at 11:20 am.

**AGREEMENT BETWEEN SAN JUAN WATER DISTRICT  
AND CROCKER & CROCKER FOR SERVICES RELATING TO  
RETAIL AND WHOLESALE PUBLIC OUTREACH 2016-2017**

THIS AGREEMENT is made this July 1, 2016, in Granite Bay, California, between the San Juan Water District (“District”), a California public agency, and Crocker & Crocker, a California Corporation/ (“Consultant”), concerning Retail and Wholesale Public Outreach 2016-2017(the “Work”). The parties agree as follows:

**1. Scope of Work.** Consultant shall perform the work described in Exhibit A attached hereto and incorporated herein, and described as follows: Retail & Wholesale Public Outreach 2016-2017 (the “Work”). Consultant shall: (a) provide all labor, equipment, material and supplies required or necessary to properly, competently, and completely perform the Work under this Agreement; and (b) determine the method, details and means of doing the Work.

**2. Compensation.**

a. In exchange for the Work, District shall pay to Consultant a fee based on the fee arrangement described on Exhibit A attached hereto and incorporated herein.

b. The total fee for the Work shall not exceed \$139,395.00. There shall be no compensation for extra or additional work or services by Consultant unless approved in advance in writing by District. Consultant’s fee shall include all of Consultant’s costs and expenses related to the Work.

c. At the end of each month, Consultant shall submit to District an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), and an itemization of any reimbursable expenditures. If the Work is satisfactorily completed and the invoice is accurately computed, District shall pay the invoice within 30 days of its receipt.

**3. Term and Termination.**

a. This Agreement shall take effect on the above date and continue in effect until completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. Consultant shall complete the Work no later than June 30, 2017.

b. This Agreement may be terminated at any time by District upon 10 days’ advance written notice to Consultant. In the event of such termination, Consultant shall be fairly compensated for all work performed to the date of termination as calculated by District based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected completion of the Work or other such similar payments relating to Consultant’s claimed benefit of the bargain.

**4. Professional Ability of Consultant.** Consultant represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the Work provided by this Agreement. District has relied upon Consultant’s training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work

performed by Consultant shall meet the standard of care and quality ordinarily to be expected of competent professionals in Consultant's field.

**5. Conflict of Interest.** Consultant (including its principals, associates and professional employees) represents and acknowledges that: (a) it does not now and shall not acquire any direct or indirect investment, interest in real property or source of income in the area covered by this Agreement or that would be affected in any manner or degree by the performance of Consultant's services under this Agreement; and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Consultant is not a designated employee within the meaning of the Political Reform Act and District's conflict of interest code because Consultant will perform the Work independent of the control and direction of the District or of any District official, other than normal contract monitoring, and Consultant possesses no authority with respect to any District decision beyond the rendition of information, advice, recommendation or counsel. Consultant shall not engage in any conduct or other employment or business that would be incompatible with or unreasonably interfere with its obligations under this Agreement, that would create a conflict of interest, or that would reflect unfavorably upon the interests of District.

**6. Consultant Records.**

a. Consultant shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and charges for services, expenditures and disbursements for the Work for a minimum period of three years (or for any longer period required by law) from the date of final payment to Consultant under this Agreement. District may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.

b. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the State Auditor General for three years following final payment under the Agreement.

**7. Ownership of Documents.**

a. Every report, study, spreadsheet, worksheet, plan, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, GIS data file, computer software and any other document or thing prepared by Consultant under this Agreement and provided to District ("Work Product") shall be the sole and exclusive property of District, and District shall have the perpetual, world-wide right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Consultant or any other party. Consultant may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Consultant shall not provide any Work Product to any third party without District's prior written approval, unless compelled to do so by legal process.

b. If any Work Product is copyrightable, Consultant may copyright the same, except that, as to any Work Product that is copyrighted by Consultant, District reserves a royalty-free, nonexclusive, world-wide, and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If District reuses or modifies any Work Product for a use or purpose other than

that intended by the scope of work under this Agreement, then District shall hold Consultant harmless against all claims, damages, losses and expenses arising from such reuse or modification.

c. For Work Product provided to District in paper format, upon request by District, Consultant agrees to provide the Work Product to District in an appropriate and usable electronic format (e.g., Word file, Excel spreadsheet, Adobe pdf, AutoCAD file).

## **8. Compliance with Laws; Safety of Work.**

a. Consultant shall perform the Work in compliance with all applicable federal, California, and local laws and regulations, including applicable anti-discrimination and anti-harassment laws, and to give all notices required by any such law or regulation. Consultant also shall possess, maintain and comply with all federal, state and local permits, licenses, certificates, and approvals that may be required for it to perform the Work. In accordance with California Code of Regulations Title 13, section 2022.1(g), Consultant shall comply with all federal, state and local air pollution control laws and regulations applicable to the Consultant and its Work.

b. To the extent applicable to the Work, Consultant shall be solely responsible for all safety of the Work and workers under its direction and control during the performance of the Work. The requirements of this subsection 8.b shall apply continuously and not be limited to normal working hours. Consultant shall comply with all federal, state and local safety laws, regulations, ordinances, and codes applicable to the Work. All labor, materials and supplies employed by Consultant on the Work shall be in strict accordance with all applicable State, Federal and local laws, rules, regulations, and codes. Consultant shall carefully instruct all personnel working in potentially hazardous work areas as to potential dangers and shall provide such necessary safety equipment and instruction as is necessary to prevent injury to personnel and damage to property. If applicable to the Work under this Agreement, Consultant shall have at least the following safety programs in place: (i) an Injury/Illness Prevention Program that complies with the requirements of Section 3203 of Title 8 of the California Code of Regulations; (ii) a written Hazard Communication Program that complies with the requirements of Section 5194 of Title 8 of the California Code of Regulations, including the requirements of 8 C.C.R. section 5194(e) and Proposition 65; and (iii) a Confined Space Entry Program that complies with the requirements of Sections 5156-5158 of Title 8 of the California Code of Regulations. Nothing in this subsection 8.b is intended to limit Consultant's obligations and liability for complying with any applicable federal or state safety laws, regulations, ordinances, and codes not specifically enumerated or mentioned herein.

c. Consultant may perform some of the Work pursuant to funding provided to District by various federal and/or state grant and/or loan agreement(s) that impose certain funding conditions on District and sub-recipients (the "Funding Conditions"). For any such Work, if District informs Consultant about the Funding Conditions, then Consultant shall comply with and be subject to the Funding Conditions that apply to District's contractors and consultants performing the Work, including, but not limited to, provisions concerning record keeping, retention, and inspection, audits, state or federal government's right to inspect Consultant's work, nondiscrimination, workers' compensation insurance, drug-free workplace certification, and, compliance with the Americans with Disabilities Act and related State laws.

**9. Confidentiality of Documents and Information.** Consultant shall keep in strict confidence all Work Product and other documents and information provided to, shared with or created by Consultant in connection with the performance of the Work under this Agreement or during its time

as a District consultant (collectively “Information”). Consultant shall not use any Information for any purpose other than the performance of the Work under this Agreement, unless otherwise authorized in writing by District. Consultant shall not disclose any Information to any person or entity not connected with the performance of the Work under this Agreement, unless otherwise authorized in advance in writing by District.

**10. Professional Liability Insurance.** Consultant shall maintain professional liability insurance as shall protect against claims based on alleged errors or negligent acts or omissions which may arise from the Work or from Consultant’s operations or performance under this Agreement, whether any such claim is made during or subsequent to the term of this Agreement, and whether such operations or performance be by Consultant or its employees, subcontractors, agents or anyone else employed by any of the foregoing. Coverage is to be endorsed to include contractual liability. The amount of this insurance shall not be less than \$2,000,000 per claim and \$2,000,000 aggregate. Said policy shall be continued in full force and effect during the term of this Agreement and for a period of five years following the completion of the Work. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of Consultant during the course of performing services under the terms of this Agreement. Consultant shall provide to District a certificate of insurance on a form acceptable to the District indicating the deductible or self-retention amounts and the expiration date of said policy, and shall provide renewal certificates within 10 days after expiration of each policy term. Any deductible or self-insured retention must not exceed \$50,000, unless authorized in writing by District prior to Consultant beginning the Work. The insurance is to be placed with insurers licensed to do business by and in good standing with the California Department of Insurance, with a current A.M. Best’s rating of A:VII or better unless otherwise approved in advance by District.

**11. General Insurance.**

a. Consultant, at its sole cost and expense, shall procure and maintain for the duration of this Agreement the following types and limits of insurance: ***[NOTE: The general liability limits below may be adjusted depending on the overall cost and complexity of the Work, the cost of obtaining the recommended amount of coverage, and the risks involved in the Work.]***

Type	Limits	Scope
Commercial General Liability	\$2,000,000 per occurrence, or the full per occurrence limits of the policies available, whichever is greater, for general liability, blanket contractual liability, bodily injury, personal injury and property damage.	At least as broad as ISO Occurrence Form CG 0001.
Automobile Liability	\$2,000,000 per accident for bodily injury, including death, and property damage.	At least as broad as ISO Business Auto Coverage Form CA 0001 (Code 1, any auto).
Workers’ Compensation	California statutory limits.	
Employer’s Liability	\$1,000,000 per accident for bodily	

b. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the Work/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to District), or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

c. The general liability and automobile liability policies will be endorsed to name District, and its directors, officers, employees, authorized volunteers, and agents, as additional insureds regarding liability arising out of this Agreement using an ISO endorsement form at least as broad as CG 2010 1185 or both CG 20 37 and CG 20 38 04 13 forms (if later revisions used) as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; and automobiles owned, leased, hired or borrowed by Consultant. The policies shall contain no special limitations on the scope of protection afforded to District, and its directors, officers, employees, authorized volunteers, and agents.

d. Each insurance policy will be endorsed to state that coverage will not be canceled, except after 30 days' prior written notice to the District (10 days for non-payment of premium).

e. The workers' compensation policy will be endorsed to include a waiver of subrogation against the District and its directors, officers, employees, authorized volunteers, and agents.

f. If Consultant's firm owns no motor vehicles, Consultant agrees to obtain Business Automobile liability insurance in compliance with this Agreement should any motor vehicle be acquired during the term of this Agreement. Such Business Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (3-06 ed.) Code 1, any auto. Non-Owned and Hired Automobile liability insurance is waived if Consultant's firm does not own any motor vehicles and such coverage is provided by a hired and non-owned auto endorsement to the Commercial General Liability policy described in Section 11(a), above.

g. Consultant's coverage will be endorsed to be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability, and District's insurance or self-insurance, if any, will be excess and will not contribute with Consultant's insurance (at least as broad as ISO endorsement CG 20 01).

h. Insurance is to be written on policy forms acceptable to District and be placed with insurers with a current A.M. Best's rating of A:VII or better and that are admitted to do business and in good standing in California, unless otherwise acceptable upon notice to and approval by District. In the case of Workers' Compensation and Employer's Liability Insurance, coverage provided by the California State Compensation Insurance Fund is acceptable.

i. No later than its execution of this Agreement and then annually thereafter, Consultant will provide to District the following proofs of insurance: (a) certificate(s) of insurance evidencing all required coverages under this Section 11 on Acord Form 25 or insurer's equivalent; and (b) additional insured endorsement(s), signed by an insurer representative evidencing the required coverages and endorsements required hereunder. Consultant may not commence the Work until District has approved all insurance coverages and documentation, unless otherwise agreed by District in writing. District reserves the right to review and reject any certificates or endorsements that are

not in compliance with this Section 11 and to require Consultant to obtain the appropriate coverages and amendatory endorsements prior to starting the Work.

j. The requirements as to the types, limits, and District's approval of insurance coverage to be maintained by the Consultant are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Consultant under this Agreement. In addition, in the event any change is made in the insurance carrier, policies or nature of coverage required under this Agreement, Consultant shall notify District prior to making such changes.

k. Consultant shall ensure that all required insurance coverages are maintained throughout the term of this Agreement. If any of the required coverages expire during the term of this Agreement, Consultant shall deliver renewal certificates and any required endorsements to District at least 10 days before the expiration date.

l. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

m. Insurance deductibles or self-insured retentions must be declared by Consultant, and such deductibles and retentions shall be approved by District before Consultant commences the Work. At the election of District, Consultant shall either: (1) reduce or eliminate such deductibles or self-insured retentions; or (2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

n. Consultant shall, upon demand of District, deliver to District such policy or policies of insurance required under this Section 11 and the receipts for payment of premiums thereon.

