

Comprehensive Annual Financial Report

of the San Juan Water District

For the Fiscal Year Ended June 30, 2014

Prepared by

Finance & Administrative Services

Department



SAN JUAN WATER DISTRICT
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Introduction

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May 20, 2015

Members of the Board of Directors San Juan Water District

Directors:

The San Juan Water District is required by State statute to publish within twelve months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we are pleased to present the Comprehensive Annual Financial Report (CAFR) for the San Juan Water District (District) for the fiscal year ended June 30, 2014. The information presented in this CAFR is intended to provide financial information with all the disclosures necessary to enable the District's customers, investment community and general public to assess the District's financial condition.

This report contains management's representations concerning the finances of the District. Management is responsible for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Lance, Soll & Lunghard, LLP (LSL), a firm of licensed certified public accountants with which the District contracts for these services. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and is intended to be read in conjunction with it. The District's MD&A can be located immediately following the independent auditor's report.

The CAFR is organized into Introduction, Financial, Supplementary Information and Statistical sections. The Introductory section includes this transmittal letter, a list of principal officials, District's organizational chart and Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA. The Financial section includes: Independent Auditor's Report on the District's financial statements; MD&A; June 30, 2014 basic financial statements, including the Statement of Net Position, Statement of Activities, Statement of Cash Flows and Notes to the Basic Financial Statements. Supplementary Information consists of Schedule of Administrative and General Expenses (Unaudited) and Schedule of Operations—Budget and Actual. The financial statements are prepared in accordance with GAAP. The Statistical section summarizes selected unaudited general financial and operational information of the District.

District Profile

History

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

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

Accounting System and Budgetary Controls

The District's accounting records are maintained using the accrual basis of accounting. The revenues of the District are recognized when they are earned and the expenses are recognized when they are incurred.

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

Mission Statement

The District's mission, and highest priority to our customers, is to take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs.

As part of accomplishing our mission, we commit to working cooperatively with others on projects of mutual public benefit to achieve the greatest possible efficiency and effectiveness. We further commit to communicate what we are doing, and why we are doing it. The District prides itself in providing excellent customer service to all its customers, external and internal.

Water Supply

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

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

Water Efficiency

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

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

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

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

Water Treatment Plant

The District's water treatment facilities, Sidney N. Peterson Water Treatment Plant, was constructed in three phases and completed between the years of 1975 to 1983. The facilities include two

flocculation-sedimentation basins, two filter basins, operations building and a covered 62 million gallon storage reservoir. Major upgrades and improvements to the plant in 2001 added two new filter backwash hoods; 2004 added a solids handling facility; 2008 added a new 54" raw water pipeline; 2009 added a new chlorine storage building, installed new caulking joints in north and south filter basins, replaced aging 2' tube settlers with 2' and 4' tube settlers and 12" launders with 18" launders in the North and South Sedimentation basins and rehabilitated both basins concrete walls, relined all raw water pipelines (42",54" 66" & 72") and replaced the emergency generator; 2010 installed a new 72" and 60" diameter steel pipeline from the Bureau's Pump Station at Folsom Dam to the Hinkle Wye, replaced 24 filter valves, installed a new high efficiency solar power array designed to supply approximately 90% of the power needs to feed the Peterson Water Treatment Plant, Hinkle Pump Station, and Field Operations Building, and installed new 72" and 60" pipelines to provide redundancy and additional operational control for delivering treated water to and from Hinkle Reservoir; 2011 updated the water treatment plant instrumentation and controls including a new supervisory control and data acquisition (SCADA) system. These projects along with other capital projects increased efficiency and productivity to meet the required demands of customers and improved operations to help meet Federal and State regulatory requirements.

With a maximum capacity of 150 million gallons per day, the plant receives delivery of raw water directly from Folsom Dam outlets. The raw water undergoes an extensive water treatment process to ensure the highest quality of water for all District and wholesale customers. From the water treatment plant, the water flows into the 62 million gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 214 miles of transmission and distribution pipelines, which transport the high quality treated water to wholesale and retail customers.

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

Enterprise Operations

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

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

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

Factors Affecting Financial Condition

Economic Outlook

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

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

At the end of the fiscal year, in April 2014, the Board of Directors approved a resolution that imposed drought water rates. The intent of these rates was address the decrease in revenues required to operate the District, to address the impacts of drought, to comply with the District's legal obligations to pay its debt service obligations, and to avoid expending District reserves to levels that would be imprudent. Overall, the current and future financial stability of the District is positive with the existing revenue sources remaining stable. Retail revenues are currently received entirely through a metered rate system. As the result of a Federal Mandate, the entire District became 100% metered effective January 1, 2005 and began billing all customers on a metered rate. Until that time, customers had been voluntarily switching to metered billing based upon rate comparisons provided on water bills for metered versus flat rate billing. New conservation related billing structures, referred to as Best Management Practices (BMP) 11, intend to work toward having 70% of revenues received from the volumetric portion of the water rates. BMP 11 allows use of an alternative Canadian Model to determine the required volumetric portion of water rates for BMP compliance. The model indicates only 30% of District revenues are required to be received from the volumetric portion of rates. The District meets this standard as its volumetric portion of rates is actually 43%. The District will continue to actively monitor legislation related to this and other rate structure requirements. Any rate structure alterations would be discussed by the Board of Directors and follow noticing requirements of Proposition 218.

Long-term Financial Planning

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

Both the Wholesale and Retail Financial Plans were updated in Spring 2014 by the Reed Group, Inc. While the plan did not recommend a water rate increase for Wholesale in 2014, there was a recommended 2% water rate increase for Retail (with options for discussion by the Board). There were cost-saving measures implemented by staff as well as unanticipated revenues that offset the need to increase rates. In accordance with prior plans, operating, capital and reserve requirement needs, and the adopted Fiscal Year 2013-2014 budgets, the Board approved a Wholesale Water Rate increase of 3% and a Retail Water Rate increase of 2%, effective January 1, 2014. Wholesale Water Rate increases are due to the significant nature of capital projects and debt service requirements (minimal operational increase required). Retail Water Rate increases are due to capital projects (minimal operational increase required).

Relevant Financial Policies

Effective in June 2011, the Board of Director's changed the District's policy related to the California Public Employees' Retirement System (PERS) Employer Paid Member Contribution (EPMC). Previously, the 8% EPMC was paid by the District on behalf of the employee and now employees are making the full 8% contribution.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Juan Water District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the eighth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Sincerely,

Shauna Lorance
General Manager

Kate Motonaga
Finance & Administrative Services Manager

San Juan Water District
List of Elected and Appointed Officials June 30, 2014

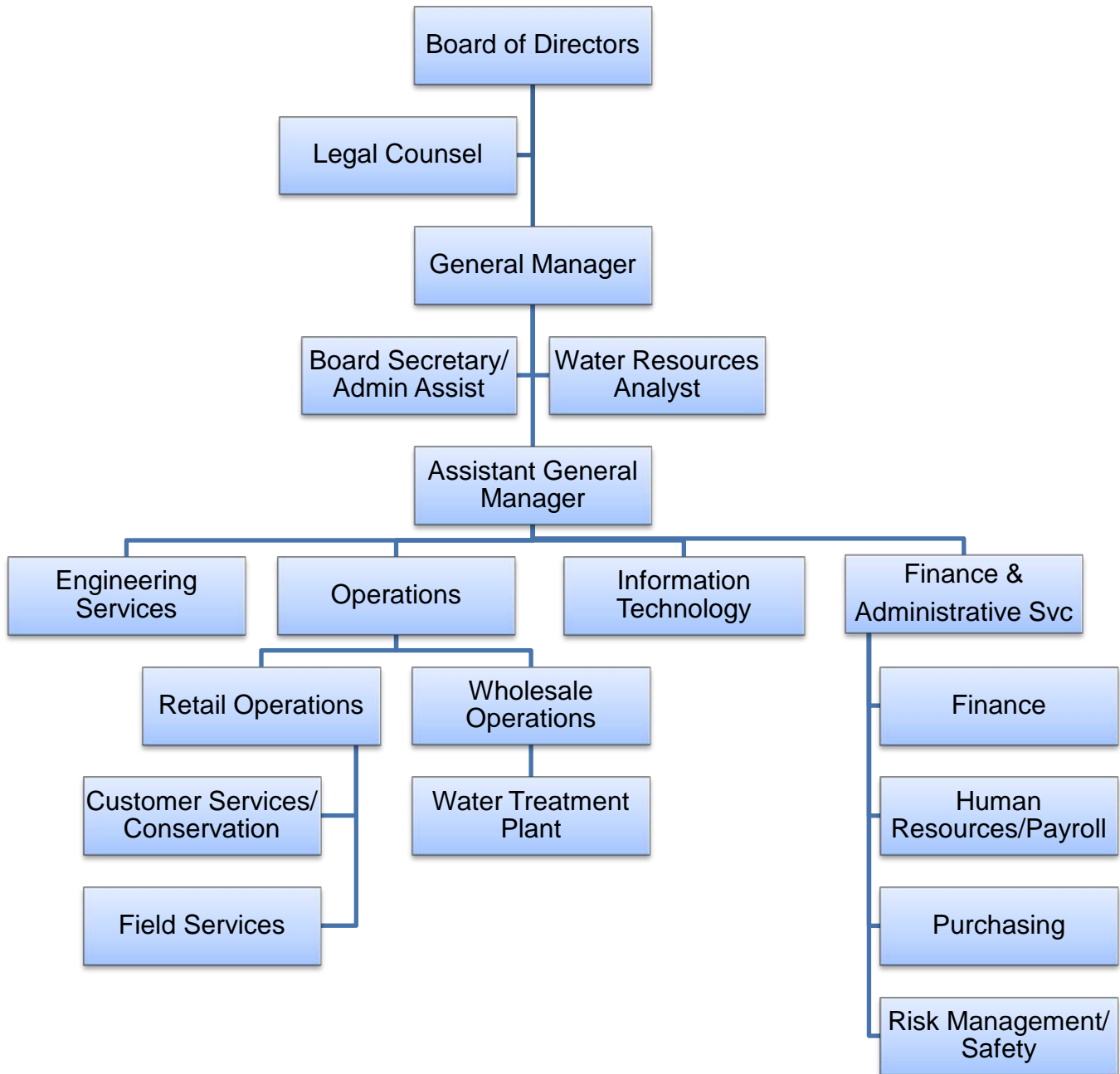
Board of Directors – Elected Officials

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

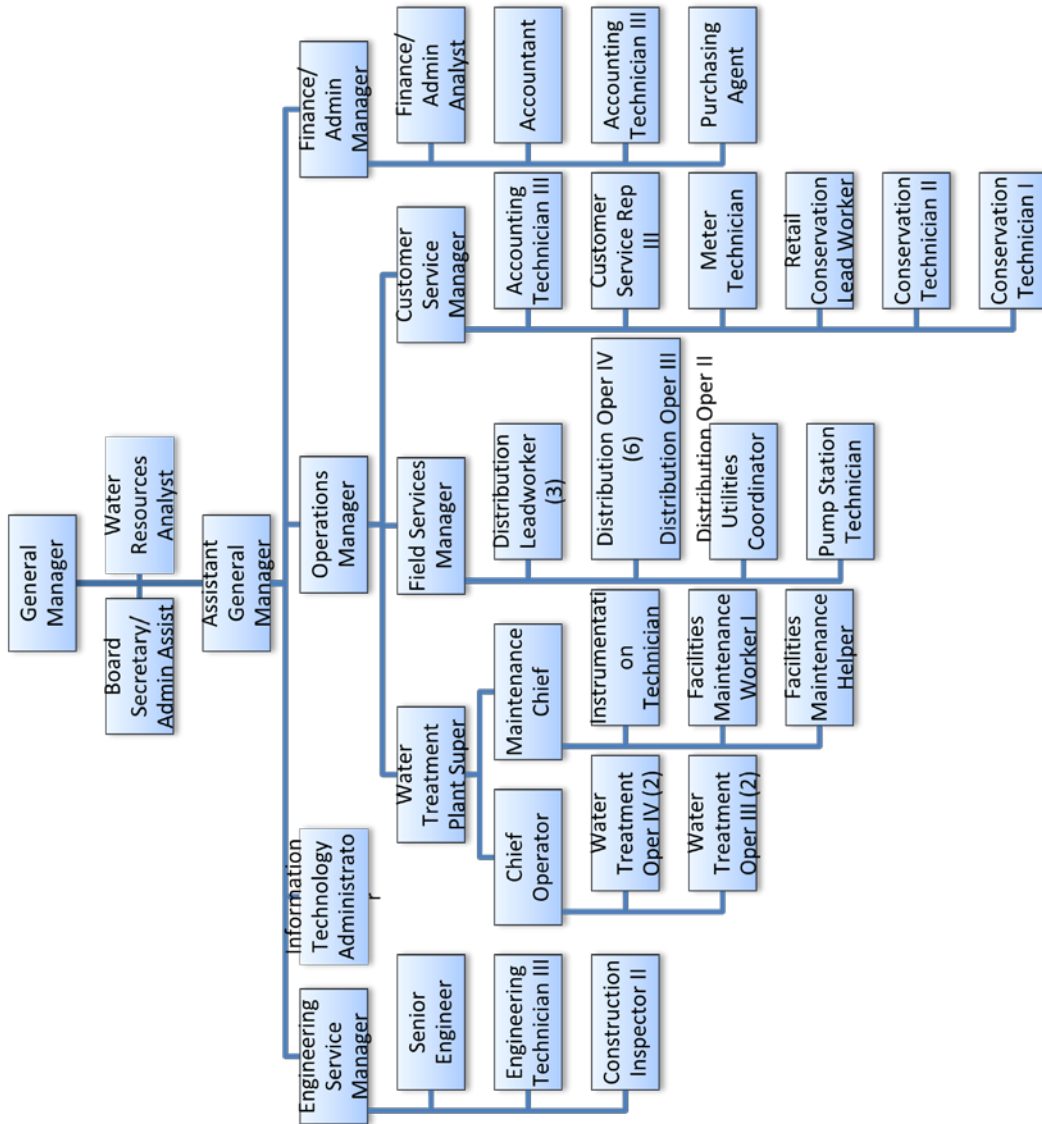
Staff – Appointed Officials

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

San Juan Water District Organization Chart June 30, 2014



San Juan Water District
 Organization Chart
 June 30, 2014





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**San Juan Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of San Juan Water District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the San Juan Water District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the business-type activities of San Juan Water District as of and for the year ended June 30, 2013, were audited by other auditors whose report dated January 30, 2014, expressed an unmodified opinion on those statements.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2014 the District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of administrative and general expenses, and the schedules of operations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Lance, Soll & Loughard, LLP

Brea, California
May 20, 2015

Management's Discussion and Analysis

In order to enhance the information provided in the transmittal letter, management offers this narrative overview and analysis of the financial activities of the San Juan Water District (District) for the fiscal year ended June 30, 2014. We encourage readers to consider the information here in conjunction with that transmittal letter, which can be found on pages 1-6 of this report. The information is intended to provide a better understanding of the District's financial operations and performance.