## **12. Indemnification.**

a. To the fullest extent permitted by law, Consultant shall immediately indemnify, defend (with counsel approved by District), protect, and hold harmless District, and its directors, officers, employees, authorized volunteers, and agents from and against any and all actions, judgments, legal or administrative proceedings, arbitrations, claims, demands, damages, liabilities, interest, and costs (including, without limitation, attorney's, expert witness and consultant fees and expenses, fines, penalties, and litigation costs and expenses) of every nature ("claims" or "claim"), arising out of, pertaining to or in any way connected with the negligence, recklessness or willful misconduct of Consultant's, or its employees', agents' or subcontractors', negligence, recklessness or willful misconduct arising out of or in any manner directly or indirectly connected with the Work to be performed under this Agreement, however caused, regardless of any negligence of District, or its directors, officers, employees, authorized volunteers, or agents (including passive negligence), except if caused by the sole negligence or willful misconduct or active negligence of District, or its directors, officers, employees, authorized volunteers, or agents, or as otherwise provided or limited by law.

b. Consultant's obligations under this indemnification provision shall survive the completion of Work under, or the termination of, this Agreement. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in this Agreement does not relieve Consultant from liability under this provision. The obligations of this provision shall apply whether or not such insurance policies shall have been determined to be applicable to any claims.

c. By executing this Agreement, Consultant specifically acknowledges that: (1) the duty to defend provided in this indemnification provision is a separate and distinct obligation from Consultant's duty to indemnify District; (2) Consultant shall defend District and other indemnified parties in any legal, equitable, administrative, or special proceedings asserting a claim covered by this indemnity, including any claims under the Americans with Disabilities Act or other federal or state disability access or discrimination laws; (3) Consultant shall pay and satisfy any judgment, award or decree that may be rendered against District, or its directors, officers, employees, authorized volunteers, or agents, in any and all suits, actions, or other legal or administrative proceedings asserting a claim covered by this indemnity and otherwise not barred by subsection (a) of this Section 12; and (4) Consultant shall reimburse District, or its directors, officers, employees, authorized volunteers, or agents, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

**13. Subcontractors.** No subcontract shall be awarded nor any subcontractor engaged by Consultant without District's prior written approval. Consultant shall be responsible for requiring and confirming that each approved subcontractor meets the minimum insurance requirements specified in Sections 10 and 11 of this Agreement. Any approved subcontractor shall be covered by Consultant's insurance in accordance with the insurance requirements of Sections 10 and 11 of this Agreement or such subcontractor shall obtain the required insurance coverages and provide proof of same to District in the manner provided in Section 11 of this Agreement.

**14. Independent Contractor.** It is expressly understood and agreed by the parties that Consultant's relationship to District is that of an independent contractor. All persons hired by Consultant and performing the Work shall be Consultant's employees or agents. Consultant and its officers, employees, subcontractors, and agents are not District employees, and they are not entitled to District employment salary, wages or benefits. Consultant shall pay, and District shall not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Consultant's employees. Consultant shall, to the fullest extent permitted by law, indemnify District, and its directors, officers, employees, authorized volunteers, and agents, from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the United States Internal Revenue Service, California Franchise Tax Board or other federal or state agency concerning Consultant's independent contractor status.

**15. Entire Agreement.** This Agreement and the attached exhibits represent the sole, final, complete, exclusive, and integrated expression and statement of the terms of the agreement between District and Consultant concerning the Work. There are no written or oral agreements, conditions, representations, warranties, or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement.

**16. Successors and Assignment.** This Agreement shall be binding on, and inure to the benefit of, the heirs, successors, and assigns of the parties. However, Consultant agrees that it will not subcontract, assign, transfer, convey, or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of District, which shall be given or refused in the District's sole discretion.



**17. Severability.** If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

**18. No Waiver of Rights.** Any waiver at any time by either District or Consultant of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by District to Consultant shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

**19. Interpretation.** District and Consultant each had the opportunity to consult independent counsel in the negotiation and execution of this Agreement. For the purposes of interpretation of this Agreement, neither party will be deemed to have been its drafter.

**20. Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California. The state superior or federal district court where District's office is located shall be venue for any litigation concerning the enforcement or construction of this Agreement.

**21. Notices.** Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be deemed to be properly given if delivered, mailed or sent by facsimile or e-mail in the manner provided in this Section 21, to the following persons:

District:  
San Juan Water District  
Attn: Shauna Lorance  
9935 Auburn-Folsom Road  
P.O. Box 2157  
Granite Bay, CA 95746  
E-mail: [Slorance@sjwd.org](mailto:Slorance@sjwd.org)

Consultant:  
Crocker & Crocker  
Attn: Lucy Eidam  
1614 19<sup>th</sup> Street  
Sacramento, CA 95811  
E-mail: [lucy@crockercrocker.com](mailto:lucy@crockercrocker.com)

If sent by mail, any notice, delivery or other communication will be effective or deemed to have been given three days after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above. If sent by e-mail, any notice, delivery or other communication will be deemed to have been given only after it has been confirmed in writing as received. If delivered personally or by commercial overnight delivery service, any such notice, delivery or other communication will be deemed to have been given on the date of delivery. Either party may change that party's address or designated representative by giving written notice of the change to the other party in the manner provided in this Section 21.

**22.** The following provisions apply to certain services performed by Consultant as part of the Work that may constitute "public work" subject to the prevailing wage and related laws, including inspection and land surveying work subject to Labor Code sections 1720(a) and 1770, et seq., and maintenance work as defined under section 16000 of Title 8 of the California Code of Regulations ("Prevailing Wage Work"). If Consultant is unsure as to the applicability of these sections, District recommends that Consultant consult with its attorney or contact the Department of Industrial Relations for clarification. If Consultant performs Prevailing Wage Work under this Agreement, then Consultant agrees that it will comply with the following provisions:

a. Prevailing Wages. The prevailing rates of per diem wages shall be those determined by the Department of Industrial Relations, Division of Labor Statistics and Research, Prevailing Wage Unit. If the prevailing wage for a category of work subject to the State prevailing wage laws has not been established by the Department of Industrial Relations' Prevailing Wage Unit, Consultant should obtain a determination of the wages to be paid from the Unit. Consultant agrees to pay all workers performing Prevailing Wage Work not less than the general prevailing rate of per diem wages for work of a similar character in the locality of District, and not less than the general rate of per diem wages for holiday and overtime work, as established pursuant to the California Labor Code and regulations and orders issued thereunder. A copy of the applicable prevailing rate of per diem wages is available to any interested person at the administrative offices of District or from the Department of Industrial Relations, Division of Labor Statistics and Research, Prevailing Wage Unit. Consultant shall obtain and post a copy of such prevailing wage rates at the job site. Consultant also shall comply with the provisions of California Labor Code section 1775, including but not limited to provisions which require Consultant to (a) forfeit as a penalty not more than the sum of two hundred dollars (\$200) and not less than forty dollars (\$40) for each calendar day or portion thereof for each worker (whether employed by Consultant or subcontractor) paid less than the stipulated prevailing rates for any Prevailing Wage Work done under this Agreement in violation of the provisions of the California Labor Code; and (b) pay each such worker the difference between the prevailing wage rate and the amount paid to each such worker for each calendar day or portion thereof for which said worker was paid less than the prevailing rate.

b. Eight-Hour Day Limitation. Consultant agrees that 8 hours' labor shall constitute a day's work, and that no worker in the employ of Consultant or any subcontractor performing or contracting to perform Prevailing Wage Work shall work more than 8 hours in any one calendar day and 40 hours in any one calendar week; provided that subject to California Labor Code section 1815, a worker may perform Prevailing Wage Work in excess of 8 hours per day or 40 hours per week at not less than one and one-half times the basic rate of pay. Except as provided above for overtime, Consultant shall forfeit as a penalty the sum of \$25 for each worker employed in the execution of this Agreement by it or by any subcontractor under it and performing Prevailing Wage Work for each calendar day during which such worker is required or permitted to work more than 8 hours in any one day and 40 hours in any one calendar week in violation of California Labor Code sections 1810 through 1815.

c. Payroll Records. Consultant and each subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed in connection with Prevailing Wage Work, and shall make such payroll records available for inspection, in accordance with the requirements of California Labor Code section 1776. Consultant shall be responsible to ensure compliance with section 1776, whose provisions are incorporated herein by this reference. Consultant's failure to comply with the requirements of Labor Code section 1776 may result in the imposition of the penalties provided in subdivision (h) thereof.

d. Employment of Apprentices. Consultant shall comply with, and take such actions as necessary to effectuate, the employment of apprentices' requirements as set forth in California Labor Code sections 1777.5, 1777.6 and 1777.7 in connection with Prevailing Wage Work.

IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first above written.

SAN JUAN WATER DISTRICT:

CROCKER & CROCKER:

By: \_\_\_\_\_  
Shauna Lorance/Keith Durkin  
General Manager/ Assistant General Manager

By: \_\_\_\_\_  
Lucy Eidam  
President

# San Juan Water District

Retail and Wholesale



PRESENTED BY



# **San Juan Water District Retail & Wholesale Work Plan**

**DRAFT – June 1, 2016**

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### **2. Wholesale**

- **Target Audience**
- **Goals**
- **Objectives**
- **Strategies**
- **Tasks**

### **3. Budget**

# SAN JUAN WATER DISTRICT – RETAIL

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## TARGET AUDIENCES

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The following have been identified as San Juan Retail's target audiences:

- Retail customers
  - Those who want to be water efficient (entice with rebates, events, tips, WaterSmart software, etc.)
- Regulatory and policymaking agencies
  - State Water Resources Control Board members and staff
  - Governor's office
- Community organizations
  - Homeowners associations
  - Gardening clubs
- Landscape, nursery and other water-focused businesses in retail service area
- Master gardeners
- Media
- Elected officials in San Juan service area
  - Placer County, Sacramento County, city of Folsom

## GOALS, OBJECTIVES AND STRATEGIES

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### Goals

- **Position San Juan Water District as the leading, customer service-oriented water provider**, delivering high quality water supplies at fair rates during regular and challenging conditions.
- **Continue leading regional, statewide and federal advocacy efforts** to ensure reliable water supplies.
- **Educate and inform customers** about the importance of continued water efficiency.
- **Proactively educate retail customers about capital improvement programs** that need upgrades, why it is important invest in them and the consequences of not investing in them.
- **Inform customers about San Juan’s staffing and succession plan** to demonstrate San Juan is forward thinking to ensure a well-managed organizational structure.
- **Bring forward the financial plan to the customers early** so they understand that customer rates are part of an overall, long-term financial plan.

### Objectives

- **Continue to motivate customers** to start or continue to use water efficiently as measured by the number of customers taking advantage of rebate programs, attending conservation events, signing up for WaterSmart, visiting SJWD.org and the SWRCB’s reporting requirements.
- **Continually drive customers to the website** through social media, e-blasts, WaterGram and customer service calls as measured by metrics in October, February and May.
- **Increase interest** about the district’s water efficiency efforts and services as measured by customer inquiries, media coverage and electronic communication analytics.
- **Continue balanced and accurate media coverage** about San Juan’s efforts in water efficiency and advocacy as measured by the tone and frequency of news media and opinion coverage.
- **Continue to communicate in a transparent manner** to sustain and/or build trust and keep customers aware of financial planning, needed capital improvements and succession planning as measured by customer responses and inquiries.

## Strategies

- **Continue solution-oriented tone** for district communications and to keep customers informed about resources, programs and events offered by San Juan.
- **Continually update customers** about the status of San Juan’s state mandate, Folsom Lake levels and water supplies.
- **Continue to target high water users, motivated customers and new San Juan customers** to achieve water savings.
- **Reinforce that WaterSmart software is an innovative solution** to help customers save water and money.
- **Implement communications protocol with legal and regulatory actions** to ensure cohesive messaging.
- **Ensure San Juan Water District staff has the tools and resources necessary** for immediate and ongoing public information activities.
- **Leverage and maintain positive media relationships** to communicate district messaging through high-traffic channels.

Below are the tasks that will support the above goals, objectives and strategies. Please note the frequency of deliverables is fluid and may need modification based on San Juan’s priorities throughout the year.

Task	Activities	Frequency
<b>Teletown Hall</b>	<ul style="list-style-type: none"> <li>• Conduct one teletown hall during a key milestone to provide platform to share critical updates and address customer questions and/or concerns</li> </ul>	<ul style="list-style-type: none"> <li>• TBD</li> </ul>
<b>Newsletter (WaterGram)</b>	<ul style="list-style-type: none"> <li>• Develop content outlines</li> <li>• Write and edit copy; write headlines</li> <li>• Facilitate design and final production</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-monthly</li> </ul>
<b>Website</b>	<ul style="list-style-type: none"> <li>• Facilitate client updates to retail website content</li> <li>• Provide copywriting, design and programming services</li> <li>• Review metrics and provide quarterly updates</li> </ul>	<ul style="list-style-type: none"> <li>• Content as needed</li> <li>• Monthly metric reviews</li> <li>• Quarterly dashboards</li> </ul>
<b>Outreach Materials</b>	<ul style="list-style-type: none"> <li>• Update content related to water conservation and WaterSmart</li> <li>• Facilitate design updates to the monthly water conservation chart; post to the website and social media platforms</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly updates to website for water conservation</li> </ul>
<b>Q&amp;As/Key Messages</b>	<ul style="list-style-type: none"> <li>• Review and update to provide consistent messaging and content for all outreach materials</li> <li>• Post updated Q&amp;As to website</li> </ul>	<ul style="list-style-type: none"> <li>• Semi-annually with minor updates through the year</li> </ul>
<b>Prop 218</b>	<ul style="list-style-type: none"> <li>• Includes high-level review and editing San Juan’s copy</li> <li>• Facilitate design and design changes</li> </ul>	<ul style="list-style-type: none"> <li>• One-time project for fiscal year</li> </ul>
<b>Project Management</b>	<ul style="list-style-type: none"> <li>• Project forecasting and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> </ul>



## SAN JUAN WATER DISTRICT – WHOLESALE

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### TARGET AUDIENCES

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The following have been identified as San Juan Wholesale's target audiences:

- Wholesale agency boards and management
- Wholesale agency customers
- Regulatory and policymaking agencies
  - State Water Resources Control Board
  - Governor Brown and administrative staff
  - U.S. Bureau of Reclamation
- Regional stakeholder groups and organizations
  - ACWA
  - Regional Water Authority
  - Water Forum
- Wholesale business groups and community organizations for e-blasts
  - Chambers of commerce
  - Cemetery/Parks districts
  - Rotary clubs
- Public officials, civic leaders in Wholesale service area
- Media

## GOALS, OBJECTIVES AND STRATEGIES

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### Goals

- **Position San Juan Water District as the leading, customer service-oriented water provider to wholesale agencies and their customers**, delivering high quality water supplies at fair rates during regular and challenging conditions.
- **Continue leading regional, statewide and federal advocacy efforts** to ensure reliable water supplies.
- **Educate and inform customers** about the importance of continued water efficiency.
- **Proactively educate customers about capital improvement programs** that need upgrades, why it's important invest in them and the consequences of not investing in them.
- **Inform customers about San Juan's staffing and succession plan** to demonstrate San Juan is forward thinking to ensure a well-managed organizational structure.
- **Bring forward the financial plan to the customers early** so they understand that customer rates are part of an overall, long-term financial plan.

### Objectives

- **Maintain and grow successful collaborations** with regional water providers, business organizations and stakeholder groups measured by new partnerships and growth of existing partnerships.
- **Continue balanced and accurate media coverage** about San Juan's efforts in advocacy and water supply management, measured by the tone and frequency of news media and opinion coverage.
- **Keep wholesale agencies informed and provide resources such as eblasts** for their use in customer outreach.
- **Continue to communicate in a transparent manner** to sustain and/or build trust and keep Wholesale agencies aware of financial planning, needed capital improvements and succession planning.

## Strategies

- **Efficiently and effectively communicate** advocacy messages to all customers.
- **Continue to advocate** for a reliable water supply.
- **Continue to position San Juan as the regional leader** for water quality, customer service and water advocacy.
- **Inform customers of local impacts** from statewide water issues including San Juan’s position and solutions.

Below is a summary of tasks to support the above strategies and tactics. Please note the frequency of deliverables is fluid and may need modification based on San Juan’s priorities throughout the year.

Task	Activities	Frequency
<b>Wholesale Mailer</b>	<ul style="list-style-type: none"> <li>• Work with client to define topics and overarching messages for 2016-17 priorities (succession planning, system improvements, capital improvements, financial planning, etc.)</li> <li>• Develop outline and copy; facilitate edits</li> <li>• Design newsletter</li> <li>• Coordinate delivery with printer/mail house (Assumes client pays for direct costs for delivery)</li> </ul>	<ul style="list-style-type: none"> <li>• One time project for fiscal year</li> </ul>
<b>Website</b>	<ul style="list-style-type: none"> <li>• Facilitate client updates to wholesale website content</li> <li>• Provide copy writing, design and programming services to expedite updates</li> <li>• Review metrics monthly; provide quarterly updates</li> </ul>	<ul style="list-style-type: none"> <li>• Content as needed</li> <li>• Monthly metric reviews</li> <li>• Quarterly dashboards</li> </ul>
<b>Events</b>	<ul style="list-style-type: none"> <li>• Execute promotions to support wholesale events (events TBD)</li> <li>• Update website calendar</li> <li>• Promote events across social media channels</li> <li>• Promote events in e-blasts (includes short articles in wholesale e-blasts)</li> </ul>	<ul style="list-style-type: none"> <li>• Content as needed</li> <li>• Monthly metric reviews</li> <li>• Quarterly dashboards to client</li> </ul>
<b>Electronic media</b>	<ul style="list-style-type: none"> <li>• Provide editorial content for Facebook and Twitter</li> <li>• Develop content for paid Facebook boosts to help amplify events, timely news and calls to action</li> <li>• Provide copy for e-blasts to share wholesale news (includes one to two topics; one major news announcement and/or event updates)</li> <li>• Track metrics and provide updates to client</li> </ul>	<ul style="list-style-type: none"> <li>• Bi-weekly content</li> <li>• Includes three to four paid boosts per month</li> <li>• Quarterly dashboard reporting</li> </ul>
<b>CCR</b>	<ul style="list-style-type: none"> <li>• Work with client and consultant to finalize design, printing, production and delivery</li> <li>• Design report and facilitate design edits</li> </ul>	<ul style="list-style-type: none"> <li>• One time project per fiscal year</li> </ul>

	<ul style="list-style-type: none"> <li>• Coordinate delivery and reporting of delivery for compliance</li> </ul>	
<b>Media Relations</b>	<ul style="list-style-type: none"> <li>• Includes up to six news releases throughout year to share conservation updates, financial information, calls to action and other pertinent news</li> <li>• Conduct media follow-up and tracking</li> <li>• Coordinate interviews as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Up to six news releases with media pitching, tracking and reporting</li> </ul>
<b>Stakeholder Outreach</b>	<ul style="list-style-type: none"> <li>• Review and assess community/stakeholder outreach opportunities on an as needed basis (ideas include one partnership with local retailers/nurseries, target list for community presentations, participation opportunities for community events)</li> <li>• Participate in bi-weekly RWA calls to provide updates and align (where appropriate) on regional messaging and/or issues</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach assessment and recommendations (semi-annual)</li> <li>• RWA planning calls (bi-weekly)</li> </ul>
<b>Outreach Materials</b>	<ul style="list-style-type: none"> <li>• Develop and design outreach content to support wholesale activities</li> </ul>	<ul style="list-style-type: none"> <li>• Content – messaging integration ongoing</li> </ul>
<b>Project Management</b>	<ul style="list-style-type: none"> <li>• Project forecasting and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> </ul>

# 3

## BUDGET

### 2016-17 Retail Budget

2016 Rates:		\$185	\$150	\$130	\$105	\$115	\$90			
Tasks (enter in same name/order as on scope)	Total Hours	President	Project Director	Art Director	Programmer	Project Coordinator	Admin	Total Fees	Direct Costs	Project TOTAL
Teletown Hall (1)	25.00	8	12			5		\$ 3,855	\$ -	\$ 3,855
Newsletter (WG)	112.00	10	24	36		42		\$ 14,960	\$ 280	\$ 15,240
Website	60.00	4	12	6	20	18		\$ 7,490	\$ -	\$ 7,490
Outreach Materials	46.00	2	10	16		18		\$ 6,020	\$ -	\$ 6,020
Q&As/Key messages	25.00	4	15			6		\$ 3,680	\$ -	\$ 3,680
Prop 218	56.00	8	18	18		12		\$ 7,900	\$ -	\$ 7,900
Project Management	36.00	6	6			12	12	\$ 4,470	\$ 1,200	\$ 5,670
SUBTOTAL	360.00	42.00	97.00	76.00	20.00	113.00	12.00	\$ 48,375	\$ 1,480	\$ 49,855
<b>GRAND TOTAL</b>	<b>360.00</b>	<b>42.00</b>	<b>97.00</b>	<b>76.00</b>	<b>20.00</b>	<b>113.00</b>	<b>12.00</b>	<b>\$ 48,375</b>	<b>\$ 1,480</b>	<b>\$ 49,855</b>

### 2016-17 Wholesale Budget

2016 Rates:		\$185	\$150	\$130	\$105	\$115	\$90			
Tasks (enter in same name/order as on scope)	Total Hours	President	Project Director	Art Director	Programmer	Project Coordinator	Admin	Total Fees	Direct Costs	Project TOTAL
Stakeholder Outreach	116.00	24	36	16		40		\$ 16,520	\$ -	\$ 16,520
Wholesale Mailer	60.00	8	20	20		12		\$ 8,460	\$ 550	\$ 9,010
Website	79.00	4	12	5	30	28		\$ 9,560	\$ -	\$ 9,560
Events	45.00	2	15			28		\$ 5,840	\$ -	\$ 5,840
Outreach Materials	46.00	6	16			24		\$ 6,270	\$ -	\$ 6,270
CCR	35.00	2	5	18		10		\$ 4,610	\$ -	\$ 4,610
Media Relations	68.00	8	36			24		\$ 9,640	\$ -	\$ 9,640
Electronic Media (E-blasts and Social Media)	136.00	12	48	16		60		\$ 18,400	\$ 1,200	\$ 19,600
Board Meetings/PI Meetings	24.00	12	12					\$ 4,020	\$ -	\$ 4,020
Project Management	36.00	6	6			12	12	\$ 4,470	\$ -	\$ 4,470
SUBTOTAL	645.00	84.00	206.00	75.00	30.00	238.00	12.00	\$ 87,790	\$ 1,750	\$ 89,540
<b>GRAND TOTAL</b>	<b>645.00</b>	<b>84.00</b>	<b>206.00</b>	<b>75.00</b>	<b>30.00</b>	<b>238.00</b>	<b>12.00</b>	<b>\$ 87,790</b>	<b>\$ 1,750</b>	<b>\$ 89,540</b>

## Terms

- Cost estimate does not include services outside the scope of work as described. Any items/tasks outside of the budgeted scope will be billed on an hourly basis.
- This scope is based on a time and materials basis, will be billed at an hourly rate and not exceed the budget without advance notice and approval from client.
- Budget and hourly rates are based on a 12-month project as outlined in the plan. Activities extending past that period will be subject to new cost estimates, if applicable.
- Copy and design fees based on two rounds of revisions after presentation of first draft.

**Finance Committee Meeting Minutes**  
**San Juan Water District**  
**August 9, 2016**  
**4:00 p.m.**

**Committee Members:** Ted Costa, Director (Chair)  
Pam Tobin

**District Staff:** Shauna Lorange, General Manager  
Keith Durkin, Assistant General Manager  
Donna Silva, Director of Finance  
Tony Barela, Operations Manager  
Teri Grant, Board Secretary/Administrative Assistant

**Topics:** Review and Pay Bills (W & R)  
Authorization to Replace Vehicle #30 – Pooled Vehicle  
Fourth Quarter Financial Report  
Fourth Quarter Treasurer's Report  
Other Finance Matters  
Public Comment

**1. Review and Pay Bills (W & R)**

The committee reviewed the presented bills and claims. In addition, the committee reviewed the expense reimbursements to the General Manager. The reviewed bills and claims were found to be in order.

*Staff update: the total amount of bills and claims provided for approval for July payables is \$1,818,249.94.*

*The Finance Committee recommends adoption of Resolution 16-13 via the Board Consent Calendar*

Director Costa suggested that staff consider buying the cylinders from Harris Industrial Gases and other companies instead of renting, if that is possible. Ms. Silva will research the information and report back to the committee.