Financial Highlights

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

- At the end of the fiscal year, assets exceeded liabilities by \$74,577,493 (net position) as compared with \$75,763,426 (as restated) in the prior year. This amount is comprised of investments in capital assets, restricted and unrestricted net assets. Of the total amount, \$29,880,325 is considered unrestricted and available to meet the District's ongoing obligations. However, the majority of these funds have been designated for specific projects which will be required for replacement of capital facilities.
- Total net position decreased by \$1,185,933, which was due to decrease in capital contributions. In the prior fiscal year the net position increased \$932,839. The major reason for the increase was capital contribution revenue for a cooperative construction project and revenues higher than projected.
- Operating revenues decreased by \$394,506, which is due to a decrease in wholesale water sales. In the prior year, operating revenues decreased by \$600, which is due to a zero percent increase in wholesale water rates and higher amounts of grant funding, interest fees and pumping surcharges received in the previous year.
- Non-operating revenues decrease by \$1,356,068. Increases in tax assessments, connections, and investment income were offset by a decrease in capital contributions due to refunds made to wholesale entities. In the prior year, non-operating revenues increased \$276,432 due to an increase in capital contributions for a cooperative construction project, lower investment earnings as the direct result of the recessionary economy, and a slight increase in property tax revenues.

Overview of the Financial Statements

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

Introductory Section - This includes the letter of transmittal, Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA, list of Board of Directors and Staff, and organization chart.

Financial Section - This section includes the auditor's report, management's discussion and analysis and basic financial statements. The District's basic financial statements are comprised of the Statements of Net Position, Statements of Activities, and Statements of Cash Flows. The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. When evaluated over a period of time, increases or decreases in net position may serve as an indicator of whether the financial position of the

District is improving or deteriorating. The Statements of Activities reflects the revenues and expenses for the fiscal year ended. The Statements of Cash Flows shows the sources and uses of cash in the operating, non-capital, capital and related financing, and investing activities. The notes provide in depth information that is vital to gaining a full understanding of the data provided in the financial statements. The notes to the financial statements begin on page 23.

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

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

Financial Analysis of the District

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

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

The financial statements assist a reader in determining whether the District is meeting these goals. In general, net position provides a realistic indicator of a government's financial position. For the fiscal year ending June 30, 2014, assets exceeded liabilities by \$74,706,802. In the prior year, assets exceeded liabilities by \$75,763,426.

Statements of Net Position

	2014	2013 *	Change	2012 *	Change
Current Assets	\$ 25,711,419	\$ 19,115,057	\$ 6,596,362	\$ 21,459,536	\$ (2,344,479)
Restricted Assets	5,700,498	11,019,989	(5,319,491)	11,696,415	(676,426)
Capital Assets, Net	81,879,165	84,729,523	(2,850,357)	84,128,153	601,370
Other Assets	7,785,894	7,719,552	66,342	4,511,027	3,208,525
Total Assets	<u>121,076,976</u>	<u>122,584,121</u>	<u>(1,507,144)</u>	<u>121,795,131</u>	<u>788,990</u>
Deferred Outflows of Resources	<u>332,361</u>	<u>968,823</u>	<u>(636,462)</u>	<u>1,038,978</u>	<u>(70,155)</u>
Current Liabilities	3,913,124	3,814,134	98,990	3,883,092	(68,958)
Long-Term Liabilities	42,918,720	43,980,679	(1,061,959)	44,733,382	(752,703)
Total Liabilities	<u>46,831,844</u>	<u>47,794,813</u>	<u>(962,969)</u>	<u>48,616,474</u>	<u>(821,661)</u>
Net Invested in Capital Assets	41,785,998	49,186,800	(7,400,801)	38,861,678	10,325,122
Restricted	2,911,170	2,911,170	-	2,911,170	-
Unrestricted	29,880,325	23,665,458	6,214,867	32,444,787	(8,779,329)
Net Position	<u>\$ 74,577,493</u>	<u>\$ 75,763,428</u>	<u>\$ (1,185,935)</u>	<u>\$ 74,217,635</u>	<u>\$ 1,545,793</u>

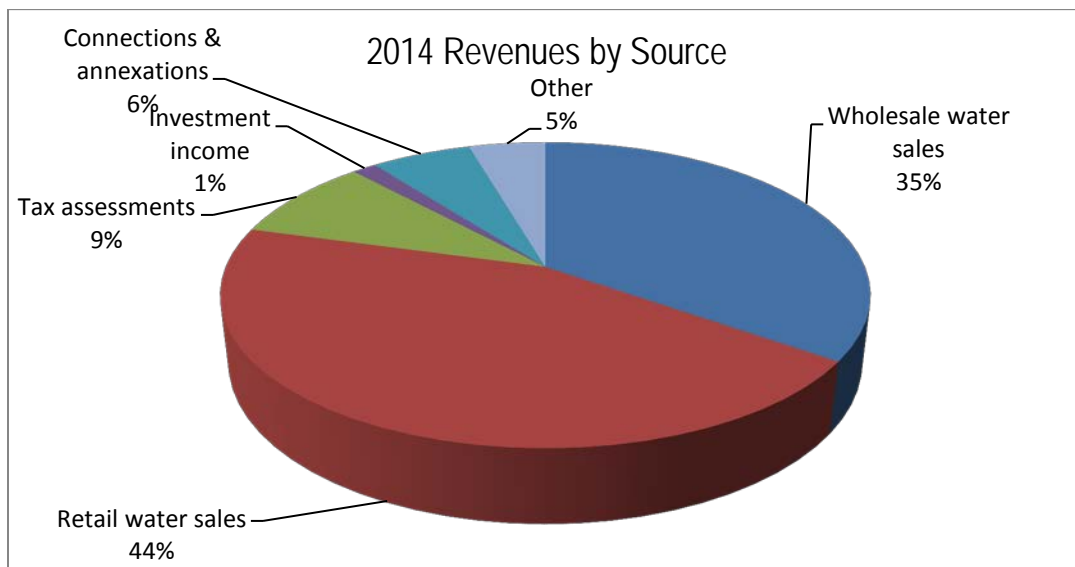
* Restated to reflect implementation of GASB Statements No. 63 and 65, and other prior-year adjustments (Note 16)

The largest portion of the District's net position, 52%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. In the prior year, investment in capital assets represented 54% of net position. The District utilizes capital assets to serve its customers; therefore, these assets are not available for future spending. While the District's investment in capital assets is reported net of related debt, be aware that the funds needed to repay this debt must be contributed from

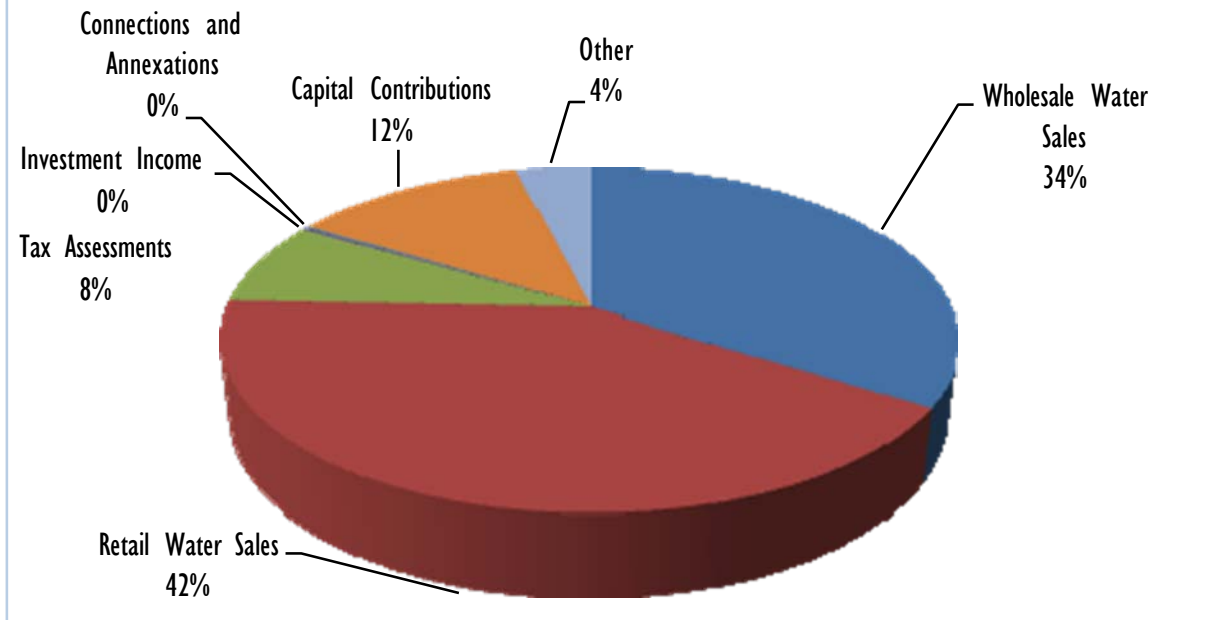
other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, restricted net position (4% of net position) are funds subject to external restrictions on how they may be used (specifically, for debt service on the 2009 Certificates of Participation (COPs)). The remaining unrestricted net assets, 40%, may be utilized to meet the District's ongoing obligations and future facility improvements or replacements. The stability of unrestricted net assets is an indicator that the financial condition of the District remains strong.

The decrease of \$1,056,625 in total net position is representative of depreciation in capital projects greater than new capital projects. In the prior fiscal year, the increase of \$1,545,792 in total net position is representative of increases in revenues and capital contributions offset by reduced non-operating revenues. The total net position for the years 2013 and 2012 were restated to implement GASB Statements No. 63 and 65.



2013 Revenues by Source



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

Operating revenue decreased by \$394,755 due to a decrease in water sales to wholesale entities for projects. In the prior fiscal year, the decrease of \$600 was due to a zero percent increase in wholesale water rates and higher amounts of grant funding, interest fees and pumping surcharges received in the previous year.

Statements of Activities

	2014	2013	Change	2012	Change
Operating Revenues					
Wholesale Water Sales	\$ 6,614,718	\$ 7,013,144	\$ (398,426)	\$ 7,364,002	\$ (350,858)
Retail Water Sales	8,481,583	8,544,267	(62,684)	8,090,259	454,008
Other	766,591	700,236	66,355	803,986	(103,750)
Total Operating Revenues	15,862,892	16,257,647	(394,755)	16,258,247	(600)
Nonoperating Revenues					
Tax assessments	1,677,842	1,606,175	71,667	1,561,130	45,045
Investment income	271,721	52,954	218,767	187,780	(134,826)
Capital Contributions	(225,068)	2,522,308	(2,747,376)	2,009,234	513,074
Connections and annexations	1,134,335	34,741	1,099,594	176,362	(141,621)
Other	104,088	102,808	1,280	108,047	(5,239)
Total Nonoperating Revenues	2,962,918	4,318,986	(1,356,068)	4,042,553	276,433
Total Revenues	18,825,811	20,576,633	(1,750,823)	20,300,800	275,833
Operating Expenses					
Administration and general	3,822,770	2,661,692	1,161,078	2,455,196	206,496
Conservation	649,832	614,749	35,083	662,589	(47,840)
Customer service	597,624	697,301	(99,677)	681,163	16,138
Engineering	633,783	264,583	369,200	325,113	(60,530)
Pumping and telemetry	759,067	609,304	149,763	621,783	(12,479)
Source of supply	2,912,322	3,506,604	(594,282)	3,186,686	319,918
Transmission and distribution	2,240,966	1,926,664	314,302	1,764,998	161,666
Water treatment	1,888,549	1,932,517	(43,968)	1,701,918	230,599
Depreciation and amortization	3,769,799	3,970,909	(201,110)	3,870,801	100,108
Retirement Benefit Fund	398,851	307,509	91,342	252,332	55,177
Total Operating Expenses	17,673,564	16,491,832	1,181,732	15,522,579	969,253
Nonoperating Expenses					
Bond and note interest	1,623,361	2,486,837	(863,476)	2,471,907	14,930
Other	101,866	52,172	49,694	62,824	(10,652)
Total Nonoperating Expenses	1,725,227	2,539,009	(813,782)	2,534,731	4,278
Total Expenses	19,398,791	19,030,841	367,950	18,057,310	973,531
Change in Net Position	(572,981)	1,545,792	(2,118,772)	2,243,490	(697,698)
Net Position, Beginning of Year	75,150,474 *	74,217,635	932,839	71,974,145	2,243,490
Net Position, End of Year	\$ 74,577,493	\$ 75,763,427	\$ (1,185,933)	\$ 74,217,635	\$ 1,545,792

* As restated

The \$1,356,068 decrease in non-operating revenues is due to a decrease in capital contributions for cooperative construction projects and offset by increases in connection fees and interest on income. This compares to the prior year's \$276,433 increase in non-operating revenues, which was a result of an increase in capital contributions for cooperative construction projects, lower investment earnings as the direct result of the recessionary economy, and a slight increase in property tax revenues. Two year's prior, non-operating revenues increased by \$391,223 which was attributed to a decrease in property tax values, reduced investment income due to market conditions, and higher capital contribution revenue.