**2. Authorization to Replace Vehicle #30 – Pooled Vehicle**

Ms. Lorange reminded the committee that this item was removed from the Consent Calendar at the last Board meeting. She explained that the replacement vehicle is the Ford Escape which is a lower level model than the Edge or the Explorer. She explained the vehicle's use and why an AWD is needed, which costs approximately \$1,000 more than a 2WD vehicle. A copy of the staff report will be attached to the meeting minutes.

In response to Director Costa's question, Ms. Lorange informed the committee that Board members could use the vehicle to travel to meetings or conferences outside the area if it was available. The committee discussed the vehicle and its use and recommends the Board consider approval of the purchase.

*The Finance Committee recommends authorizing staff to purchase a 2017 Ford Escape SE 4WD in the amount of \$24,527 to replace Vehicle #30 for general District use.*

**3. Fourth Quarter Financial Report**

Ms. Silva informed the committee that this is the first financial report since the creation of the capital reserve funds and the first time Balance Sheets are being provided for the funds. She explained that the numbers are not final and will be changing as the Department works through the year-end review and accounting work. She reviewed the documents for both wholesale and retail with the committee and informed them that both San Juan Wholesale and San Juan Retail were in good shape relative to the mid-year review. A copy of the documents will be attached to the meeting minutes.

*For information only; no action requested.*

**4. Fourth Quarter Treasurer's Report**

Ms. Silva reviewed the Treasurer's Report with the committee. A copy of the report will be attached to the meeting minutes. She informed the committee that the report shows the District's cash balances and investments.

*For information only; no action requested.*

**5. Other Finance Matters (W & R)**

The committee discussed the comparatively low wholesale water rates, and Mr. Durkin and Ms. Lorance explained that any rate increase percentage on the District's rate will result in a small revenue increase for the District. Ms. Silva commented that the FY 2016-17 budget was completed without incorporating a rate increase, as the District is in the process of completing the five year financial plans for wholesale and retail. Ms. Silva informed the committee that the wholesale budget does include revenue (approx. \$900,000) from Sacramento Suburban Water District since they recently provided the District with a schedule for water deliveries.

Ms. Silva commented that funding for the incentive program is included in the budget and was revised so that it is based on salary only and not full compensation. She informed the committee that staff would like to revise the incentive program in order to make it specific and measureable. In addition, staff would like direction from the Board as to whether to fund the program now with the expectation that it would be revised prior to implementation, or wait to fund it in fiscal year 2017-18 after the program has been revised.

Ms. Lorance reported that a District vehicle was stolen with keys in the vehicle last night at an on-call employee's home. The vehicle is a Ford 450 service truck and contained some equipment, inventory, employee identification and keys. She informed the committee that staff is diligently working to re-key all locks and the facilities external to this site have already been re-keyed, such as pump stations. Ms. Silva commented that the re-keying will cost under \$5,000. Ms. Silva commented that the insurance carrier, JPIA, has to wait 30 days before they can replace a stolen vehicle, to allow time for the vehicle to potentially be recovered. In addition, a replacement vehicle cannot be obtained until November since that type of vehicle is on backorder.

*For information only; no action requested.*

**6. Public Comment**

There were no public comments.

The meeting was adjourned at 4:59 p.m.



**San Juan Water District**

**RESOLUTION 16-13  
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,818,249.94; and

WHEREAS, the Finance Committee of the Board of Directors has found the bills and claims to be in order.

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

1. The bills and claims attached hereto totaling \$1,818,249.94 are hereby approved.
2. That the depository be and the same is hereby authorized to pay said bills and claims in the total sum of \$1,818,249.94 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 10th day of August 2016, by the following vote:

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

ATTEST

\_\_\_\_\_  
PAMELA TOBIN  
President, Board of Directors  
San Juan Water District

\_\_\_\_\_  
TERI GRANT  
Secretary, Board of Directors

## August 2016 Payment Register

**Paid in Advance:**

<u>Check Date:</u>	<u>Vendor:</u>		<u>Amount:</u>
07/31/2016	Payroll		655,236.17
08/02/2016	ACWA / JPIA - Workers Comp	EFT 404595	18,709.00
07/27/2016	WageWorks, Inc - Payroll	EFT 404593	4,284.78
08/02/2016	AFLAC - Payroll	CK 50312	1,732.02
07/19/2016	Galic Disbursing Company - Payroll	CK 50311	400.00
08/08/2016	Galic Disbursing Company - Payroll	CK 50316	400.00
07/19/2016	WageWorks, Inc - Payroll	EFT 404592	340.23
08/02/2016	WageWorks, Inc - Payroll	EFT 404596	340.23
07/19/2016	Franchise Tax Board - Payroll	CK 50310	295.00
08/02/2016	Franchise Tax Board - Payroll	CK 50313	295.00
08/02/2016	ACWA / JPIA - EAP	EFT 404594	105.75
08/02/2016	WageWorks, Inc - Payroll	EFT 404597	98.00
<b>Total Paid in Advance</b>			<b>682,236.18</b>

**Checks:**

\*\* Checks cut from approved Open Payable List and Pending Payables. - See Attached Check Register

Regular Checks	486,158.29	
EFT's	339,100.87	
<b>Total Check Register</b>		<b>825,259.16</b>

**Pending Payables:**

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
22-FINAL	Syblon Reid - Retention Release 08/15/16	234,239.75	234,239.75
07-2015 FCS	C&D - Retention Release 08/10/16	34,175.90	34,175.90
1635	Crocker & Crocker-WH July Services - <i>Pending Board Approval of Contract</i>	8,737.50	14,040.00
1657	Crocker & Crocker-RT July Services - <i>Pending Board Approval of Contract</i>	5,302.50	
4093	GM Construction - July Services 8065 & 8045 W Granite Drive	4,237.00	12,440.25
4126	GM Construction - July Services 7625 Wildflower Ct	4,522.00	
4130	GM Construction - July Services Greenback & Madison	3,681.25	
Jun Statement	US Bank - CalCards	11,205.49	11,205.49
AR64337	City of Roseville - July 2016 Services - <i>Pending Contact Approval</i>	3,360.21	3,360.21
58074	Youngdalh - Sprow Ranch Services	1,046.00	1,293.00
58155	Youngdalh - Sprow Ranch Subdivision Services	247.00	
<b>Total Pending Payables</b>			<b>310,754.60</b>

**REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE** **1,815,574.33**

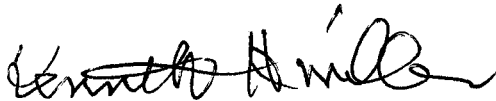
**Adjustments:**

<u>Invoice No.:</u>	<u>Vendor - Description:</u>	<u>Invoice Amount</u>	<u>Vendor Total</u>
9769553818	Verizon - July Wireless Services	442.37	442.37
NNPB000840716	US Dept Energy / WAPA - July Services	2,233.24	2,233.24
<b>TOTAL PAID AND PAYABLE</b>			<b>1,818,249.94</b>

Signature



Signature





By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-APBNK</b>						
01569	5Employee Relations, Inc.	08/10/2016	Regular	0.00	311.20	50317
03091	Ace Hardware - Auburn Folsom Act#2	08/10/2016	Regular	0.00	310.79	50318
01041	Afman, Todd R	08/10/2016	Regular	0.00	157.49	50319
01073	Amarjeet Singh Garcha	08/10/2016	Regular	0.00	1,500.00	50320
01026	American River Ace Hardware, Inc.	08/10/2016	Regular	0.00	21.57	50321
02463	AnswerNet	08/10/2016	Regular	0.00	257.20	50322
03370	AT Battery Company	08/10/2016	Regular	0.00	423.48	50323
01138	AT&T Mobility II LLC	08/10/2016	Regular	0.00	61.66	50324
01182	Bartkiewicz, Kronick & Shanahan	08/10/2016	Regular	0.00	14,953.95	50325
01200	Berco Redwood, Incorporated	08/10/2016	Regular	0.00	118.14	50326
01219	Borges & Mahoney Co	08/10/2016	Regular	0.00	1,268.81	50327
03409	C & J Leone	08/10/2016	Regular	0.00	315.24	50328
01372	City of Folsom	08/10/2016	Regular	0.00	30.24	50329
02214	County of Placer Engineering & Survey	08/10/2016	Regular	0.00	175.50	50330
01634	Folsom Lake Ford, Inc.	08/10/2016	Regular	0.00	1,002.16	50331
01068	Glenn C. Walker	08/10/2016	Regular	0.00	993.00	50332
01684	Government Finance Officers Associat	08/10/2016	Regular	0.00	150.00	50333
01706	Graymont Western US Inc.	08/10/2016	Regular	0.00	6,105.14	50334
03145	Grove Toys Inc	08/10/2016	Regular	0.00	140.00	50335
01733	Harris Industrial Gases	08/10/2016	Regular	0.00	77.20	50336
01741	HDR Engineering, Inc.	08/10/2016	Regular	0.00	1,888.81	50337
01835	Hoffman, Jason	08/10/2016	Regular	0.00	105.00	50338
01483	Hyde-Veith, Denise	08/10/2016	Regular	0.00	69.61	50339
03383	Inferrera Construction Management G	08/10/2016	Regular	0.00	27,486.40	50340
03110	Lance, Soll & Lunghard, LLP	08/10/2016	Regular	0.00	18,898.00	50341
03408	Lees, Mike	08/10/2016	Regular	0.00	19.08	50342
01959	Les Schwab Tire Centers of California I	08/10/2016	Regular	0.00	246.83	50343
02024	MCI WORLDCOM	08/10/2016	Regular	0.00	60.34	50344
03386	Myers & Sons Construction, LP	08/10/2016	Regular	0.00	338,154.21	50345
02093	NDS Solutions, Inc	08/10/2016	Regular	0.00	2,034.58	50346
02094	Neff Rental LLC	08/10/2016	Regular	0.00	113.33	50347
02131	Office Depot, Inc.	08/10/2016	Regular	0.00	1,628.56	50348
	**Void**	08/10/2016	Regular	0.00	0.00	50349
02143	Orr, Shay	08/10/2016	Regular	0.00	200.00	50350
02150	Pace Supply Corp	08/10/2016	Regular	0.00	3,773.66	50351
03374	Pamela Kay Hurt	08/10/2016	Regular	0.00	2,590.72	50352
03303	Paulson, Rachael	08/10/2016	Regular	0.00	715.01	50353
03026	PFM Asset Management	08/10/2016	Regular	0.00	877.10	50354
02146	PG&E	08/10/2016	Regular	0.00	2,272.05	50355
02205	Placer County Air Pollution Control Dis	08/10/2016	Regular	0.00	97.87	50356
02283	Recology Auburn Placer	08/10/2016	Regular	0.00	640.70	50357
02223	Rexel Inc (Platt - Rancho Cordova)	08/10/2016	Regular	0.00	2,579.91	50358
02293	RFI Enterprises, Inc	08/10/2016	Regular	0.00	48.40	50359
02328	Rocklin Windustrial Co	08/10/2016	Regular	0.00	3,414.00	50360
02357	Sacramento Municipal Utility District (	08/10/2016	Regular	0.00	25,052.28	50361
03378	Samuel, Son & Co. Inc.	08/10/2016	Regular	0.00	1,689.04	50362
02407	Scheetz Welding Service Inc.	08/10/2016	Regular	0.00	1,382.40	50363
02446	Sierra Chemical Co	08/10/2016	Regular	0.00	10,993.71	50364
03410	Sierra Land Improvement Inc	08/10/2016	Regular	0.00	1,355.00	50365
02459	Sierra Safety Company	08/10/2016	Regular	0.00	69.88	50366
03327	Sprow Ranch LP 2005	08/10/2016	Regular	0.00	83.46	50367
01411	SureWest Telephone	08/10/2016	Regular	0.00	1,600.20	50368
02540	Sutter Medical Foundation	08/10/2016	Regular	0.00	108.00	50369
01712	Turner, Greg	08/10/2016	Regular	0.00	99.25	50370