The \$1,181,732 increase in operating expenses is due to an increase in Administrative expenses attributed to increased costs in professional services relating to drought response and in Engineering expenses, due to less expenses charged to capital projects. In the prior fiscal year, operating expenses increased by \$969,253 due to higher energy costs, vehicle and equipment maintenance costs, higher legal and consulting costs (revenues associated with cost recovery activities provide an offset), grant program activity and more depreciating assets.

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

Capital Asset and Debt Administration

Capital Assets

The District’s investment in capital assets as of June 30, 2014, net of accumulated depreciation, is \$81,879,164. This investment includes land, buildings, water treatment plant and distribution system, construction in progress, vehicles, equipment, office equipment and furniture. As of June 30, 2013, this amount was \$84,729,522. The decrease from the prior fiscal year of \$2,850,357 is due to less capital projects in progress. At June 30, 2014, the District had \$2,779,390 in construction commitments outstanding. At June 30, 2013, the District had \$1,838,561 in construction commitments outstanding.

New subdivision and commercial development within the Retail Service Area has experienced a major slowing in growth. The outlook for the next fiscal year 2014-2015 shows a continuing slow growth trend with some vacant land currently being developed. Additional information on capital assets can be located in Note 4 of the Notes to the Basic Financial Statements beginning on Page 31.

Debt Administration

As of June 30, 2014, the District had three different debt issues outstanding in an aggregate amount of \$41,646,190. Of this amount, \$861,031 represents the current portion due in Fiscal Year 2014-2015. In the prior year, there were three outstanding debt issues in an aggregate amount of \$42,325,916, with \$679,792 representing the portion due in Fiscal Year 2013-2014. For more information on Long-Term Liabilities, refer to Note 6 of the Notes to the Basic Financial Statements beginning on Page 33.

Outstanding Debt Issues

	<u>2014</u>	<u>2013</u>	<u>2012</u>
2012 Revenue Refunding Bonds	\$ 11,895,000	\$ 12,145,000	\$ 13,625,000
2009 Certificates of Participation	29,670,000	30,075,000	30,085,000
1977 Economic Development Administration Loan	81,190	105,916	129,527
Total	<u>\$41,646,190</u>	<u>\$42,325,916</u>	<u>\$43,839,527</u>

MBIA Indemnity Corporation insures the payment of the principal and interest on the 2003 Certificates of Participation. Standard & Poor’s Ratings Group and Moody’s Rating Services had given the COP a rating of “AAA” with the issuance of bond insurance by MBIA Indemnity Corporation. Pursuant to the Trust Agreement, with the recent downgrading of MBIA the District was required to file a disclosure reporting significant events and had completed this immediately following the event. For the 2009 Certificates of Participation, the District received an underlying credit rating of “AA”, outlook stable from both Standard & Poor’s Ratings Group and Fitch Ratings. This rating was upgraded to “AA+” by Fitch Ratings in 2010 and affirmed in July 2011.

Economic Factors and Next Year’s Budgets and Rates

The local economy has continued to experience slow growth combined with turmoil in the

housing and financial markets during the fiscal year. Interest rates are holding and sometimes dropping slightly which will provide lower investment earnings in the next year. The Consumer Price Index (CPI) increased 2.28% over the prior 12 months. The District currently expects to continue to receive its share of the 1% property tax revenue, but carefully monitors the activity of the State of California for potential reallocation of these funds. Proposition 1A protected these funds to the extent that the State can only borrow them for a period of three years and must repay them including interest, but there is still a general concern given the State's economic situation. Although these are used for capital improvements and not for operations, any loss of these funds would require re-evaluation of capital projects costs and scheduling to calculate the impact to the District.

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

These factors were taken into consideration during preparation of the Fiscal Year 2014-2015 Budget. As approved by the Board of Directors, the District's Wholesale Water Rates are scheduled to increase by 3% and the Retail Water Rates are scheduled to increase by 2% on January 1, 2014. A modest increase in both the Wholesale and Retail Water Rates is in keeping with the District's current financial plans and helps ensure the District's services and programs continue to meet its customers' needs. The current rates are required to fund the capital improvement program and cover the costs of providing water service to the District's customers.

Requests for Information

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

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Basic Financial Statements

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San Juan Water District
Statements of Net Position
June 30, 2014 and June 30, 2013

	2014	2013
ASSETS		
Current Assets		
Unrestricted Assets		
Cash and cash equivalents	\$ 23,126,010	\$ 14,394,837
Accounts receivable	2,174,542	4,168,641
Accrued interest and taxes receivable	71,961	79,800
Current portion of amounts recoverable under long-term water sales contracts	75,813	134,400
Inventory	92,116	67,990
Prepaid expenses	170,978	269,375
Total Unrestricted Assets	25,711,419	19,115,043
Restricted Assets		
Cash and cash equivalents	2,789,328	8,108,819
Total Restricted Assets	2,789,328	8,108,819
Total Current Assets	28,500,747	27,223,862
Noncurrent Assets		
Capital Assets, not being depreciated	13,701,951	12,846,977
Capital Assets, net of accumulated depreciation	68,177,215	71,882,547
Total Capital Assets	81,879,165	84,729,523
Restricted Assets		
Investments	2,911,170	2,911,170
Total Restricted Assets	2,911,170	2,911,170
Other Assets		
Investments	7,483,167	7,388,581
Investment in electrical power	302,727	330,971
Total Other Assets	7,785,894	7,719,552
Total Noncurrent Assets	92,576,230	95,360,246
TOTAL ASSETS	\$ 121,076,977	\$ 122,584,108
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding debt	\$ 332,361	\$ 361,166
Unamortized deferred charges		607,657
Total Deferred Outflows of Resources	\$ 332,361	\$ 968,823
 LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,462,199	\$ 1,556,426
Accrued interest	934,531	1,286,251
Customer/developer deposits	69,298	16,418
Unearned income	139,711	25,991
Due to other governments	-	10
Compensated absences	446,354	243,936
Current portion of long-term debt	861,031	679,792
Total Current Liabilities	3,913,124	3,808,824
Long-Term Liabilities		
Long-term debt	42,345,370	43,332,916
Net OPEB Liability	238,965	108,175
Compensated absences	334,385	539,588
Total Long-Term Liabilities	42,918,720	43,980,679
Total Liabilities	46,831,844	47,789,503
 NET POSITION		
Net investment in capital assets, as restated		
Capital Assets	81,879,165	84,729,523
2012 Revenue Bonds	(11,895,000)	(12,145,000)
2009 COP	(29,670,000)	(30,075,000)
1977 Loan	(81,190)	(105,916)
LTD Premium	(1,560,211)	(1,686,792)
Unspent Bond Proceeds - LAIF	2,780,873	8,108,819
Deferred Charges on Refunding	332,361	361,166
Restricted for debt service reserve fund	2,911,170	2,911,170
Unrestricted, as restated	29,880,325	23,665,458
NET POSITION	\$ 74,577,493	\$ 75,763,428

See notes to financial statements.

San Juan Water District
Statements of Activities
For The Years Ended June 30, 2014 and June 30, 2013

	2014	2013
Operating Revenues		
Water sales-wholesale		
Water charges to retail area	\$ 2,110,208	\$ 2,253,254
Citrus Heights Water District	2,146,118	2,299,226
Fair Oaks Water District	1,437,254	1,501,371
Sacramento Suburban Water District	-	54,590
Orange Vale Mutual Water Company	687,838	675,013
City of Folsom	209,701	220,894
City of Roseville	12,187	-
Granite Bay Golf Club	11,413	8,796
Total Water Sales-Wholesale	6,614,718	7,013,144
	8,481,583	8,544,267
Water sales-retail	766,591	700,236
Of Total Operating Revenues	15,862,892	16,257,647
 Operating Expenses		
Source of Supply		
Water charged to retail service area	2,110,208	2,698,230
Placer County Water Agency	416,000	390,625
US Bureau of Reclamation	65,035	92,689
Wheeling	192,390	205,847
Bureau pumping	96,008	82,704
Other Public Agencies	32,681	36,509
Depreciation and amortization	3,769,799	3,970,909
Administration and general	3,822,770	2,661,692
Water treatment	1,888,549	1,932,517
Transmission and distribution	2,240,966	1,926,664
Customer service	597,624	697,301
Pumping and telemetry	759,067	609,304
Engineering	633,783	264,583
Conservation	649,832	614,749
Retirement Benefit Fund (OPEB)	398,851	307,509
Total Operating Expenses	17,673,564	16,491,832
Net Income (Loss) From Operations	(1,810,672)	(234,185)
Non-operating Revenues		
Tax assessments	1,677,842	1,606,175
Investment income	271,721	52,954
Connections and annexations	1,134,335	34,741
Other	104,088	102,808
Total Non-operating Revenues	3,187,986	1,796,678
Non-operating Expenses		
Bond and note interest	1,623,361	2,486,837
Other	101,866	52,172
Total Non-operating Expenses	1,725,227	2,539,009
Net Income Before Capital Contributions	(347,913)	(976,516)
Capital Contributions	(225,068)	2,522,308
Change in Net Position	(572,981)	1,545,792
Net Position at Beginning of Year, as restated	75,150,474	74,217,635
Net Position at End of Year	\$ 74,577,493	\$ 75,763,427

See notes to the financial statements

San Juan Water District
Statements of Cash Flows
For The Years Ended June 30, 2014 and June 30, 2013

	2014	2013
<u>Cash Flows from (used for) Operating Activities:</u>		
Receipts from customers	\$ 18,023,580	\$ 16,088,841
Payments to suppliers for goods and services	(7,295,804)	(6,427,500)
Payments to employees for services	(6,635,997)	(5,821,239)
Net Cash Provided (Used) by Operating Activities	4,091,779	3,840,102
<u>Cash Flows from (used for) Noncapital Financing Activities:</u>		
Other income (expenses)	33,436	50,636
Tax assessments received	1,694,824	1,578,778
Net Cash Provided (Used) by Noncapital Financing Activities	1,728,260	1,629,414
<u>Cash Flows from (used for) Capital and Related Financing Activities:</u>		
Purchases of capital assets	(919,441)	(4,553,396)
Payments received on amounts recoverable under water sales contracts	58,587	244,608
Payments received for direct debt obligations	194,446	116,747
Payments for miscellaneous expenses	(2,972)	
Principal payments on long-term debt	(679,727)	(1,604,934)
Interest payments on long-term debt	(2,267,302)	(2,058,010)
Connection and annexation income	1,134,335	34,741
Capital contributions	(225,068)	2,522,308
Net Cash from (used for) Capital and Related Financing Activities	(2,707,142)	(5,297,936)
<u>Cash Flows from (used for) Investing Activities:</u>		
Purchases of investments	(2,905,200)	(5,499,000)
Proceeds from sale and maturity of investments	2,905,200	2,000,000
Investment income	167,993	203,828
Net Cash Provided (Used) by Investing Activities	167,993	(3,295,172)
Net Increase (Decrease) in Cash and Cash Equivalents	3,280,890	(3,123,592)
Cash and Cash equivalents at beginning of year	22,503,657	25,627,249
Cash and Cash equivalents at end of year	\$ 25,784,547	\$ 22,503,657
<u>Financial Statement Presentation:</u>		
Cash and cash equivalents	\$ 23,126,010	\$ 14,394,837
Restricted cash and cash equivalents	2,789,328	8,108,819
Total Cash and Cash Equivalents	\$ 25,915,337	\$ 22,503,656

See Notes to Financial Statements.

**San Juan Water District
Statements of Cash Flows
For The Years Ended June 30, 2014 and June 30, 2013**

	2014	2013
Reconciliation of Net Income (Loss) from Operations to Cash Provided by (Used for) Operating Activities		
Net Operating Income (Loss)	\$ (1,810,672)	\$ (234,184)
Adjustments to reconcile net income (loss) from operations to net Cash provided by (used for) operating activities:		
Depreciation and amortization	3,769,799	3,970,909
(Gain) Loss on disposal of capital assets	-	(6,635)
Changes in assets and liabilities:		
(Increase) Decrease in Accounts receivable	1,994,099	(198,996)
(Increase) Decrease in Inventory	(24,113)	20,260
(Increase) Decrease in Prepaid expenses	98,397	(13,914)
Increase (Decrease) in Accounts payable	(78,797)	325,738
Increase (Decrease) in Salaries payable	(21,139)	7,982
Increase (Decrease) in Unearned compensation	400	-
Increase (Decrease) in Customer/developer deposits	52,880	7,900
Increase (Decrease) in Unearned income	113,720	10,271
Increase (Decrease) in Due to other governments	(10)	-
Increase (Decrease) in Compensated absences	(2,786)	(49,029)
	<u>\$ 4,091,779</u>	<u>\$ 3,840,302</u>
Non-Cash Activities		
Change in fair value of investments	\$ (94,237)	\$ (143,710)

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies

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

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

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

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

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

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Overhead Allocation: The quarterly overhead expense of maintaining vehicles, equipment, small tools and radios is charged to construction jobs and maintenance operations performed by District forces, all prorated on a man-hour basis. In addition, administrative overhead in the amount of 15% of the total cost is added to all jobs to recover associated costs. This was discontinued during Fiscal Year 2013-2014.

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

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the 2009 Certificates of Participation debt service. The indenture does not establish a reserve fund in connection with the issuance of the 2012 Revenue Refunding Bonds. Certain unspent debt proceeds are restricted to specific capital projects by the applicable debt covenant. Restricted assets also include voluntary employee deductions held for the Section 125 plans.

Capital Assets: Capital assets are recorded at historical cost if purchased or constructed. Donated assets are valued at estimated fair value on the date received. Depreciation is calculated using the straight line method over the following estimated useful lives:

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

1. Summary of Significant Accounting Policies (Continued)

<u>Description</u>	<u>Estimated Life</u>
Building and structures	5-33 years
Machinery and equipment	3-15 years
Plant and pipelines	33 years

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

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

Bond Premiums and Issuance Costs: With the implementation of GASB 65, bond issuance costs, are no longer deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums. Bond issuance costs were written off as of June 30, 2014.

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

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

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

Unearned Revenue: Unearned Revenue represents revenues received for wholesale and retail sales that have not been earned as of June 30, 2014 and 2013.

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

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments

Cash and investments as of June 30, 2014 and 2013 are classified in the accompanying financial statements as follows:

Cash and investments as of June 30, 2014 and 2013 consisted of the following:

	2014	2013
Cash and cash equivalents	\$ 23,126,010	\$ 14,394,837
Restricted cash and cash equivalents	2,789,328	8,108,819
Restricted investments	2,911,170	2,911,170
Investments	7,483,168	7,388,581
Total Cash and Investments	\$ 36,309,675	\$ 32,803,407

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. treasury obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Bankers acceptances	180 days	20%	20%
High grade commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	50%
Local Area Investment Fund (LAIF)	N/A	None	None
Time deposits	5 years	10%	50%
Medium term corporate notes	5 years	30%	50%
Money market mutual funds	N/A	15%	10%
Mortgage pass-through securities	5 years	20%	20%
Collateralized mortgage obligations	5 years	20%	20%
Mortgage-backed or other pay-through bonds	5 years	20%	20%
Equipment leased-back certificates	5 years	20%	20%
Consumer receivable pass-through certificates	5 years	20%	50%
Consumer receivable-backed bonds	5 years	20%	50%

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

During the years ended June 30, 2014 and 2013, the District's investments included the following instruments:

	2014	2013
Cash on hand	\$ 100	\$ 100
Deposits with financial institutions	3,025,413	1,349,763
Total Cash on hand and deposit	<u>\$ 3,025,513</u>	<u>\$ 1,349,863</u>
Money market mutual funds	\$ 4,969,889	\$ 5,086,939
Investments in Local Agency Investment Fund (LAIF)	20,831,594	18,978,165
U.S. agency securities	4,972,900	4,904,700
Medium-term corporate notes	2,509,779	2,483,740
Total Investments	<u>\$ 33,284,162</u>	<u>\$ 31,453,544</u>
Total Cash and Investments	<u>\$ 36,309,675</u>	<u>\$ 32,803,407</u>

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

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

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

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

	Remaining Maturity (in Months)				
	Total	12 Months or less	13-24 Months	25-60 Months	> 60 Months
U.S. agency securities	\$ 4,972,900	\$ -	\$ -	\$ 4,972,900	
Medium-term corporate notes	2,509,779		1,259,185	1,250,593	
LAIF	18,050,721	18,050,721			
Money market mutual funds	2,058,719	2,058,719			
<u>Held by bond trustee:</u>					
LAIF	2,780,873	2,779,391			
Money market mutual funds	2,911,170	2,911,170			
Total Investments	\$ 33,284,162	\$ 25,800,001	\$ 1,259,185	\$ 6,223,493	\$ -

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

		Minimum Rating			Not Rated
		AAA	AA	Not Rated	
U.S. agency securities	\$ 4,972,900	N/A	\$ 4,972,900	\$ -	\$ -
Medium-term corporate notes	2,509,779	A	1,260,153	1,249,625	
LAIF	18,050,721	N/A			18,050,721
Money market mutual funds	2,058,719	A	2,058,719		
<u>Held by bond trustee:</u>					
LAIF	2,780,873	N/A			2,779,391
Money market mutual funds	2,911,170	A	2,911,170		
Total Investments	\$ 33,284,162		\$ 11,202,942	\$ 1,249,625	\$ 20,830,112

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

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

Issuer	Investment Type	Reported Amount
Federal Farm Credit Banks	U.S. agency security	\$ 2,000,530

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

At June 30, 2014, the carrying amount of the District's deposits was \$3,025,414. In accordance with State law (Government Code Section 53630), deposits are covered by federal depository insurance corporation, supplemental insurance held by the investment broker and collateralized as required by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District. As of June 30, 2014 and 2013, all of the District's deposits with financial institutions in excess of federal depository insurance corporation limits were held in collateralized accounts. As of June 30, 2014, District investments in the following investment types were held by a third party custodian (trustee) separate from the broker-dealer used to buy the securities:

Investment Type	Reported Amount
U.S. agency securities	\$ 4,972,900
Medium-term corporate notes	2,509,778
Money market mutual funds	4,969,889

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$21,119,834,294 managed by the State Treasurer. Of that amount, 100% is invested in non- derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

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

3. Accounts Receivable

	2014	2013
Wholesale customers	\$ 904,533	\$ 2,662,457
Retail customers	1,272,604	1,498,129
Retail collections	1,145	4,607
Cavitt Stallman	-	7,348
Miscellaneous	260	100
Less: Allowance for Doubtful Accounts	(4,000)	(4,000)
Accounts Receivable, net	2,174,542	4,168,641
Interest - LAIF	20,719	11,577
Property Taxes	51,242	68,223
Total Accrued Interest and Taxes Receivable	71,961	79,800

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

4. Capital Assets

Capital asset activity for the years ended June 30, 2014 and 2013 was as follows:

	June 30, 2013	Additions	Disposals	Transfers	June 30, 2014
Capital Assets not Being Depreciated:					
Land	\$ 572,670	\$ -		\$ -	\$ 572,670
Construction in progress	12,274,308	854,974			13,129,282
Total capital assets not being depreciated	12,846,978	854,974	-	-	13,701,952
Capital assets being depreciated:					
Pipelines	64,498,979				64,498,979
Water Treatment Plant	41,106,766				41,106,766
Land Improvements	6,176,610				6,176,610
Reservoirs	6,743,165				6,743,165
Pumping Stations	8,015,403				8,015,403
Buildings	1,547,254	6,800			1,554,054
Vehicles and Equipment	3,587,289	57,667			3,644,956
Total capital assets being depreciated	131,675,466	64,467	-	-	131,739,933
Less accumulated depreciation for:					
Pipelines	(29,180,260)	(976,879)			(30,157,139)
Water Treatment Plant	(17,921,031)	(1,106,978)			(19,028,009)
Land Improvements	(483,555)	(200,075)			(683,630)
Reservoirs	(5,432,164)	(1,113,569)			(6,545,733)
Pumping Stations	(3,172,591)	(262,980)			(3,435,571)
Buildings	(1,068,232)	(50,893)			(1,119,125)
Vehicles and Equipment	(2,535,088)	(58,425)			(2,593,513)
Total accumulated depreciation	(59,792,921)	(3,769,799)	-	-	(63,562,720)
Total capital assets being depreciated, net	71,882,545	(3,705,332)	-	-	68,177,213
Capital Assets, net	\$ 84,729,523	\$ (2,850,358)	\$ -	\$ -	\$ 81,879,165

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

4. Capital Assets (Continued)

	June 30, 2012	Additions	Disposals	Transfers	June 30, 2013
Capital Assets, not being depreciated:					
Land	\$ 572,670	\$ -	\$ -	\$ -	\$ 572,670
Construction in progress	9,359,290	4,455,847	-	(1,540,829)	12,274,307
Total Capital Assets, not being depreciated	9,931,960	4,455,846	-	(1,540,829)	12,846,977
Capital Assets, being depreciated:					
Pipelines, reservoirs, pumping	62,999,404			1,499,575	64,498,979
Water Treatment Plant	41,083,303	23,464			41,106,767
Land Improvements	6,176,610				6,176,610
Reservoirs	6,701,911			41,254	6,743,165
Pumping Stations	8,015,403				8,015,403
Buildings	1,547,254				1,547,254
Vehicles and Equipment	3,513,203	92,968	(18,882)		3,587,289
Total Capital Assets, being depreciated	130,037,088	116,432	(18,882)	1,540,829	131,675,467
Less accumulated depreciation					
Pipelines, reservoirs, pumping	(27,433,272)	(1,746,988)			(29,180,260)
Water Treatment Plant	(16,621,536)	(1,299,495)			(17,921,031)
Land Improvements	(283,480)	(200,075)			(483,555)
Reservoirs	(5,277,099)	(155,065)			(5,432,164)
Pumping Stations	(2,909,421)	(263,170)			(3,172,591)
Buildings	(1,017,339)	(50,893)			(1,068,232)
Vehicles and Equipment	(2,298,748)	(255,223)	18,882		(2,535,089)
Total accumulated depreciation	(55,840,895)	(3,970,909)	18,882	-	(59,792,922)
Total Capital Assets, being depreciated, net	74,196,193	(3,854,476)	-	1,540,829	71,882,545
Total Capital Assets, being depreciated, net	\$ 84,128,153	\$ 601,370	\$ -	\$ -	\$ 84,729,523

5. Investment in Electrical Power

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

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

5. Investment In Electrical Power (Continued)

The District has a 0.13 percent equity interest in the net assets of the Project as defined in the Long-Term Participation Agreement. The District also has an obligation to finance 0.13 % of the net losses of the Project; it also has the right to receive 0.13 % of the operating results of the Project income. The District is billed monthly for its share of the operations and maintenance costs of the Project, which totaled approximately \$541 and \$536 during the years ended June 30, 2014 and 2013, respectively. The District's net investment and its share of the operating results of the Project are reported as Investment in Electrical Power. The Project unaudited interim financial statements for the year ended June 30, 2014 are available from the California- Oregon Transmission Project at P.O. Box 15140, Sacramento, CA, 95866.

The following is the summarized financial information for the Project as of and for the years ended June 30, 2014 (unaudited) and 2013 (unaudited):

	Unaudited 2014	Unaudited 2013
Balance Sheet:		
Assets	\$ 276,192,556	\$ 283,553,518
Liabilities	22,025,550	21,559,693
Net assets	254,167,006	261,993,825
Liabilities and net assets	\$ 276,192,556	\$ 283,553,518
Income Statement:		
Operating revenues	\$ 12,893,405	\$ 10,902,553
Operating expenses	23,507,537	21,504,036
Operating loss	(10,614,132)	(10,601,483)
Nonoperating revenue - interest and other	489	490
Change in net assets	\$ (10,613,643)	\$ (10,600,993)
District's share of change in net assets	(28,244)	(12,506)

6. Long-Term Liabilities

As of June 30, 2014, the District has three components of outstanding debt described below.