Check Register

Packet: APPKT01048-2016-08-10 Aug Board Approved AP -MS

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02638	Tyler Technologies, Inc.	08/10/2016	Regular	0.00	137.50	50371
02645	Union Bank Fees	08/10/2016	Regular	0.00	1,605.00	50372
02645	Union Bank Fees	08/10/2016	Regular	0.00	1,530.85	50373
02651	United Parcel Service Inc	08/10/2016	Regular	0.00	130.12	50374
03284	Vavrinek, Trine, Day & Co, LLP	08/10/2016	Regular	0.00	2,950.00	50375
02690	Verizon Wireless	08/10/2016	Regular	0.00	442.37	50376
02700	Viking Shred LLC	08/10/2016	Regular	0.00	50.00	50377
01359	von Collenberg, Chris	08/10/2016	Regular	0.00	432.18	50378
01687	W. W. Grainger, Inc.	08/10/2016	Regular	0.00	50.45	50379
02311	Watson, Rob	08/10/2016	Regular	0.00	39.66	50380
02743	Wienhoff & Associates Inc	08/10/2016	Regular	0.00	70.00	50381
01034	Advanced Utility Systems, a Division of	08/10/2016	EFT	0.00	2,100.00	404598
01048	Airgas, Inc	08/10/2016	EFT	0.00	228.96	404599
01081	American Messaging Services, LLC	08/10/2016	EFT	0.00	9.11	404600
01232	Brower Mechanical, Inc.	08/10/2016	EFT	0.00	421.00	404601
01242	Bureau of Reclamation-MPR	08/10/2016	EFT	0.00	114,512.52	404602
03221	Chemtrade Chemicals Corporation	08/10/2016	EFT	0.00	28,616.90	404603
01486	Department of Energy	08/10/2016	EFT	0.00	5,684.02	404604
01589	Eurofins Eaton Analytical, Inc	08/10/2016	EFT	0.00	2,322.00	404605
01611	Ferguson Enterprises, Inc	08/10/2016	EFT	0.00	586.95	404606
01631	Folsom Chevrolet / Geo Inc	08/10/2016	EFT	0.00	132.59	404607
01674	Global Labs, Inc.	08/10/2016	EFT	0.00	204.00	404608
03237	GM Construction & Developers, Inc	08/10/2016	EFT	0.00	595.50	404609
01721	Hach Company	08/10/2016	EFT	0.00	6,601.02	404610
01917	Kennedy/Jenks Consultants, Inc.	08/10/2016	EFT	0.00	23,835.50	404611
01935	Konecranes, Inc	08/10/2016	EFT	0.00	1,739.67	404612
02027	Mcmaster-Carr Supply Company	08/10/2016	EFT	0.00	453.80	404613
01472	Mei Dawson, Inc.	08/10/2016	EFT	0.00	2,957.46	404614
02079	MWH Americas, Inc.	08/10/2016	EFT	0.00	27,045.20	404615
02286	Regional Water Authority	08/10/2016	EFT	0.00	77,899.00	404616
03385	S.J. Electro Systems, Inc	08/10/2016	EFT	0.00	609.38	404617
02376	Sacramento Ground Water Authority	08/10/2016	EFT	0.00	14,361.00	404618
02564	Telstar Instruments	08/10/2016	EFT	0.00	556.88	404619
03403	TESSCO Technologies, Incorporated	08/10/2016	EFT	0.00	2,295.93	404620
02592	The Reed Group, Inc.	08/10/2016	EFT	0.00	17,140.02	404621
02162	Tobin, Pamela	08/10/2016	EFT	0.00	84.18	404622
02643	Underground Service Alert of Northern	08/10/2016	EFT	0.00	1,159.82	404623
02730	Western Area Power Admin	08/10/2016	EFT	0.00	6,453.46	404624
02752	WIN-911 Software	08/10/2016	EFT	0.00	495.00	404625

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	113	64	0.00	486,158.29
Manual Checks	0	0	0.00	0.00
Voided Checks	0	1	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	60	28	0.00	339,100.87
	<b>173</b>	<b>93</b>	<b>0.00</b>	<b>825,259.16</b>

### Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2016	825,259.16
			<b>825,259.16</b>

# STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: August 10, 2016  
Subject: Authorization to Purchase Vehicle #30 - (Pooled Vehicle)

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## RECOMMENDED ACTION

Staff recommends the purchase of a 2017 Ford Escape SE, 4WD, from Ron Duprat Ford in the amount of \$24,527 to replace the pool vehicle #30.

## BACKGROUND

Vehicle #30 is a 2000 Jeep Cherokee 4 Door / 4WD and has approximately 130,000 miles. The vehicle is 16 years old and has reached the point where reliability and safety is a concern and repairs are no longer cost effective.

The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon the review of vehicle maintenance and repair expenditures. This policy is one that many other Districts follow.

Staff has assessed the use of this vehicle to determine if the needs are best met by a sedan, truck or small SUV. This vehicle is commonly used to haul goods and supplies that would be more difficult to accommodate in a sedan such as outreach materials, including a pop up tent, boxes of materials, signage, giveaways, water waste patrol cones, bars to open meter box lids (which are tough on back seats and are difficult to fit in a trunk), etc. The vehicle is also used occasionally to transport multiple people to offsite meetings and/or conferences and training events. There is one location in the District's service area (Fair Oaks 40 crossing) that can only be accessed with an AWD or a 4 Wheel Drive vehicle. There are also transmission mains located in fields, which if access is needed during the rainy season may only be accessible with a 4WD vehicle. Staff does not need to access the area frequently but it is important that we are able to access the area when needed.

Based on the use of the vehicle, staff recommends replacement of the Jeep with a 2017 Ford Escape SE, 4WD, a compact SUV. The 4WD model costs \$1,024 more than the 2WD model. The District currently owns one 4WD vehicle, the General Managers Ford Edge. If the General Manager's vehicle is available it could be used in the event a 4WD vehicle is needed. If not, the current rental cost of a 4WD vehicle is approximately \$85 per day. Assuming we would need to rent the vehicle once per year over 10 years, the cost over the life of the vehicle would be \$850 in today's dollars. Given the need, and the small incremental cost, staff recommends the 4WD model.

Staff completed a lease vs. purchase analysis for this replacement of this vehicle. Based on the retention/replacement policy in place, purchasing the vehicle is significantly more cost effective than leasing. Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The District bid was distributed to 10 responsible local Ford dealers, utilizing the staff bid specification.

The District has received 6 responsive bids with Ron Duprat Ford submitting to lowest responsive bid of \$24,527 (includes taxes and fees). In addition the District has evaluated purchasing the vehicle from the State procurement contract and the bid from Ron Duprat provided the lowest price and best value.

Dealer	Price	%
Ron Duprat Ford	\$ 22,733.10	Low
Auburn Ford	\$ 23,161.00	+ 1.9 %
Downtown Ford	\$ 23,960.00	+ 5.4%
Elk Grove Ford	\$ 26,088.00	+14.8%
Folsom Lake Ford	\$ 26,182.00	+ 15.2%
Harold Ford	\$ 27,817.00	+ 22.4 %

Table Pricing excludes Tax & Fees for comparison purposes

This vehicle purchase was included in the FY 2015-2016 CIP Budget in the amount of \$35,000. Due the lead-time constraints and vehicle research the truck was not able to be purchased in FY 2015-2016. It has been included in the Proposed FY 2016-2017 Capital Budget. Since this vehicle is available to be used by any department, its cost will be split 50-50 between Wholesale and Retail.

If the new vehicle purchase is approved, staff will send Vehicle #30 to auction. The proceeds will be deposited into the Capital Reserve Fund.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required.

Staff is requesting Board approval to purchase the 2017 Ford Escape SE, 4WD, from Ron Duprat Ford in the amount of \$24,527 as a replacement for pool vehicle #30.



San Juan Water District, CA

# Income Statement

## Group Summary

For Fiscal: 2015-2016 Period Ending: 06/30/2016

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 010 - WHOLESAL</b>					
<b>Revenue</b>					
41000 - Water Sales	6,325,986.00	6,325,986.00	0.00	7,130,816.78	-804,830.78
42000 - Taxes & Assessments	995,000.00	0.00	0.00	0.00	0.00
43000 - Rebate	385,000.00	385,000.00	0.00	345,619.84	39,380.16
44000 - Connection Fees	45,180.00	0.00	0.00	650.00	-650.00
44500 - Capital Contributions - Revenue	568,350.00	0.00	0.00	0.00	0.00
45000 - Other Operating Revenue	171,001.00	171,001.00	0.00	111,016.79	59,984.21
49000 - Other Non-Operating Revenue	175,874.00	132,874.00	0.00	107,750.55	25,123.45
<b>Revenue Total:</b>	<b>8,666,391.00</b>	<b>7,014,861.00</b>	<b>0.00</b>	<b>7,695,853.96</b>	<b>-680,992.96</b>
<b>Expense</b>					
51000 - Salaries and Benefits	3,644,963.59	3,644,963.59	0.00	3,026,702.02	618,261.57
52000 - Debt Service Expense	1,458,019.00	1,458,019.00	0.00	1,392,733.32	65,285.68
53000 - Source of Supply	598,846.00	598,846.00	0.00	358,143.64	240,702.36
54000 - Professional Services	535,240.00	759,240.00	0.00	607,261.74	151,978.26
55000 - Maintenance	295,814.00	295,814.00	0.00	278,708.37	17,105.63
57000 - Materials and Supplies	371,060.00	370,560.00	0.00	420,015.21	-49,455.21
58000 - Public Outreach	105,315.00	105,315.00	0.00	110,718.46	-5,403.46
59000 - Other Operating Expenses	333,795.00	334,295.00	0.00	302,994.21	31,300.79
63000 - Contributions to Others	0.00	0.00	0.00	0.00	0.00
69000 - Other Non-Operating Expenses	46,916.00	46,916.00	0.00	2,413.50	44,502.50
69900 - Transfers Out	0.00	0.00	0.00	11,203,318.00	-11,203,318.00
<b>Expense Total:</b>	<b>7,389,968.59</b>	<b>7,613,968.59</b>	<b>0.00</b>	<b>17,703,008.47</b>	<b>-10,089,039.88</b>
<b>Fund: 010 - WHOLESAL Surplus (Deficit):</b>	<b>1,276,422.41</b>	<b>-599,107.59</b>	<b>0.00</b>	<b>-10,007,154.51</b>	<b>9,408,046.92</b>
<b>Total Surplus (Deficit):</b>	<b>1,276,422.41</b>	<b>-599,107.59</b>	<b>0.00</b>	<b>-10,007,154.51</b>	<b>9,408,046.92</b>





## Balance

## Fund: 010 - WHOLESALE

## Assets

## Type: 1000 - Assets

10010 - Cash and Investments	5,883,614.15	
10510 - Accounts Receivable	1,395,058.50	
12000 - Prepaid Expense	138,005.34	
14010 - Deferred Outflows	278,533.79	
17010 - Capital Assets - Work in Progress	112,829.25	
17150 - Capital Assets - Land Non-depreciable	308,186.00	
17160 - Capital Assets - Land Improvements	311,130.20	
17200 - Capital Assets - Pump Stations & Improvements	7,368,031.80	
17300 - Capital Assets - Buildings & Improvements	7,236,728.01	
17350 - Capital Assets - Water Treatment Plant & Imp	39,274,301.66	
17400 - Capital Assets - Mains/Pipelines & Improvements	22,982,558.68	
17500 - Capital Assets - Reservoirs & Improvements	3,214,649.00	
17700 - Capital Assets - Equipment & Furniture	9,028,255.46	
17750 - Capital Assets - Vehicles	373,165.30	
17800 - Capital Assets - Software	118,540.25	
17850 - Capital Assets - Intangible	1,743,898.40	
17900 - Less Accumulated Depreciation	-35,732,612.95	
19010 - 2009 Premiums on Refunding Bonds	-171,809.93	
19015 - 2012 Premiums on Refunding Bonds	-729,715.77	
<b>Total Type 1000 - Assets:</b>	<b>63,133,347.14</b>	
<b>Total Assets:</b>	<b>63,133,347.14</b>	<b>63,133,347.14</b>

## Liability

## Type: 1000 - Assets

10510 - Accounts Receivable	-52,145.16	
<b>Total Type 1000 - Assets:</b>	<b>-52,145.16</b>	

## Type: 2000 - Liabilities

20010 - Accounts Payable	885,980.01	
20100 - Retentions Payable	23,173.00	
21200 - Salaries & Benefits Payable	148,246.88	
21250 - Payroll Taxes Payable	685.08	
21300 - Compensated Absences	193,555.03	
21600 - OPEB Liability	100,396.44	
21700 - Pension Liability	2,259,998.73	
22010 - Deferred Income	0.02	
22050 - Deferred Inflows	843,169.70	
23000 - Loans Payable	26,695.49	
24100 - 2009 Bonds Payables	18,448,000.00	
24200 - 2012 Bonds Payable	6,805,980.06	
<b>Total Type 2000 - Liabilities:</b>	<b>29,735,880.44</b>	
<b>Total Liability:</b>	<b>29,683,735.28</b>	