2012 Refunding Bonds

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

6. Long-Term Liabilities (Continued)

2009 Revenue Certificates of Participation

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

1977 Economic Development Administration (EDA) Loan

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

Long-term debt consisted of the following for years ending June 30, 2014 and 2013:

	2014	2013 *
2012 Revenue Refunding Bonds	\$ 11,895,000	\$ 12,145,000
Participation	29,670,000	30,075,000
Administration Loan	81,190	105,916
Total bonds and notes payable	\$ 41,646,190	\$ 42,325,916
Less: Current portion	(861,031)	(679,792)
payable	\$ 40,785,159	\$ 41,646,124
Add: Unamortized premium	1,560,211	1,686,792
Total Long-term Debt	\$ 42,345,370	\$ 43,332,916

* As restated

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

6. Long-Term Liabilities (Continued)

The District's long-term liability activity during the years ended June 30, 2014 and 2013 was:

	June 30, 2013	Additions	Reductions	June 30, 2014	Due Within One Year
2012 Revenue Refunding Bonds	\$ 12,145,000	\$ -	\$ (250,000)	\$ 11,895,000	\$ 420,000
2009 Revenue Certificates of Participation	30,075,000	-	(405,000)	29,670,000	415,000
1977 Economic Development	105,916	-	(24,726)	81,190	26,031
Total bonds and notes payable	<u>\$ 42,325,916</u>	<u>\$ -</u>	<u>\$ (679,726)</u>	<u>\$ 41,646,190</u>	<u>\$ 861,031</u>
Compensated absences	<u>\$ 783,524</u>	<u>\$ 1,124,253</u>	<u>\$ (1,127,038)</u>	<u>\$ 780,738</u>	<u>\$ 446,354</u>

	June 30, 2012	Additions	Reductions	June 30, 2013	Due Within One Year
2012 Revenue Refunding Bonds	\$ 13,625,000	\$ -	\$ (1,480,000)	\$ 12,145,000	\$ 250,000
2009 Revenue Certificates of Participation	30,085,000	-	(10,000)	30,075,000	405,000
1977 Economic Development	129,527	-	(23,611)	105,916	24,726
Total bonds and notes payable	<u>\$ 43,839,527</u>	<u>\$ -</u>	<u>\$ (1,513,611)</u>	<u>\$ 42,325,916</u>	<u>\$ 679,726</u>
Compensated absences	<u>\$ 832,553</u>	<u>\$ 478,451</u>	<u>\$ (527,480)</u>	<u>\$ 783,524</u>	<u>\$ 243,936</u>

The following is a schedule of maturities for long-term debt at June 30, 2014:

2012 Revenue Refunding Bonds

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 420,000	\$ 546,550	\$ 966,550
2016	440,000	533,700	973,700
2017	450,000	518,500	968,500
2018	465,000	499,281	964,281
2019	485,000	481,013	966,013
2020-2024	2,775,000	11,379,777	14,154,777
2025-2029	3,430,000	1,373,838	4,803,838
2030-2033	3,430,000	386,969	3,816,969
Total	<u>\$ 11,895,000</u>	<u>\$ 15,719,627</u>	<u>\$ 27,614,627</u>

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

6. Long-Term Liabilities (Continued)

2009 Revenue Certificates of Participation

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 415,000	\$ 1,691,075	\$ 2,106,075
2016	430,000	1,672,400	2,102,400
2017	450,000	1,653,050	2,103,050
2018	475,000	1,606,800	2,081,800
2019	500,000	1,580,550	2,080,550
2020-2024	2,920,000	7,594,438	10,514,438
2025-2029	3,825,000	6,695,275	10,520,275
2030-2034	7,205,000	5,495,400	12,700,400
2035-2039	13,450,000	2,515,200	15,965,200
Total	<u>\$ 29,670,000</u>	<u>\$ 30,504,188</u>	<u>\$ 60,174,188</u>

1977 Economic Development Administration Loan

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 26,031	\$ 4,060	\$ 30,091
2016	27,333	2,758	30,091
2017 *	27,826	1,391	29,217
Total	<u>\$ 81,190</u>	<u>\$ 8,209</u>	<u>\$ 89,399</u>

* Loan balance adjusted \$66 by EDA

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

In June 2012, the District utilized proceeds of the 2012 Revenue Refunding Bonds totaling \$13,625,000 with an average interest rate of 4.85% to advance refund \$15,875,000 of outstanding 2003 Revenue Certificates of Participation with an average interest rate of 3.33%, which were fully retired. Proceeds in the amount of \$16,555,915, including existing funds of \$1,696,877 were deposited in an irrevocable trust to provide for all future debt payments on the 2003 Certificates of Participation. As a result, the 2003 Certificates of Participation are considered to be defeased and the liability for the defeased 2003 Certificates of Participation has been removed from the District's financial statements.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

6. Long-Term Liabilities (Continued)

The advance refunding resulted in a difference between the reacquisition price and the net acquisition price of the old debt of \$394,322. This deferred amount on refunding, reported in the accompanying financial statements as deferred charges on refunding debt, is being charged to operations through February 1, 2033 instead of the original life of the 2003 Certificates of Participation which were amortized through February 1, 2039. The District completed the advance refunding to reduce its total debt service payments by \$3,260,050 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$785,042.

7. Net Investment in Capital Assets

	2014	2013*
Capital Assets, gross	\$ 145,441,885	\$ 144,522,445
Less: Accumulated Depreciation	(63,562,720)	(59,792,922)
Net Capital Assets	\$ 81,879,165	\$ 84,729,523
Add: Deferred costs on bond refunding	332,361	361,166
Add: Unspent bond proceed	2,780,873	8,108,819
Less: Debt used for capital purposes	(41,646,191)	(42,325,917)
Less: Unamortized premium	(1,560,211)	(1,686,792)
Net Investment in Capital Assets	\$ 41,785,997	\$ 49,186,799

* As restated

8. Restricted Net Position

Restricted net position consist of constraints placed on net position use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position consisted of the debt service reserve on the 2009 Certificates of Participation of \$2,911,170 at June 30, 2014, and the debt service reserve on the 2009 Certificates of Participation of \$2,911,170 at June 30, 2013.

	2014			2013		
	Wholesale	Retail	Total	Wholesale	Retail	Total
2009 COP Reserve Fund	\$ 1,863,149	\$ 1,048,021	\$ 2,911,170	\$ 1,863,149	\$ 1,048,021	\$ 2,911,170
Restricted Net Assets	\$ 1,863,149	\$ 1,048,021	\$ 2,911,170	\$ 1,863,149	\$ 1,048,021	\$ 2,911,170

9. Unrestricted Net Position

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

9. Unrestricted Net Position (continued)

	Wholesale		Retail		Total	
	2014	2013	2014	2013	2014	2013
Capital Reserves	\$ 8,040,464	\$ 6,298,506	\$ 9,058,671	\$ 4,550,061	\$ 17,099,135	\$ 10,848,567
Connection Reserves	190,090	133,776	3,627,456	2,714,103	3,817,546	2,847,879
Operating Reserves	1,120,995	968,087	1,437,090	1,403,490	2,558,085	2,371,577
Hinkle Reservoir Lining Replacement Reserve	2,537,321	2,431,329	-	-	2,537,321	2,431,329
Rate Stabilization Reserve	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Reserve for Employees' Vacation/Sick Leave	366,906	329,641	455,147	453,943	822,053	783,584
Emergency Capital Reserves	-	-	597,706	596,124	597,706	596,124
Kokila Reservoir Lining Replacement Reserve	-	-	371,496	360,539	371,496	360,539
Developers' Deposits-Construction/Inspection	-	-	18,693	18,644	18,693	18,644
Delta/Water Rights	101,151	-	-	-	101,151	-
PERS Stabilization	409,819	406,245	407,323	406,245	817,142	812,490
Economic Development Administration	-	-	30,000	30,000	30,000	30,000
Vehicles/Equipment	50,000	-	50,000	-	100,000	-
Self-insurance Reserve	10,000	10,000	-	10,000	10,000	20,000
Total Designated Net Position	\$ 13,826,746	\$ 11,577,584	\$ 16,053,582	\$ 10,543,149	\$ 29,880,328	\$ 22,120,733
Unrestricted Net Position	-	1,271,282	-	273,442	-	1,544,724
Total Unrestricted, Designated Net Position	\$ 13,826,746	\$ 12,848,866	\$ 16,053,582	\$ 10,816,591	\$ 29,880,328	\$ 23,665,457

10. Deferred Compensation Plan

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

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

11. Employees' Retirement Plan

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

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

Funding Policy: Active plan members in Tier 1, Tier 2 and PEPRA are required to contribute a percentage of their annual covered salary, 8% (Tier 1 and 2) and 6.25% (PEPRA). The District withholds and remits the contributions required of employees on their behalf and for their account, which amounted to \$292,514 and \$305,721 for the years ended June 30, 2014 and 2013, respectively. For Tier 1, the District was required to contribute at an actuarially determined rate of 15.724% and 15.302% for the years ended June 30, 2014 and 2013, respectively. For Tier 2, the District was required to contribute at an actuarially determined rate of 15.084% and 14.627% for the years ended June 30, 2014 and 2013, respectively. Under PEPRA, the District was required to contribute at an actuarially determined rate of 6.25% beginning January 1, 2013. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost: For the years ending June 30, 2014 and 2013, the District incurred annual pension costs of \$559,913 and \$560,309, respectively. The required contribution was determined as part of the June 30, 2011 actuarial valuation using entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses); (b) projected salary increases that vary in duration of service ranging from 3.30% to 14.20% for miscellaneous members and (c) 3.00% cost of living adjustment. Both (a) and (b) include an inflation component of 2.75%. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a three year period (smoothed market value). The plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2011 was 19 years.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

11. Employees' Retirement Plan (Continued)

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>
June 30, 2012	\$ 478,444	100%
June 30, 2013	560,309	100%
June 30, 2014	559,913	100%

12. Other Post-Employment Benefits (OPEB)

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

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

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

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

	<u>2014</u>	<u>2013</u>
Annual OPEB Cost	\$ 394,987	\$ 542,461
Contributions Made	(264,197)	(542,461)
Increase in Net OPEB Obligation	130,790	-
Net OPEB Obligation, Beginning of Year	108,175	108,175
Net OPEB Obligation, End of Year	<u>238,965</u>	<u>108,175</u>

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

12. Other Post-Employment Benefits (OPEB) (Continued)

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

Actuarial Valuation Date	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 478,444	-211%	\$ 108,175
June 30, 2013	542,461	43%	108,175
June 30, 2014	394,987	67%	238,965

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

Actuarial Accrued Liability (AAL)	\$ 5,090,374
Actuarial Value of Plan Assets	<u>1,686,228</u>
Unfunded Actuarial Accrued Liability (UUAL)	<u>\$ 4,926,066</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	34.23%
Covered Payroll (Annual Payroll of Active Employees covered by the plan)	\$ 3,897,433
UUAL as a Percentage of Covered Payroll	126.39%

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

Actuarial Methods and Assumptions:

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

12. Other Post-Employment Benefits (OPEB) (Continued)

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

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

13. Insurance

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

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

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

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

13. Insurance (Continued)

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

14. New Governmental Accounting Standards

New pronouncements issued by the Governmental Accounting Standards Board (GASB) are listed below with the impact to the District, if known at the time of completion of the CAFR.

Statement No. 65 - Items Previously Reported as Assets and Liabilities

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. This has been implemented. See Financial Note 16 for additional information.

Statement No. 66 - Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. There is no impact to the District.

Statement No. 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 30, 2013. Earlier application is encouraged. This Statement is not applicable to the District because it does not have a pension trust fund.

Statement No. 68 – Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 30, 2014. Earlier application is encouraged. The District plans to incorporate any required changes by the compliance deadline.

Statement No. 69 – Government Combinations and Disposals of Government Operations

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged. There is no impact to the District at this time.

Statement No. 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. There is no impact to the District at this time.

Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 30, 2014 in conjunction with Statement No. 68. Earlier application is encouraged. The District plans to incorporate any required changes by the compliance deadline.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

15. Commitments and Contingencies

As of June 30, 2014 and 2013, the District had the following commitments for capital improvements:

Capital Project	Remaining Construction Commitments	
	June 30, 2014	June 30, 2013
Auburn Folsom Rd Transmission Main (North Phase)	\$ -	\$ 1,194,209
Granite Bay Pumpstation Replacement	2,564,390	351,106
Security System Improvements	-	243,246
Geographic Information System (GIS) Software	-	20,000
SCADA Improvements	-	30,000
Pipelines	15,000	
Pressure Reducing Station	200,000	
	\$ 2,779,390	\$ 1,838,561

16. Restatements of Financial Information for the Year Ended June 30, 2013

The reported results for the year ended June 30, 2013 have been restated in the accompanying financial statements, notes to the financial statements, and statistical tables as follows:

Net Position

	2013
Net position, as reported	\$ 75,763,427
GASB 65 implementation	(607,657)
Inventory adjustment	14
Accounts payable adjustment	(5,310)
Net position, as restated	\$ 75,150,474

Governmental Accounting Standards Board (GASB) Statement No. 65 requires that bond issuance costs, other than prepaid insurance, be expenses in the year incurred. At the end of FY 2013, bond issuance costs of \$607,657 remained unamortized. In accordance with GASB 65, these costs were expensed.

The restated FY 2013 net position also reflects adjustments to inventory and accounts payable (\$14 and \$5,310, respectively).

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

16. Restatements of Financial Information for the Year Ended June 30, 2013 (continued)

Long-Term Debt

	<u>2013</u>
Long-term debt, as reported	\$ 42,971,750
Deferred amount on refunding	<u>361,166</u>
Long-term debt, as restated	<u>\$ 43,332,916</u>

Long-term debt for 2013 has been restated in accordance with GASB 63, which requires deferred amounts on refunding to be shown separately on the Statements of Net Position as Deferred Outflows of Resources. Prior to 2014, such charges were reported as a deduction from long-term debt (\$42,971,750 including a deduction for deferred charges of \$361,166).