## Equity

## Type: 3000 - Equity

30100 - Investment in Capital Assets	29,393,413.37	
30500 - Designated Reserves	12,214,813.00	
30700 - Restricted Debt Service Reserve	1,848,540.00	
<b>Total Type 3000 - Equity:</b>	<b>43,456,766.37</b>	
<b>Total Beginning Equity:</b>	<b>43,456,766.37</b>	

**My Balance Sheet**

**As Of 06/30/2016**

	<b>Balance</b>
Total Revenue	7,695,853.96
Total Expense	<u>17,703,008.47</u>
Revenues Over/Under Expenses	<b>-10,007,154.51</b>
<b>Total Equity and Current Surplus (Deficit):</b>	<b>33,449,611.86</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>63,133,347.14</u></b>



San Juan Water District, CA

# Income Statement

## Group Summary

For Fiscal: 2015-2016 Period Ending: 06/30/2016

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 011 - Wholesale Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	0.00	995,000.00	0.00	962,153.49	32,846.51
44000 - Connection Fees	0.00	45,180.00	0.00	90,915.93	-45,735.93
44500 - Capital Contributions - Revenue	0.00	568,350.00	0.00	1,069,241.74	-500,891.74
49000 - Other Non-Operating Revenue	0.00	43,000.00	0.00	75,277.28	-32,277.28
49990 - Transfer In	0.00	0.00	0.00	11,203,318.00	-11,203,318.00
<b>Revenue Total:</b>	<b>0.00</b>	<b>1,651,530.00</b>	<b>0.00</b>	<b>13,400,906.44</b>	<b>-11,749,376.44</b>
<b>Expense</b>					
61000 - Capital Outlay	0.00	1,984,000.00	0.00	2,210,460.42	-226,460.42
63000 - Contributions to Others	0.00	700,000.00	0.00	2,193,575.20	-1,493,575.20
<b>Expense Total:</b>	<b>0.00</b>	<b>2,684,000.00</b>	<b>0.00</b>	<b>4,404,035.62</b>	<b>-1,720,035.62</b>
<b>Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):</b>	<b>0.00</b>	<b>-1,032,470.00</b>	<b>0.00</b>	<b>8,996,870.82</b>	<b>-10,029,340.82</b>
<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>-1,032,470.00</b>	<b>0.00</b>	<b>8,996,870.82</b>	<b>-10,029,340.82</b>



San Juan Water District, CA

# Balance Sheet

## Account Summary

As Of 06/30/2016

	Balance
<b>Fund: 011 - Wholesale Capital Outlay</b>	
<b>Assets</b>	
<b>Type: 1000 - Assets</b>	
10010 - Cash and Investments	9,608,066.54
10510 - Accounts Receivable	33,256.98
<b>Total Type 1000 - Assets:</b>	<u>9,641,323.52</u>
<b>Total Assets:</b>	<u><u>9,641,323.52</u></u>
<b>Liability</b>	
<b>Type: 2000 - Liabilities</b>	
20010 - Accounts Payable	560,113.16
20100 - Retentions Payable	43,106.99
<b>Total Type 2000 - Liabilities:</b>	<u>603,220.15</u>
<b>Total Liability:</b>	<u>603,220.15</u>
<b>Equity</b>	
<b>Total Beginning Equity:</b>	<u>0.00</u>
Total Revenue	13,442,138.99
Total Expense	<u>4,404,035.62</u>
<b>Revenues Over/Under Expenses</b>	<u>9,038,103.37</u>
<b>Total Equity and Current Surplus (Deficit):</b>	<u>9,038,103.37</u>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<u><u>9,641,323.52</u></u>



San Juan Water District, CA

# Income Statement

## Group Summary

For Fiscal: 2015-2016 Period Ending: 06/30/2016

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 050 - RETAIL</b>					
<b>Revenue</b>					
41000 - Water Sales	8,695,800.00	8,695,800.00	0.00	6,571,176.61	2,124,623.39
42000 - Taxes & Assessments	948,000.00	0.00	0.00	0.00	0.00
44000 - Connection Fees	350,000.00	0.00	0.00	0.00	0.00
45000 - Other Operating Revenue	121,500.00	121,500.00	0.00	190,357.10	-68,857.10
49000 - Other Non-Operating Revenue	6,000.00	2,250.00	0.00	92,286.08	-90,036.08
<b>Revenue Total:</b>	<b>10,121,300.00</b>	<b>8,819,550.00</b>	<b>0.00</b>	<b>6,853,819.79</b>	<b>1,965,730.21</b>
<b>Expense</b>					
51000 - Salaries and Benefits	4,064,400.00	4,064,400.00	0.00	4,345,049.56	-280,649.56
52000 - Debt Service Expense	1,186,200.00	1,186,200.00	0.00	775,442.61	410,757.39
53000 - Source of Supply	2,050,900.00	2,050,900.00	0.00	2,615,202.76	-564,302.76
54000 - Professional Services	851,100.00	1,012,500.00	0.00	574,505.42	437,994.58
55000 - Maintenance	344,000.00	344,000.00	0.00	225,087.28	118,912.72
56000 - Utilities	256,700.00	256,700.00	0.00	185,619.40	71,080.60
57000 - Materials and Supplies	117,100.00	132,100.00	0.00	197,549.84	-65,449.84
58000 - Public Outreach	64,100.00	64,100.00	0.00	66,106.29	-2,006.29
59000 - Other Operating Expenses	470,700.00	470,700.00	0.00	430,793.65	39,906.35
69000 - Other Non-Operating Expenses	3,000.00	3,000.00	0.00	2,358.50	641.50
69900 - Transfers Out	0.00	0.00	0.00	10,331,774.00	-10,331,774.00
<b>Expense Total:</b>	<b>9,408,200.00</b>	<b>9,584,600.00</b>	<b>0.00</b>	<b>19,749,489.31</b>	<b>-10,164,889.31</b>
<b>Fund: 050 - RETAIL Surplus (Deficit):</b>	<b>713,100.00</b>	<b>-765,050.00</b>	<b>0.00</b>	<b>-12,895,669.52</b>	<b>12,130,619.52</b>
<b>Total Surplus (Deficit):</b>	<b>713,100.00</b>	<b>-765,050.00</b>	<b>0.00</b>	<b>-12,895,669.52</b>	<b>12,130,619.52</b>



	Balance
<b>Fund: 050 - RETAIL</b>	
<b>Assets</b>	
<b>Type: 1000 - Assets</b>	
10010 - Cash and Investments	1,846,020.66
10090 - Cash Bond Reserve	1,063,527.68
10510 - Accounts Receivable	157.10
11000 - Inventory	106,421.38
12000 - Prepaid Expense	35,369.45
14010 - Deferred Outflows	369,219.21
17010 - Capital Assets - Work in Progress	6,916,146.87
17150 - Capital Assets - Land Non-depreciable	166,272.00
17160 - Capital Assets - Land Improvements	75,884.80
17200 - Capital Assets - Pump Stations & Improvements	514,162.20
17300 - Capital Assets - Buildings & Improvements	61,403.08
17350 - Capital Assets - Water Treatment Plant & Imp	329,902.40
17400 - Capital Assets - Mains/Pipelines & Improvements	45,215,576.06
17500 - Capital Assets - Reservoirs & Improvements	2,157,755.00
17700 - Capital Assets - Equipment & Furniture	1,406,189.82
17750 - Capital Assets - Vehicles	345,899.70
17800 - Capital Assets - Software	715,004.46
17850 - Capital Assets - Intangible	556,505.60
17900 - Less Accumulated Depreciation	-32,070,055.11
19010 - 2009 Premiums on Refunding Bonds	-96,643.03
19015 - 2012 Premiums on Refunding Bonds	-396,215.04
<b>Total Type 1000 - Assets:</b>	<b>29,318,504.29</b>
<b>Total Assets:</b>	<b>29,318,504.29</b>
	<b><u>29,318,504.29</u></b>
<b>Liability</b>	
<b>Type: 1000 - Assets</b>	
10510 - Accounts Receivable	-25.00
<b>Total Type 1000 - Assets:</b>	<b>-25.00</b>
<b>Type: 2000 - Liabilities</b>	
20010 - Accounts Payable	492,316.40
20100 - Retentions Payable	595.50
20150 - Customer Deposits	193,988.49
21200 - Salaries & Benefits Payable	215,069.78
21250 - Payroll Taxes Payable	-1,275.18
21300 - Compensated Absences	347,376.38
21600 - OPEB Liability	127,509.03
21700 - Pension Liability	2,995,812.27
22050 - Deferred Inflows	1,117,690.07
24100 - 2009 Bonds Payables	10,377,000.00
24200 - 2012 Bonds Payable	3,934,362.56
<b>Total Type 2000 - Liabilities:</b>	<b>19,800,445.30</b>
<b>Total Liability:</b>	<b>19,800,420.30</b>
<b>Equity</b>	
<b>Type: 3000 - Equity</b>	
30100 - Investment in Capital Assets	11,420,491.00
30500 - Designated Reserves	9,930,225.51
30700 - Restricted Debt Service Reserve	1,063,037.00
<b>Total Type 3000 - Equity:</b>	<b>22,413,753.51</b>
<b>Total Beginning Equity:</b>	<b>22,413,753.51</b>

**My Balance Sheet**

**As Of 06/30/2016**

	<b>Balance</b>
Total Revenue	6,853,819.79
Total Expense	<u>19,749,489.31</u>
Revenues Over/Under Expenses	<b>-12,895,669.52</b>
<b>Total Equity and Current Surplus (Deficit):</b>	<b>9,518,083.99</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>29,318,504.29</u></b>



San Juan Water District, CA

# Income Statement Group Summary

For Fiscal: 2015-2016 Period Ending: 06/30/2016

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 055 - Retail Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	0.00	948,000.00	0.00	962,153.47	-14,153.47
44000 - Connection Fees	0.00	350,000.00	0.00	553,587.18	-203,587.18
44500 - Capital Contributions - Revenue	0.00	0.00	0.00	-174,242.52	174,242.52
49000 - Other Non-Operating Revenue	0.00	3,500.00	0.00	787,233.92	-783,733.92
49990 - Transfer In	0.00	0.00	0.00	10,331,774.00	-10,331,774.00
<b>Revenue Total:</b>	<b>0.00</b>	<b>1,301,500.00</b>	<b>0.00</b>	<b>12,460,506.05</b>	<b>-11,159,006.05</b>
<b>Expense</b>					
61000 - Capital Outlay	0.00	5,058,500.00	0.00	2,698,171.03	2,360,328.97
63000 - Contributions to Others	0.00	176,700.00	0.00	243,711.29	-67,011.29
<b>Expense Total:</b>	<b>0.00</b>	<b>5,235,200.00</b>	<b>0.00</b>	<b>2,941,882.32</b>	<b>2,293,317.68</b>
<b>Fund: 055 - Retail Capital Outlay Surplus (Deficit):</b>	<b>0.00</b>	<b>-3,933,700.00</b>	<b>0.00</b>	<b>9,518,623.73</b>	<b>-13,452,323.73</b>
<b>Total Surplus (Deficit):</b>	<b>0.00</b>	<b>-3,933,700.00</b>	<b>0.00</b>	<b>9,518,623.73</b>	<b>-13,452,323.73</b>





	Balance
<b>Fund: 055 - Retail Capital Outlay</b>	
<b>Assets</b>	
<b>Type: 1000 - Assets</b>	
10010 - Cash and Investments	9,814,166.20
10510 - Accounts Receivable	33,256.97
<b>Total Type 1000 - Assets:</b>	<u>9,847,423.17</u>
<b>Total Assets:</b>	<u>9,847,423.17</u> <u><u>9,847,423.17</u></u>
<b>Liability</b>	
<b>Type: 2000 - Liabilities</b>	
20010 - Accounts Payable	94,559.70
20100 - Retentions Payable	234,239.74
<b>Total Type 2000 - Liabilities:</b>	<u>328,799.44</u>
<b>Total Liability:</b>	<u>328,799.44</u>
<b>Equity</b>	
<b>Total Beginning Equity:</b>	<u>0.00</u>
Total Revenue	12,460,506.05
Total Expense	2,941,882.32
<b>Revenues Over/Under Expenses</b>	<u>9,518,623.73</u>
<b>Total Equity and Current Surplus (Deficit):</b>	<u>9,518,623.73</u>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<u>9,847,423.17</u>

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: August 10, 2016  
Subject: Treasurer's Report – Quarter Ending June 30, 2016

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### RECOMMENDED ACTION

This report is for information only and will be filed with the meeting minutes.