Supplementary Information Section

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San Juan Water District
Schedules of Administrative and General Expenses
For the Year Ended June 30 2014

	<u>Total</u>	<u>Wholesale</u>	<u>Retail</u>
Salaries and benefits	\$ 1,978,864	\$ 1,181,234	\$ 797,631
Audit/consulting	903,824	598,767	305,058
Shop supplies	156,454	7,856	148,598
Other/landscaping	29,919	11,198	18,721
Directors' fees/expenses	36,410	18,801	17,609
Elections expense	-	-	-
Insurance	148,590	73,408	75,182
Legal	197,507	168,629	28,878
Meetings/conventions	78,079	65,453	12,627
Office supplies/expenses	203,841	115,199	88,642
Public relations	269,611	193,321	76,290
Telephone/radio	15,887	4,109	11,778
Utilities	19,287	11,577	7,709
Hazardous waste	256	-	256
Subtotal	<u>\$ 4,038,528</u>	<u>\$ 2,449,551</u>	<u>\$ 1,588,977</u>
Less overhead allocation	<u>(215,758)</u>	<u>(180,687)</u>	<u>(35,072)</u>
Net Total	<u>\$ 3,822,770</u>	<u>\$ 2,268,865</u>	<u>\$ 1,553,905</u>

San Juan Water District
Schedules of Administrative and General Expenses
For the Year Ended June 30 2013

	<u>Total</u>	<u>Wholesale</u>	<u>Retail</u>
Salaries and benefits	\$ 1,741,136	\$ 1,086,658	\$ 654,478
Audit/consulting	343,685	260,166	83,519
Shop supplies	13,972	4,375	9,597
Other/landscaping	31,292	7,589	23,703
Directors' fees/expenses	60,448	30,224	30,224
Elections expense	72,218	36,109	36,109
Insurance	151,378	69,491	81,887
Legal	171,286	138,443	32,843
Meetings/conventions	38,231	22,706	15,525
Office supplies/expenses	234,254	150,405	83,849
Public relations	206,428	140,448	65,980
Telephone/radio	17,147	3,800	13,347
Utilities	20,179	12,493	7,686
Hazardous waste	1,990	-	1,990
Subtotal	<u>3,103,644</u>	<u>1,962,907</u>	<u>1,140,737</u>
Less overhead allocation	<u>(441,952)</u>	<u>(225,537)</u>	<u>(216,415)</u>
Net Total	<u>\$ 2,661,692</u>	<u>\$ 1,737,370</u>	<u>\$ 924,322</u>

San Juan Water District
Schedules of Operations - Budget and Actual
Wholesale and Retail Combined
For The Year Ended June 30, 2014

	Actual	Final Budget	Variance With Final Budget Positive (Negative)
Operating Revenues			
Water sales-wholesale			
Water charges to retail area	\$ 2,110,208	\$ 2,269,402	\$ (159,194)
Citrus Heights Water District	2,146,118	2,310,227	(164,109)
Fair Oaks Water District	1,437,254	1,521,336	(84,082)
Sacramento Suburban Water District	-	-	-
Orange Vale Mutual Water Company	687,838	711,298	(23,460)
City of Folsom	209,701	235,107	(25,406)
City of Roseville	12,187	-	12,187
Granite Bay Golf Club	11,413	7,863	3,550
Other Public Agencies	-	-	-
Total Water Sales-Wholesale	<u>6,614,718</u>	<u>7,055,233</u>	<u>(440,515)</u>
Water sales-retail	8,481,583	8,500,990	(19,407)
Other	766,591	671,742	94,849
Total Operating Revenues	<u>15,862,892</u>	<u>16,227,965</u>	<u>(365,073)</u>
Operating Expenses			
Source of Supply			
Water charged to retail service area	2,110,208	1,919,402	190,806
Placer County Water Agency	416,000	421,500	(5,500)
US Bureau of Reclamation	65,035	58,184	6,851
Wheeling	192,390	224,857	(32,467)
Bureau pumping	96,008	124,094	(28,086)
Other Public Agencies	32,681	16,993	15,688
Administration and general	3,822,770	2,550,680	1,272,090
Water treatment	1,888,549	1,984,210	(95,661)
Transmission and distribution	2,240,966	1,751,307	489,659
Customer service	597,624	648,142	(50,518)
Pumping and telemetry	759,067	631,503	127,564
Engineering	633,783	380,070	253,713
Conservation	649,832	796,941	(147,109)
Retirement Benefit Fund (OPEB)	398,851	336,000	62,851
Total Operating Expenses Excluding Depreciation	<u>13,903,765</u>	<u>11,843,883</u>	<u>2,059,882</u>
Net Income (Loss) From Operations Excluding Depreciation	<u>1,959,127</u>	<u>\$ 4,384,082</u>	<u>\$ (2,424,955)</u>
Depreciation	3,769,799		
Net Income from Operations	<u><u>\$ (1,810,672)</u></u>		

San Juan Water District
Schedules of Operations - Budget and Actual
Wholesale
For The Year Ended June 30, 2014

	Actual	Final Budget	Variance With Final Budget Positive (Negative)
Operating Revenues			
Water sales-wholesale			
Water charges to retail area	\$ 2,110,208	\$ 2,269,402	\$ (159,194)
Citrus Heights Water District	2,146,118	2,310,227	(164,109)
Fair Oaks Water District	1,437,254	1,521,336	(84,082)
Sacramento Suburban Water District	-	-	-
Orange Vale Mutual Water Company	687,838	711,298	(23,460)
City of Folsom	209,701	235,107	(25,406)
City of Roseville	12,187	-	12,187
Granite Bay Golf Club	11,413	7,863	3,550
Other Public Agencies	-	-	-
Total Water Sales-Wholesale	<u>6,614,718</u>	<u>7,055,233</u>	<u>(440,515)</u>
Water sales-retail	-	-	-
Other	595,893	500,482	95,411
Total Operating Revenues	<u>7,210,611</u>	<u>7,555,715</u>	<u>(345,104)</u>
Operating Expenses			-
Source of Supply			-
Water charged to retail service area	-	-	-
Placer County Water Agency	416,000	421,500	(5,500)
US Bureau of Reclamation	65,035	58,184	6,851
Wheeling	192,390	224,857	(32,467)
Bureau pumping	96,008	124,094	(28,086)
Other Public Agencies	32,681	16,993	15,688
Administration and general	2,203,470	1,540,965	662,505
Water treatment	1,888,549	1,984,210	(95,661)
Transmission and distribution	11,149	125,382	(114,233)
Customer service	18,571	-	18,571
Pumping and telemetry	(2,690)	-	(2,690)
Engineering	308,735	59,696	249,039
Conservation	225,648	284,554	(58,906)
Retirement Benefit Fund (OPEB)	199,426	168,000	31,426
Total Operating Expenses Excluding Depreciation	<u>5,654,973</u>	<u>5,008,435</u>	<u>646,538</u>
Net Income (Loss) From Operations Excluding Depreciation	1,555,638	<u>\$ 2,547,280</u>	<u>\$ (991,642)</u>
Depreciation	<u>2,330,036</u>		
Net Income from Operations	<u>\$ (774,398)</u>		

San Juan Water District
Schedules of Operations - Budget and Actual
Retail
For The Year Ended June 30, 2014

	Actual	Final Budget	Variance With Final Budget Positive (Negative)
Operating Revenues			
Water sales-wholesale			
Water charges to retail area	\$ -	\$ -	\$ -
Citrus Heights Water District	-	-	-
Fair Oaks Water District	-	-	-
Sacramento Suburban Water District	-	-	-
Orange Vale Mutual Water Company	-	-	-
City of Folsom	-	-	-
City of Roseville	-	-	-
Granite Bay Golf Club	-	-	-
Other Public Agencies	-	-	-
Total Water Sales-Wholesale	-	-	-
Water sales-retail	8,481,583	8,500,990	(19,407)
Other	170,698	171,260	(562)
Total Operating Revenues	8,652,281	8,672,250	(19,969)
Operating Expenses			-
Source of Supply			-
Water charged to retail service area	2,110,208	1,919,402	190,806
Placer County Water Agency	-	-	-
US Bureau of Reclamation	-	-	-
Wheeling	-	-	-
Bureau pumping	-	-	-
Other Public Agencies	-	-	-
Administration and general	1,488,510	1,009,715	478,795
Water treatment	0	-	0
Transmission and distribution	2,229,817	1,625,925	603,892
Customer service	579,053	648,142	(69,089)
Pumping and telemetry	761,757	631,503	130,254
Engineering	325,048	320,374	4,674
Conservation	424,184	512,387	(88,203)
Retirement Benefit Fund (OPEB)	199,426	168,000	31,426
Total Operating Expenses Excluding Depreciation	8,118,002	6,835,448	1,282,554
Net Income (Loss) From Operations Excluding Depreciation	534,279	\$ 1,836,802	\$ (1,302,523)
Depreciation	1,439,763		
Net Income from Operations	\$ (905,484)		

San Juan Water District
Schedules of Non-Operating Revenues and Expenses
For The Year Ended June 30, 2014

	<u>Total</u>	<u>Wholesale</u>	<u>Retail</u>
Non-Operating Revenues			
Tax assessments	\$ 1,677,842	\$ 838,921	\$ 838,921
Investment income	271,721	271,721	-
Connections and annexations	1,134,335	53,231	1,081,104
Other	104,088	102,013	2,074
Total Non-operating Revenues	<u>3,187,986</u>	<u>1,265,886</u>	<u>1,922,100</u>
Non-Operating Expenses			
Bond and note interest	1,623,361	942,384	680,977
Other	101,867	69,732	32,135
Total Non-operating Expenses	<u>1,725,228</u>	<u>1,012,116</u>	<u>713,112</u>
Capital Contributions	(225,068)	(225,068)	-
Non-Operating Income (Loss)	<u>\$ 1,237,691</u>	<u>\$ 28,704</u>	<u>\$ 1,208,987</u>

Statistical Section

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

Contents	Page
Financial Trends	52

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

Revenue Capacity	54
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These schedules contain information to help the reader assess the district’s most significant local revenue sources: wholesale water rates, retail water rates and property taxes.

Debt Capacity	58
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These schedules present information to help the reader assess the affordability of the district’s current levels of outstanding debt and the district’s ability to issue additional debt in the future.

Demographic and Economic Information	66
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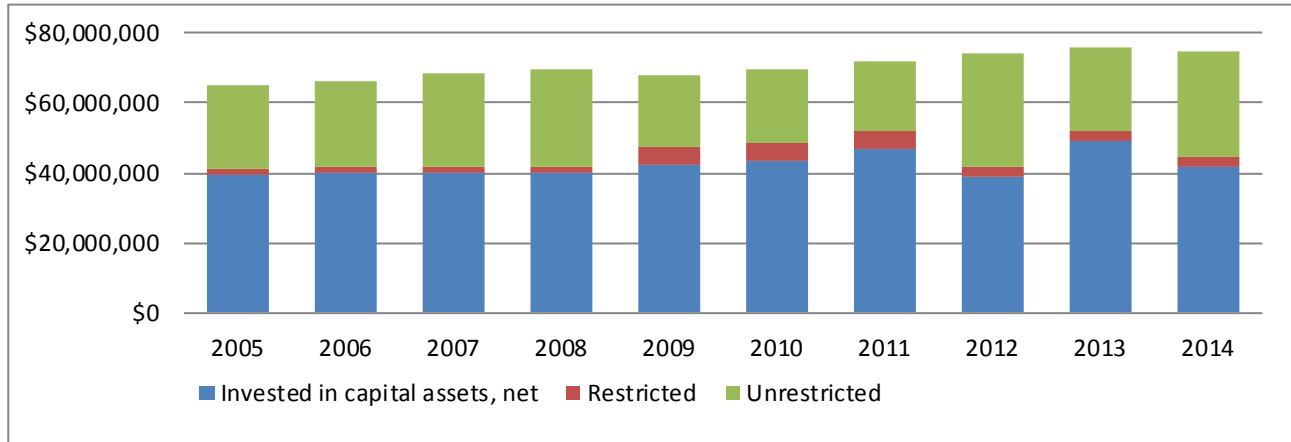
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information	68
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These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. Government Code Section 66013(d) and (e) Report is included in this section.