### BACKGROUND

The purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the second quarter of calendar year 2016, ending June 30, 2016.

The District's investment objectives are established by the Board approved Investment Policy. The Investment Policy is guided and constrained by the California Government Code. The Board periodically reviews and adjusts the Investment Policy to ensure ongoing compliance with the government code and to maximize investment flexibility as permitted. The current Investment Policy has the following objectives for the portfolio:

1. Safety
2. Liquidity
3. Yield

Attached is the quarterly Treasurer's Report for the three months ended March 31, 2016.

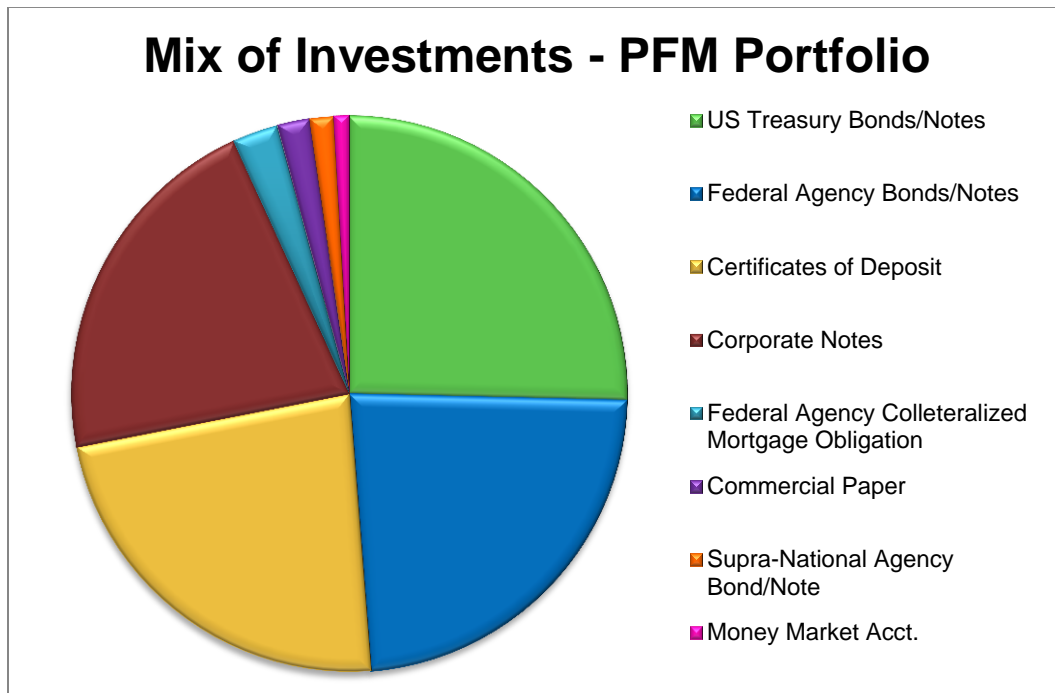
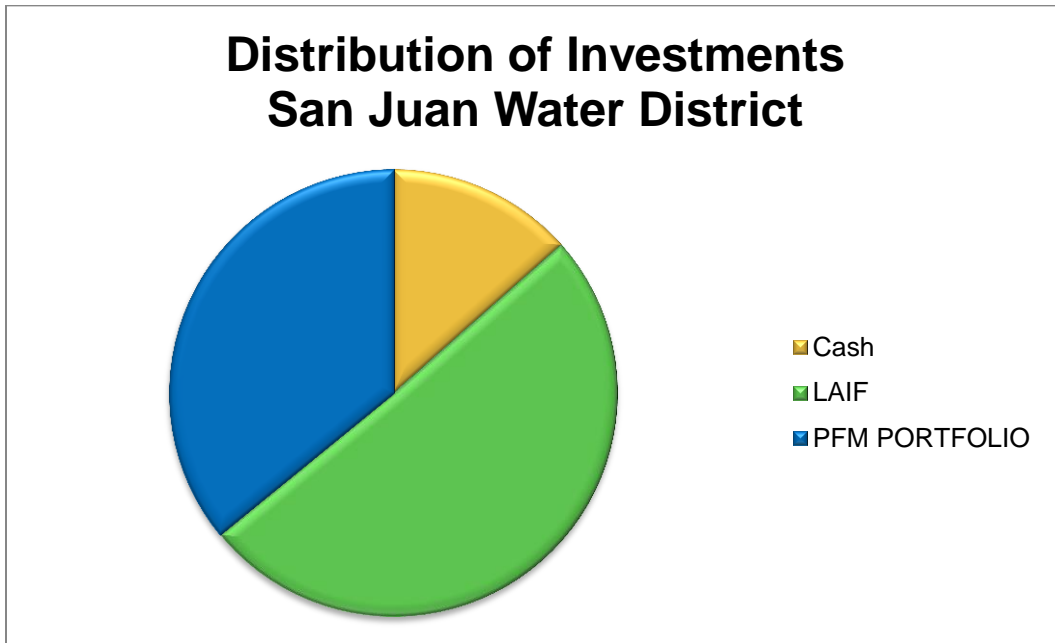
At March 31, 2016, the end of the previous quarter, the value of the District's total portfolio was \$23.8 million. Since that time, the value of the District's portfolio increased by \$1.1million for an ending balance of \$24.9 million as of June 30, 2016. Cash and short-term investments increased by \$614 thousand and long-term investments decreased by \$564 thousand. The funds are currently held as follows:

Cash at Banking Institutions	\$ 3,357,102
Local Agency Investment Fund (LAIF)	12,640,911
PFM Managed Investment Portfolio	<u>8,970,174</u>
	<u>\$ 24,968,183</u>

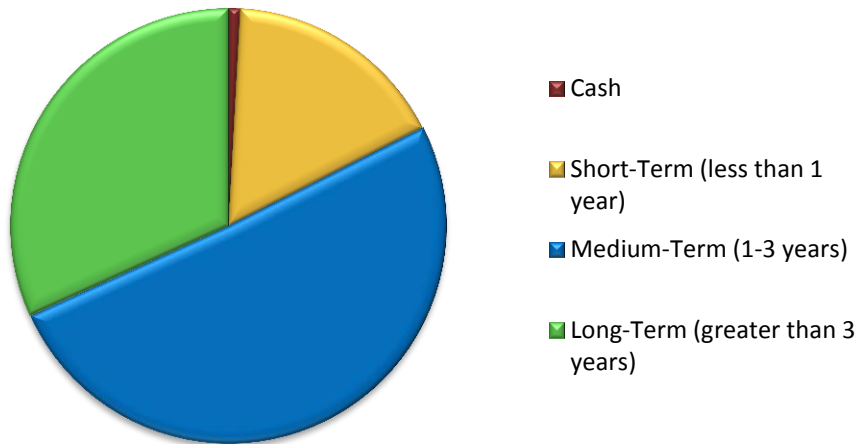
The overall portfolio is diversified with 36% invested in marketable securities, 51% invested in short-term investments that are considered liquid (LAIF) and 13% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically reviews the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District's short term cash needs.

All securities held are in conformance with those permitted by the District's Investment Policy. There are sufficient funds to meet the District's expenditure requirements for the next six months.

The distribution, mix and duration of investments are displayed in the following charts:



## Duration of PFM Portfolio



Interest rates have been at historically low levels. Due to the low interest rate environment, the managed portfolio is concentrated in the medium term duration category. This increases our interest earnings while providing an opportunity to secure higher yield investments when interest rates begin to rise.

The portfolio is performing well and continues to outperform the benchmark (Bank of America Merrill Lynch “BAML” 0-5 year Treasury Index) on a current and historical basis.

### Total Returns – period ending June 30, 2016

	Duration (years)	Quarter Ending 6/30/2016	Past Year	Since Inception
San Juan Water District	2.16	.64%	2.15%	2.05%
BAML 0-5 Year Treasury Index	2.16	.67%	1.98%	1.79%

**San Juan Water District  
Treasurer's Report  
June 30, 2016**

	Yield %	Par Value	Cost	Current Market Value	Maturity Date
CASH & DEMAND DEPOSITS - US Bank:	na	\$ 3,357,102.19	\$ 3,357,102.19	\$ 3,357,102.19	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.337%	\$ 12,640,910.95	\$ 12,640,910.95	\$ 12,640,910.95	na
PFM MONEY MARKET ACCOUNT	na	\$ 77,808.30	\$ 77,808.30	\$ 77,808.30	na
LONG-TERM INVESTMENTS (PFM Investment Portfolio):					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	1.40%	\$ 195,000.00	\$ 197,940.23	\$ 201,101.36	9/30/2019
US Treasury Notes	1.31%	500,000.00	493,437.50	503,730.50	9/30/2019
US Treasury Notes	1.50%	325,000.00	330,649.41	337,441.33	6/30/2020
US Treasury Notes	1.24%	270,000.00	270,147.66	273,944.43	1/31/2020
US Treasury Notes	1.23%	140,000.00	142,324.22	143,964.80	7/31/2020
US Treasury Notes	1.42%	310,000.00	327,316.41	331,409.22	8/15/2020
US Treasury Notes	1.25%	200,000.00	206,992.19	209,218.80	2/28/2021
US Treasury Notes	0.98%	270,000.00	274,978.13	274,661.82	4/30/2021
<i>Supra-National Agency Bond/Note</i>					
Inter-American Development Bank	1.10%	125,000.00	124,625.00	125,428.13	5/13/2019
<i>Federal Agency Collateralized Mortgage Obligation</i>					
FHLMC Series KP03 A2	1.10%	155,000.00	156,546.28	157,336.55	7/1/2019
Fannie Mae Series 2015-M13 ASQ2	1.08%	80,000.00	80,801.11	80,860.78	9/1/2019
<i>Federal Agency Bonds/Notes:</i>					
FNMA Notes (Ex-Callable)	1.05%	1,000,000.00	1,000,000.00	1,006,365.00	2/27/2018
Freddie Mac Notes	1.05%	95,000.00	95,215.65	95,807.22	4/15/2019
Freddie Mac Notes	1.14%	175,000.00	174,942.25	176,486.98	4/15/2019
FNMA Notes	1.69%	470,000.00	471,193.80	482,796.22	6/20/2019
FNMA Benchmark Notes	1.48%	330,000.00	330,287.10	336,339.63	6/22/2020
<i>Corporate Notes:</i>					
Apple Inc. Corp Note	0.94%	110,000.00	109,924.10	110,202.84	5/12/2017
Chevron Corp Note	1.35%	100,000.00	100,000.00	100,522.00	11/15/2017
Wells Fargo & Company Global Notes	1.52%	1,000,000.00	999,000.00	1,005,600.00	1/16/2018
IBM Corp Notes	1.23%	225,000.00	224,313.75	225,968.40	2/6/2018
Bank of New York Mellon Corp	1.60%	175,000.00	174,984.25	176,741.25	5/22/2018
CISCO Systems Inc Corp Note	1.66%	185,000.00	184,968.55	187,405.37	6/15/2018
Toyota Motor Credit Corp	1.58%	100,000.00	99,915.00	100,961.20	7/13/2018
<i>Commercial Paper:</i>					
Bank of Tokyo Mitsubishi LTD Comm Paper	89.00%	170,000.00	169,230.89	169,701.65	5/5/2016
<i>Certificate of Deposit:</i>					
General Capital Retail Bank LT CD	1.32%	250,000.00	250,000.00	250,254.75	8/17/2016
Canadian Imperial Bank NY YCD	1.01%	250,000.00	250,000.00	250,057.50	4/6/2017
BMO Harris Bank NA CD	1.01%	215,000.00	215,000.00	215,407.43	4/24/2017
Nordea Bank Finland NY CD	1.15%	250,000.00	250,000.00	250,125.00	5/26/2017
Toronto Dominion Bank NY YCD	1.25%	250,000.00	250,000.00	250,677.50	6/16/2017
Svenska Handelsbanken NY FLT Cert Depos	0.84%	215,000.00	215,000.00	215,107.50	8/24/2017
Bank of Nova Scotia Houston YCD	1.55%	215,000.00	215,000.00	216,111.55	11/6/2017
Skandinaviska Enskilda Banken NY CD	1.48%	215,000.00	215,000.00	215,227.90	11/16/2017
HSBC Bank USA NA Floating Cert Depos	0.97%	215,000.00	215,000.00	215,400.98	11/17/2017
TOTAL LONG TERM INVESTMENTS		\$ 8,780,000.00	\$ 8,814,733.48	\$ 8,892,365.59	
TOTAL CASH & INVESTMENTS AT 3/31/2016		\$ 24,855,821.44	\$ 24,890,554.92	\$ 24,968,187.03	

## Teri Grant

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**From:** Keith Durkin  
**Sent:** Thursday, August 04, 2016 2:55 PM  
**To:** Teri Grant  
**Subject:** FW: Long-term Water Conservation Policy: Administration names Urban Advisory Committee and schedules first meeting for August 15

Please include under Shauna's report.

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**From:** Shauna Lorance  
**Sent:** Wednesday, August 3, 2016 2:44 PM  
**To:** Keith Durkin; Lisa Brown  
**Subject:** Fwd: Long-term Water Conservation Policy: Administration names Urban Advisory Committee and schedules first meeting for August 15

Sent from Shauna's iPhone

Begin forwarded message:

**From:** Dave Bolland <[DaveB@acwa.com](mailto:DaveB@acwa.com)>  
**Date:** August 3, 2016 at 3:30:28 PM MDT  
**To:** ">(2016 - 2017) Water Management Committee" **Subject: Long-term Water Conservation Policy: Administration names Urban Advisory Committee and schedules first meeting for August 15**

All - The Department of Water Resources has provided public notice that “an urban advisory group (UAG) has been named to help implement Governor Brown’s executive order making water conservation a California way of life. The first UAG meeting will be Aug. 15. As the meeting agenda and other details are developed, they will be posted on the Water Use Efficiency web page.” Return to [this link](#) for the August 15 meeting agenda and location information(which are not yet posted) – ACWA has been informed that this August 15 UAG meeting will be open to the public/water agencies/stakeholders. Source: this week's California Water Plan eNews

ACWA has convened a group of member water agency leaders (many of which are on the “UAG”) to discuss policy objectives to help inform this long-term water conservation policy formulation process. ACWA will continue to work with its members and other water associations and water stakeholder groups to advocate for these policy objectives and help water agencies provide constructive input to this process. We will be consulting with the ACWA Water Management Committee’s Urban Water Use Efficiency/Conservation Subcommittee to help inform technical issues, and anticipate convening occasional “Water Agency Caucus” webinars to provide a forum for broader water community information and policy input as this process unfolds.

If you have questions, please feel free to contact me.

Dave

David Bolland  
Special Projects Manager  
Association of California Water Agencies

Phone: (916) 441-4545  
E-mail: [daveb@acwa.com](mailto:daveb@acwa.com)

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**From:** California Water Plan eNews [[mailto:dwr\\_cwp\\_eneews@LISTSERV.STATE.CA.GOV](mailto:dwr_cwp_eneews@LISTSERV.STATE.CA.GOV)] **On Behalf Of**  
Water Plan eNews@DWR  
**Sent:** Wednesday, August 03, 2016 1:10 PM  
**To:** [DWR\\_CWP\\_ENEWS@LISTSERV.STATE.CA.GOV](mailto:DWR_CWP_ENEWS@LISTSERV.STATE.CA.GOV)  
**Subject:** ~ ~ Grants Documents~ Advisory Group~ Deadline Extension~ Groundwater Newsletter~ Delta  
Levees~ Atmospheric Rivers ~ ~

This week's [California Water Plan eNews](#) includes:

- IRWM, DAC programs release documents and set workshops for grants and proposals
- Urban advisory group chosen to help implement water conservation order
- Deadline extended for survey on groundwater basin management BMPs
- Newsletter provides updates to Sustainable Groundwater Management Program
- New report details risk analysis methodology for Delta levees strategy
- Questions about atmospheric rivers to be discussed at international conference

If you no longer wish to receive the *California Water Plan eNews*, or if you would like to change your email address, please enter your information [here](#).

**CENTRAL VALLEY FLOOD PROTECTION BOARD**

3310 El Camino Ave., Ste. 170  
SACRAMENTO, CA 95821  
(916) 574-0609 FAX: (916) 574-0682



**Notice of Availability of a Supplemental EIS/EIR**

**Central Valley Flood Protection Board  
Sacramento County, California**

**Project Title:** Folsom Dam Raise Project (Project)

**Project Location:** The Project is located near Folsom, California within portions of Placer, El Dorado, and Sacramento Counties, in the area surrounding Folsom Lake, and in the vicinity of the Folsom Dam facility and its associated dikes.

**Project Description:** As part of the Folsom Dam Raise Project, the Central Valley Flood Protection Board, the Sacramento Area Flood Control Agency, U.S. Army Corps of Engineers (USACE), and the U.S. Bureau of Reclamation propose to modify the spillway gates, and raise; the Dam, wing dams, and dikes by 3.5 feet. Structural modifications associated with the Folsom Dam Raise Project are proposed to provide increased flood damage protection by increasing the flood storage capacity at the Folsom Facility. These modifications add flood damage reduction benefits, while still safely allowing passage of the Probable Maximum Flood, by creating additional surcharge space (temporary water storage space utilized during rare flooding events) within the reservoir.

**Contact Person:** Erin Brehmer (contact information below)

Following the requirements of the California Environmental Quality Act (CEQA), a Supplemental Environmental Impact Statement/Environmental Impact Report (SEIS/EIR) has been prepared for this project. The results of the SEIS/EIR indicate that most of the potential adverse effects that could result from implementation of the proposed alternative would either be short term, or would be avoided, or reduced to less than significant by using best management practices. However, analysis indicates potential significant effects on traffic, recreation, noise, vegetation and wildlife, and special status species.

The Draft SEIS/EIR provides the opportunity for public and agency involvement and comment. During the 45-day public review period, public workshops will be held to discuss the proposed project and encourage public questions and comments on the project. The public workshop dates, times, and locations are:

July 25, 2016  
5:00 pm to 7:00 pm  
Sacramento City Library  
828 I Street  
Sacramento, CA 95814

July 27, 2016  
5:00 pm to 7:00 pm  
Folsom Community Center  
52 Natoma Street  
Folsom, CA 95630



Comments on the Draft SEIS/EIR will be accepted from July 19, 2016 to September 1, 2016.

Written comments may be submitted to: California Department of Water Resources, 3464 El Camino Avenue Room 150 Sacramento, CA 95821, Attn: Erin Brehmer, or email to [Erin.Brehmer@water.ca.gov](mailto:Erin.Brehmer@water.ca.gov); or U.S. Army Corps of Engineers, Sacramento District, 1325 J Street, Sacramento, California 95814, Attn: Ms. Mariah Brumbaugh, Environmental Manager or e-mail to [Mariah.M.Brumbaugh@usace.army.mil](mailto:Mariah.M.Brumbaugh@usace.army.mil). Ms. Brumbaugh may also be reached by phone at (916) 557-6774.

The Draft SEIS/EIR is available at the following locations:

- Folsom Public Library – 411 Stafford Street, Folsom, CA 95630
- Orangevale Library – 8820 Greenback Lane, Orangevale, CA 95662
- El Dorado County Library – 345 Fair Ln, Placerville, CA 95667
- Roseville Library – 225 Taylor St, Roseville, CA 95678,
- USACE website – <http://www.spk.usace.army.mil/Media/USACEProjectPublicNotices.aspx>
- Central Valley Flood Protection Board website – <http://www.cvfpb.ca.gov>.

Copies of the Draft SEIS/EIR are also available upon request.

# AGENDA ITEM VI-1.2



**CITRUS  
HEIGHTS  
WATER  
DISTRICT**

6230 Sylvan Road  
P.O. Box 286  
Citrus Heights  
California  
95611-0286

phone  
916/ 725-6873  
fax  
916/ 725-0345  
website  
www.chwd.org

July 12, 2016

Ms. Pam Tobin, President  
Board of Directors  
San Juan Water District  
9935 Auburn-Folsom Road  
Granite Bay, CA 95746

Re: San Juan Water District Key Issues Briefing

Dear President Tobin:

On behalf of the Board of Directors and Staff of Citrus Heights Water District I would like to express our thanks to San Juan Water District Assistant General Manager Keith Durkin for providing us with a briefing on June 14, 2016, highlighting SJWD's key policy, operational and financial issues that will affect wholesale water deliveries to this District. His presentation of factors regarding SJWD's water supply, capital improvements, staffing, wholesale water rates/charges and regulatory requirements was very informative.

Thank you again. We look forward to our continued work together through the San Juan Family of Agencies.

Sincerely,

Allen B. Dains, President  
Board of Directors

cc: Shauna Lorance, General Manager: San Juan Water District

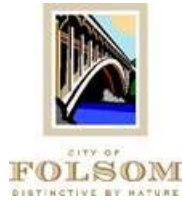
*Board of Directors*  
**Allen B. Dains**  
**Caryl F. Sheehan**  
**Raymond A. Riehle**

*General Manager/  
Secretary*  
**Robert A. Churchill**

*Assistant General  
Manager/Treasurer*  
**Hilary M. Straus**

*Accounting Supervisor  
Assessor/Collector*  
**Susan K. Sohal**

# AGENDA ITEM VI-2.2



August 3, 2016

VIA EMAIL  
mdenning@usbr.gov

Ms. Michelle Denning  
Regional Planning Officer  
Mid Pacific Region ATTN: MP-700  
2800 Cottage Way  
Sacramento, CA 95825-1898

Dear Ms. Denning:

The purpose of this letter is to request the Mid Pacific Region (Region) increase funding for the General Planning Program as part of the Region's Fiscal Year (FY) 2019 budget request for federal Energy and Water Development appropriations. The request is submitted by the undersigned Central Valley Project (CVP) American River Division water service contractors (Contractors) as provided by Bureau of Reclamation (Reclamation) Policy WTR PO5 and other policies and Directives and Standards for involving water and power contractors in Reclamation's budget formulation process.

CVP water supply has become increasingly uncertain over time due to changing hydrologic conditions, increased regulatory constraints and other stressors. Reclamation continues to advise that this may be the new norm for CVP operations, and has encouraged Contractors to optimize other sources of supply coupled with comprehensive water conservation strategies. In response to CVP operational challenges, and consistent with Reclamation's advice, Contractors are collaborating with other local water agencies on a range of projects and initiatives to improve regional water supply reliability. Such projects include, but not limited to:

- Regional water banking and opportunities for agency-specific conjunctive use
- Sacramento River diversion capability
- Intrabasin transfers and exchanges
- Enhanced water conservation measures
- Increased efficiency of water system operations

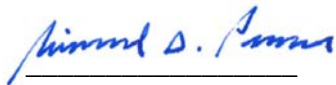
Because of the close relationship to Folsom Reservoir operations and the broader CVP, Contractors believe it imperative to partner with Reclamation in the planning phase of these initiatives. For that purpose, and we respectfully request the Region General Planning budget be increased to a minimum \$500,000 for FY2019.

We understand that General Planning is a Bureau-wide program and that funding for the Region program is largely determined by the Commissioner's Office. If necessary and appropriate, we

are prepared to support the Region in requesting adjustment to higher-level allocations sufficient to fund Region participation in this critical partnership. To the extent such adjustments are not sufficient to fully partner with Contractors, we request the Regional Director exercise his discretion to reprioritize available funding within the MP Region's total budget target to ensure the General Planning program is funded to a minimum \$500,000.

Thank you for your consideration. Contractors are available to provide detailed information on local projects and their relationship to Reclamation operations at Folsom Reservoir and the Lower American River. Point of contact for coordinating Contractor responses is Ms. Carol Margetich, City of Roseville (916) 746-1712, [cmargetich@roseville.ca.us](mailto:cmargetich@roseville.ca.us).

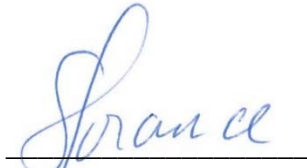
Sincerely,



Richard D. Plecker  
Environmental Utilities  
Director  
City of Roseville



Marcus Yasutake  
Environmental and Water  
Resources Director  
City of Folsom



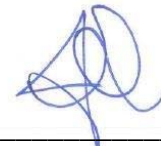
Shauna Lorange  
General Manager  
San Juan Water District



Andrew Fecko  
Director, Resource  
Development  
Placer County Water Agency



Alexander Coate  
General Manager  
East Bay Municipal Utility  
District



Jon Olson  
Director, Energy Trading and  
Contracts  
Sacramento Municipal Utility  
District



Michael Peterson  
Director/Agency Engineer  
Sacramento County Water  
Agency



Kenneth V. Payne, P.E.  
Interim General Manager  
El Dorado County Water  
Agency

cc: Mr. Drew Lessard, Area Manager, Central California Area Office