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

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



	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Assets:										
Invested in capital assets, net	\$39,346,360	\$40,061,013	\$40,198,780	\$40,225,803	\$42,545,198	\$43,492,739	\$47,026,193	\$38,861,678	\$49,186,800	\$41,785,998
Restricted	1,745,910	1,694,605	1,747,260	1,798,667	4,704,111	4,931,780	4,835,676	2,911,170	2,911,170	2,911,170
Unrestricted	23,752,127	24,728,796	26,577,138	27,894,578	20,886,799	21,465,447	20,112,276	32,444,787	23,665,458	29,880,325
Total net assets	\$64,844,397	\$66,484,414	\$68,523,178	\$69,919,048	\$68,136,108	\$69,889,966	\$71,974,145	\$74,217,635	\$75,763,428	\$74,577,493

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

Source: San Juan Water District Finance & Administrative Services Department

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Operating Revenues:</u>										
Wholesale Revenue	\$ 5,744,760	\$ 5,769,324	\$ 6,228,302	\$ 6,410,654	\$ 7,111,207	\$ 7,554,791	\$ 7,764,982	\$ 7,364,002	\$ 7,013,144	\$ 6,614,718
Retail Revenue	5,285,572	5,668,705	6,575,947	6,766,657	7,542,865	7,299,989	7,834,917	8,090,259	8,544,267	8,481,583
Other Revenue	52,836	43,443	49,218	48,498	147,769	144,086	123,714	803,986	700,236	766,591
Total Operating Revenue	11,083,168	11,481,472	12,853,467	13,225,809	14,801,841	14,998,866	15,723,613	16,258,247	16,257,647	15,862,892
Operating Expenses:	11,835,475	12,622,867	14,543,281	14,893,792	19,062,904	16,465,647	14,640,270	15,522,579	19,124,440	17,673,564
Net loss from operations	(752,307)	(1,141,395)	(1,689,814)	(1,667,983)	(4,261,063)	(1,466,781)	1,083,343	735,668	(2,866,793)	(1,810,672)
Nonoperating revenues	3,190,015	2,675,765	4,212,810	3,808,095	3,036,346	2,665,689	2,367,655	2,033,319	1,796,677	3,187,986
Nonoperating expenses	810,514	942,717	663,380	745,278	690,024	1,617,298	2,650,494	2,534,731	(93,601)	1,725,227
Net income before capital contributions	1,627,194	591,653	1,859,616	1,394,834	(1,914,741)	(418,390)	800,504	234,256	(976,515)	(347,913)
Capital contributions	3,008,381	1,048,364	179,148	1,043	131,801	2,172,250	1,283,677	2,009,234	2,522,308	(225,068)
Change in Net Assets	\$ 4,635,575	\$ 1,640,017	\$ 2,038,764	\$ 1,395,877	\$ (1,782,940)	\$ 1,753,860	\$ 2,084,181	\$ 2,243,490	\$ 1,545,793	\$ (572,981)

Source: San Juan Water District Finance & Administrative Services Department

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Uniform Commodity Rate (UCR)¹:										
San Juan Water District Retail	\$ 85.03	\$ 93.44	\$ 100.31	\$ 102.85	\$ 115.19	\$ 127.86	\$ 90.60	\$ 90.60	\$ 90.60	\$ 93.32
Citrus Heights Water District	53.74	59.07	63.26	69.31	77.71	86.25	90.60	90.60	90.60	93.32
Fair Oaks Water Company	53.74	59.07	63.26	69.31	77.71	86.25	90.60	90.60	90.60	93.32
Orange Vale Water Company	53.74	59.07	63.26	69.31	77.71	86.25	90.60	90.60	90.60	93.32
City of Folsom	90.42	90.42	130.61	130.61	146.28	162.37	90.60	90.60	90.60	93.32
Annual Service Charge:										
San Juan Water District Retail	\$285,000	\$335,000	\$335,000	\$237,742	\$266,271	\$295,561	\$311,080	\$311,080	\$311,080	\$320,412
Citrus Heights Water District	303,000	357,000	357,000	297,343	333,024	369,657	367,450	367,450	367,450	378,474
Fair Oaks Water Company	231,000	272,000	272,000	204,388	228,915	254,095	208,340	208,340	208,340	214,590
Orange Vale Water Company	81,800	95,600	95,600	66,885	74,911	83,151	80,300	80,300	80,300	82,709
City of Folsom	-	37,700	37,700	26,360	26,360	32,771	35,160	35,160	35,160	36,215
Annual Debt Service Charge²:										
San Juan Water District Retail	\$216,100	\$215,500	\$215,500	\$443,901	\$618,403	\$563,089	\$563,594	\$585,863	\$570,181	\$613,611
Citrus Heights Water District	252,200	251,600	251,600	534,537	738,294	621,614	627,938	621,477	648,443	672,537
Fair Oaks Water Company	185,400	184,900	184,900	320,878	444,071	415,185	385,416	434,744	405,722	443,222
Orange Vale Water Company	56,900	56,800	56,800	103,854	143,636	173,021	166,458	179,008	180,570	191,913
City of Folsom	14,100	14,100	14,100	48,972	48,972	50,104	59,659	51,581	53,653	56,430
Connection Fees (implemented in 2008):										
Up to 1" Meter				\$ 312	\$ 319	\$ 337	\$ 344	\$ 354	\$ 364	\$ 372
1" Meter				520	531	560	572	588	605	619
1 1/2" Meter				1,040	1,062	1,121	1,145	1,178	1,212	1,240
2" Meter				1,664	1,699	1,793	1,832	1,884	1,938	1,983
3" Meter				3,328	3,398	3,585	3,663	3,767	3,874	3,964
4" Meter				5,200	5,309	5,602	5,724	5,887	6,055	6,196
6" Meter				13,000	13,273	14,004	14,309	14,717	15,136	15,489
8" Meter				18,720	19,113	20,166	20,606	21,193	21,797	22,305
10" Meter				30,160	30,793	32,490	33,199	34,145	35,118	35,936
12" Meter				44,720	45,659	48,175	49,226	50,629	52,072	53,285

Notes:

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

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

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District

Table 4: Retail Water Rates and Connection Fees

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Commodity Rate/CCF:										
Residential										
0 to 20 ccf	\$ 0.28	\$ 0.28	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.45	\$ 0.46
21 to 200 ccf	0.47	0.47	0.57	0.62	0.68	0.73	0.74	0.74	0.75	0.77
201+ ccf	0.33	0.33	0.40	0.44	0.48	0.51	0.52	0.52	0.53	0.54
Commercial	0.40	0.40	0.49	0.53	0.53	0.62	0.63	0.63	0.64	0.66
Daily Base Charge (fixed based on meter size):										
Up to 1"	\$ 0.82	\$ 0.82	\$ 0.89	\$ 0.97	\$ 1.06	\$ 1.13	\$ 1.15	\$ 1.15	\$ 1.17	\$ 1.20
1 1/2"	2.26	2.26	2.37	2.58	2.81	3.01	3.07	3.07	3.13	3.19
2"	3.53	3.53	3.78	4.12	4.49	4.80	4.90	4.90	5.00	5.10
3"	6.94	6.94	7.51	8.19	8.93	9.56	9.75	9.75	9.95	10.14
4"	10.77	10.77	11.72	12.77	13.92	14.89	15.19	15.19	15.49	15.80
6"			23.40	25.51	27.81	29.76	30.36	30.36	30.97	31.59
8"			42.09	45.88	50.01	53.51	54.58	54.58	55.67	56.79
10"			67.79	73.89	80.54	86.18	87.90	87.90	89.66	91.45
12"			100.50	109.55	119.41	127.77	130.32	130.32	132.93	135.60
Fire District	4.03	4.03	4.55	4.96	5.41	5.79	5.90	5.90	6.02	6.15
Daily Base Charge for Private Fire Lines (fixed based on meter size):										
4"	\$ 0.30	\$ 0.30	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.45	\$ 0.46
6"	0.44	0.44	0.50	0.55	0.60	0.64	0.65	0.65	0.66	0.68
8"	0.59	0.59	0.67	0.73	0.80	0.86	0.88	0.88	0.90	0.92
10"	0.73	0.73	0.82	0.89	0.97	1.04	1.05	1.05	1.07	1.09
Connection Fees (in addition, new connections also pay a Wholesale Connection fee listed in Wholesale Rates):										
Up to 1" Meter			\$ 11,533	\$ 11,891	\$ 12,164	\$ 12,834	\$ 13,114	\$ 13,488	\$ 13,872	\$ 13,872
1 1/2" Meter			23,065	23,780	24,327	25,667	26,227	26,974	27,743	27,743
2" Meter			36,904	38,048	38,923	41,068	41,963	43,159	44,389	44,389
3" Meter	See Note		73,808	76,096	77,846	82,135	83,926	86,318	88,778	88,778
4" Meter			115,325	118,900	120,806	127,462	130,241	133,953	137,771	137,771
6" Meter			230,651	237,801	243,270	256,674	262,269	269,744	277,432	277,432
8" Meter			415,179	428,050	437,895	462,023	472,095	485,550	499,388	499,388
10" Meter			668,900	689,636	705,498	744,371	760,598	782,275	804,570	804,570
12" Meter			991,817	1,022,563	1,046,082	1,103,721	1,127,782	1,159,924	1,192,982	1,192,982

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

Source: San Juan Water District Finance & Administrative Services Department

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

Fiscal Year	Residential	Commercial	Total Water Sales	Total Water Deliveries (CCF)
2005	\$ 4,626,374	\$ 649,889	\$ 5,276,263	
2006	\$ 4,962,285	\$ 689,690	\$ 5,651,975	5,819,855
2007	\$ 5,738,787	\$ 817,126	\$ 6,555,913	6,558,306
2008	\$ 5,868,469	\$ 879,339	\$ 6,747,808	6,267,424
2009	\$ 6,580,530	\$ 946,169	\$ 7,526,699	5,821,462
2010	\$ 6,372,458	\$ 919,104	\$ 7,291,562	5,078,489
2011	\$ 6,821,008	\$ 1,000,370	\$ 7,821,378	5,038,636
2012	\$ 7,058,136	\$ 1,025,042	\$ 8,083,178	5,229,292
2013	\$ 7,432,485	\$ 1,110,112	\$ 8,542,597	5,823,065
2014	\$ 7,388,798	\$ 1,119,919	\$ 8,508,716	5,430,370

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

San Juan Water District
Table 6: Ten Largest Retail Customers

Current Year and Six Years Ago

Customer	Fiscal Year					
	2014			2008 ¹		
	Total Revenue	Rank	% of Revenue ²	Total Revenue	Rank	% of Revenue
Roseville Joint Union High School	\$ 30,475	1	0.36%	\$ 18,424	1	0.27%
Rolling Greens Estates LLC	27,405	2	0.32%	14,732	2	0.22%
Otow Revocable Living Trust	18,306	3	0.22%	8,728	8	0.13%
Eureka Union School District/Oakhills	16,307	4	0.19%	8,861	7	0.13%
Granite Bay Estates	16,302	5	0.19%			
Bushnells Landscape Creations	16,070	6	0.19%	11,407	3	0.17%
Placer County Department of Facility Svc	15,747	7	0.19%	8,715	9	0.13%
Granite Bay Business Park	15,746	8	0.19%	10,581	4	0.16%
San Juan Unified School District	12,552	9	0.15%			
Eureka Union School District/Cavitt Jr High	12,400	10	0.15%	10,228	5	0.15%
Sierra Valley Real Estate				9,569	6	0.14%
Maison Chapeaux				7,624	10	0.11%
Total	\$ 181,310		2.13%	\$ 108,869		1.61%

Note:

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

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

Source: San Juan Water District Customer Service Department

San Juan Water District
Table 7: Property Tax Levies and Collections - Bonded Debt
 Last Ten Years

Fiscal Year End	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	-	45,799	0.0%	-	1,956	0.0%
2006	-	1,956	0.0%	-	-	0.0%
2007	-	-	0.0%	-	-	0.0%
2008	-	-	0.0%	-	-	0.0%
2009	-	-	0.0%	-	-	0.0%
2010	-	-	0.0%	-	-	0.0%
2011	-	-	0.0%	-	-	0.0%
2012	-	-	0.0%	-	-	0.0%
2013	-	-	0.0%	-	-	0.0%
2014	-	-	0.0%	-	-	0.0%

Notes:

¹ Includes tax revenue for bonded debt only; 1998 General Obligation Bonds were repaid in 2004.

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

San Juan Water District
Table 8: Principal Property Taxpayers
 Current Year and Ten Years Ago

Taxpayer	Primary Land Use	2014		2004	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Steadfast Sunrise I LLC	Commercial	\$ 84,271,231	0.74%	\$ -	0.00%
FAOF Oak Creak LLC	Apartments	52,222,036	0.46%		
MP Birdcage Marketplace LLC	Shopping Center	49,483,024	0.44%		
The Realty Associates Fund VIII LP	Shopping Center	34,142,776	0.30%	-	
Rollingwood Commons Apartments LLC	Apartments	32,944,131	0.29%	-	
Grove at Sunrise LLC	Apartments	29,668,825	0.26%	-	
PK I Cable Park LP	Commercial	25,636,730	0.23%	-	
Sacto Fair Oaks Blvd Apartments LLC	Apartments	23,720,284	0.21%	-	
Marshall Field Stores Inc.	Commercial	23,620,078	0.21%	17,008,809	0.15
Costco Wholesale Corporation	Commercial	21,887,181	0.19%	-	
Madison & Sunrise Associates LLC	Commercial	20,635,819	0.18%	18,457,516	0.16
Lowes HIW Inc.	Commercial	20,232,586	0.18%	-	
Salishan Apartments LP	Apartments	19,930,628	0.18%		
Wal Mart Real Estate Business Trust	Commercial	19,850,000	0.17%	-	
Fair Oaks Promenade LLC	Apartments	19,625,489	0.17%	-	
Placer Partners LLC	Commercial	19,437,338	0.17%		
Hunting Square Limited LP	Apartments	18,984,115	0.17%	16,126,200	0.14
Lake Point LLC	Apartments	18,639,832	0.16%		
Fair Oaks Fountains LLC	Apartments	18,208,133	0.16%		
Orangevale Partners LLC	Apartments	17,732,204	0.16%	-	
VIF & Lyon Oak Creek LLC	Apartments			42,457,000	0.36
Birdcage Properties Ltd.	Shopping Center			40,439,944	0.35
Demmon Family Partnership	Apartments			32,814,174	0.28
Folsom Ranch Apartments	Apartments			30,536,492	0.26
Western Investment Real Estate Trust	Commercial			29,746,680	0.26
National Life and Accident Insurance Co.	Commercial			28,641,382	0.25
FSC & Sacramento Associates LLC	Apartments			22,862,652	0.20
Pan Pacific LLC	Shopping Center			20,725,573	0.18
G.W. Williams Co.	Apartments			19,706,842	0.17
Betty A. Colwell 1998 Revocable Trust	Apartments			19,278,000	0.17
Menifee Tow Center LLC	Apartments			18,638,830	0.16
Muffrey Trust & Laurie Industries, Trust	Commercial			16,500,000	0.14
Norbert Gehr	Apartments			14,681,834	0.13
WRI Golden State LLC	Commercial			13,656,791	0.12
Madison Hazel Apartments LP	Apartments			13,606,290	0.12
Sunsac Properties Corp/Federated Stores	Commercial			13,039,197	0.11
Suncreek Sacramento Apartments LLC	Apartments			12,911,363	0.11
Total		\$ 570,872,440	5.02%	\$ 441,835,569	3.79%
2013-2014 Total Secured Assessed Valuation:		\$11,365,219,295			
2003-2004 Total Secured Assessed Valuation:		\$11,650,683,225			

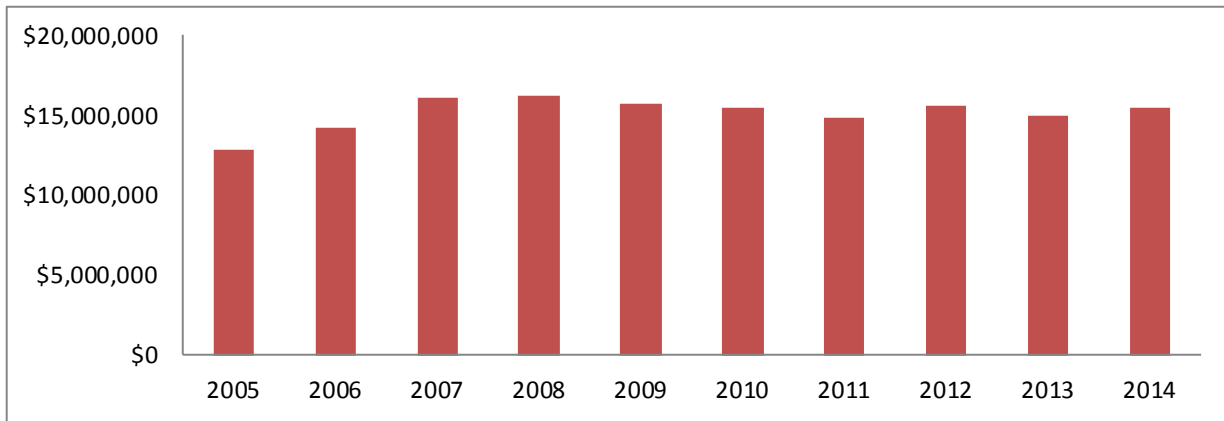
San Juan Water District

Table 9: Assessed Actual Value - Taxable Property

(Accrual Basis of Accounting)

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value	Total Property Tax Revenue	Total Direct Tax Rate
2005	12,819,457	214,569	13,034,026	505	0.004%
2006	14,234,265	227,710	14,461,975	644	0.004%
2007	16,073,386	268,952	16,342,338	1,790	0.011%
2008	16,248,701	73,486	16,322,187	1,835	0.011%
2009	15,701,866	74,471	15,776,337	1,822	0.012%
2010	15,454,819	67,677	15,522,496	1,687	0.011%
2011	14,900,077	63,928	14,964,005	1,565	0.010%
2012	15,579,095	32,499	15,611,594	1,561	0.010%
2013	14,980,101	242,107	15,222,208	1,606	0.011%
2014	15,425,919	232,223	15,658,142	1,678	0.011%



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

Sources County of Sacramento County of Placer

San Juan Water District
Table 10: Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Economic Development Admin Loan	California Energy Commission Loan	Total Debt	Percentage of Personal Income	Per Capita
2005	-	-	22,390,000	266,150	35,063	22,691,213	52.21%	122.00
2006	-	-	21,535,000	249,370	30,883	21,815,253	47.78%	115.56
2007	-	-	20,660,000	231,751	26,453	20,918,204	43.30%	109.49
2008	-	-	19,765,000	213,251	21,762	20,000,013	39.87%	103.33
2009	-	-	49,345,000	193,826	16,787	49,555,613	94.65%	252.72
2010	-	-	47,980,000	173,430	11,513	48,164,943	89.84%	267.58
2011	-	-	46,985,000	152,013	5,924	47,142,937	62.09%	261.11
2012	-	13,625,000	30,085,000	129,527	-	43,839,527	N/A	242.82
2013	-	12,145,000	30,075,000	105,916	-	42,325,916	N/A	232.89
2014	-	11,895,000	29,670,000	81,190	-	41,646,190	N/A	228.53

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

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 11: Computation of Direct and Overlapping Bonded Debt
June 30, 2013

2012-13 Assessed Valuation:	\$ 15,074,914,765
Redevelopment Incremental Valuation:	-
Adjusted Assessed Valuation:	\$ 15,074,914,765

	Total Debt	Percent	strict's Share of
Direct and Overlapping Tax and Assessment Debt	6/30/2013	Applicable ¹	Debt 6/30/2013
Los Rios Community College District	\$ 377,395,000	7.869%	\$ 29,697,213
Folsom-Cordova Unified School District School Facilities Imp District No	35,036,422	11.001%	3,854,357
San Juan Unified School District	355,755,134	37.092%	131,956,694
Placer Union High School District	32,534,040	4.410%	1,434,751
Roseville Joint Union High School District	89,038,664	17.362%	15,458,893
Eureka Union School District	4,617,368	72.221%	3,334,709
Loomis Union School District	5,600,000	17.360%	972,160
Roseville City School District	27,472,522	0.717%	196,978
City of Folsom	9,220,000	12.830%	1,182,926
City of Folsom Assessment District No. 90-1	1,260,000	100.000%	1,260,000
Sacramento Area Flood Control District Operation and Mtc Assessment	3,350,000	13.483%	451,681
California Statewide Community Development Authority Obligations	291,625	100.000%	291,625
San Juan Suburban Water District		-100.000%	-
Total Direct and Overlapping Tax and Assessment Debt	\$ 941,570,775		\$ 190,091,987
Overlapping General Fund Debt			
Sacramento County General Fund Obligations	\$ 317,356,921	9.624%	\$ 30,542,430
Sacramento County Pension Obligations	959,632,708	9.624%	92,355,052
Sacramento County Board of Education Certificates of Participation	8,740,000	9.624%	841,138
Placer County General Fund Obligations	43,720,000	7.591%	3,318,785
Placer County Office of Education Certificates of Participation	1,970,000	7.591%	149,543
Los Rios Community College District Certificates of Participation	5,890,000	7.869%	463,484
Sierra Joint Community College District Certificates of Participation	10,793,000	5.615%	606,027
Folsom-Cordova Unified School District Certificates of Participation	24,165,000	6.914%	1,670,768
San Juan Unified School District Certificates of Participation	1,246,189	37.092%	462,236
Roseville Joint Union High School District Certificates of Participation	2,620,000	17.362%	454,884
Eureka Union School District Certificates of Participation	4,390,000	72.221%	3,170,502
Other School District Certificates of Participation	21,685,000	Various	921,721
City of Folsom Certificates of Participation	10,210,000	12.830%	1,309,943
City of Roseville Certificates of Participation	17,695,000	2.784%	492,629
Sacramento Metropolitan Fire District Pension Obligations	61,333,975	20.118%	12,339,169
Sunrise Recreation and Park District Certificates of Participation	6,735,000	39.020%	2,627,997
Placer Mosquito and Vector Control District Certificates of Participation	4,300,000	7.591%	326,413
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT	\$ 1,502,482,793		\$ 152,052,721
Less: Sacramento County self-supporting obligations			641,680
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$ 151,411,041
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 342,144,708
TOTAL NET OVERLAPPING DEBT			\$ 341,503,028
GROSS COMBINED TOTAL DEBT ²			\$ 342,144,708
NET COMBINED TOTAL DEBT			\$ 341,503,028

Ratios to 2012-13 Assessed Valuation

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.26%
Gross Combined Total Debt	2.19%
Net Combined Total Debt	2.19%

Notes:

¹ Percentage of overlapping agency's assessed valuation located within boundaries of the district.

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

Source: California Municipal Statistics, Inc.

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

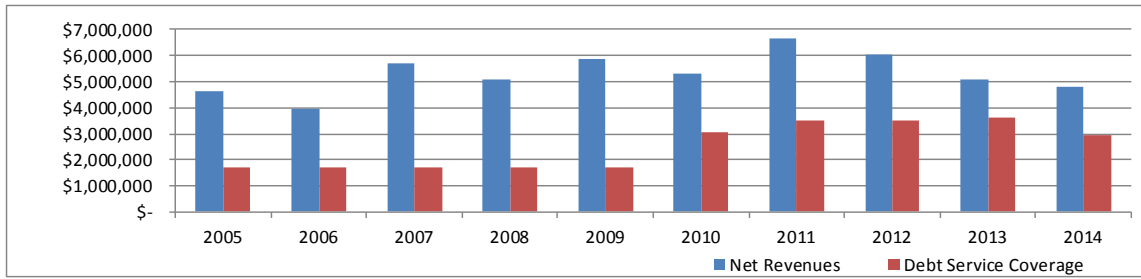
Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenses¹	Ratio of Debt Service to Total General Expenses
2004	1,713,934	1,134,404	2,848,338	11,898,493	23.94%
2005	1,834,924	1,043,472	2,878,396	11,602,517	24.81%
2006	875,960	916,858	1,792,818	12,648,726	14.17%
2007	897,049	948,978	1,846,027	14,366,884	12.85%
2008	918,191	863,197	1,781,388	14,738,945	12.09%
2009	954,401	826,187	1,780,588	18,906,512	9.42%
2010	1,390,670	1,810,145	3,200,815	15,715,490	20.37%
2011	1,024,924	2,465,408	3,490,332	14,143,017	24.68%
2012	1,053,410	2,448,654	3,502,064	15,838,223	22.11%
2013	1,516,616	2,117,353	3,633,969	16,544,003	21.97%
2014	679,726	2,265,829	2,945,555	17,641,917	16.70%

Notes:

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

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 13: Debt Service Coverage
 Last Ten Fiscal Years



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Retail Water Sales	\$ 5,285,572	\$ 5,668,705	\$ 6,575,947	\$ 6,766,658	\$ 7,542,865	\$ 7,299,989	\$ 7,834,917	\$ 8,090,259	\$ 8,544,267	\$ 8,481,583
Wholesale Water Sales	5,744,760	5,769,324	6,228,302	6,410,653	7,111,208	7,865,283	7,764,982	7,364,002	7,013,144	6,614,968
Connections/Annexation	224,993	306,605	926,276	174,865	45,699	163,266	163,541	176,362	34,741	1,134,335
Property Tax Revenue	458,819	643,882	1,790,197	1,835,558	1,822,166	1,687,204	1,597,524	1,561,130	1,606,174	1,677,842
Investment Income	659,455	867,082	1,384,866	1,561,139	847,510	468,099	271,233	187,780	52,954	271,721
Other	1,853,784	901,639	160,689	255,298	327,374	484,166	335,357	108,047	102,808	104,088
Total	\$ 14,227,383	\$ 14,157,237	\$ 17,066,277	\$ 17,004,171	\$ 17,696,822	\$ 17,968,007	\$ 17,967,554	\$ 17,487,580	\$ 17,354,088	\$ 18,284,537
Operation & Maintenance Costs										
Source of Supply	\$ 2,965,677	\$ 2,704,782	\$ 3,173,789	\$ 3,240,902	\$ 3,221,008	\$ 3,284,931	\$ 2,820,910	\$ 3,186,686	\$ 3,506,604	\$ 2,912,572
Pumping and Telemetry	594,962	551,418	623,259	580,370	663,975	542,837	590,217	621,783	609,304	759,067
Water Treatment	1,689,104	2,003,075	2,146,066	2,223,995	2,211,536	2,171,923	2,119,426	1,701,918	1,932,517	1,888,549
Transmission/Distribution	1,353,547	1,249,430	1,629,065	1,731,271	1,639,125	1,767,690	1,657,517	1,764,998	1,926,664	2,240,966
Administration/General	1,297,828	2,040,731	1,986,027	2,387,564	2,161,541	3,199,146	2,450,651	2,455,196	2,661,692	3,691,980
Customer Service	606,320	599,116	594,680	679,121	689,023	666,916	658,999	681,163	697,301	597,623
Conservation	351,467	383,433	501,649	503,713	636,509	637,461	617,917	662,589	614,749	649,832
Engineering	398,573	397,717	449,342	319,227	359,576	317,451	342,523	325,113	264,582	633,782
Other	357,962	287,268	285,117	268,108	249,251	76,552	59,022	62,824	52,172	98,895
Total	\$ 9,615,440	\$ 10,216,970	\$ 11,388,994	\$ 11,934,271	\$ 11,831,544	\$ 12,664,907	\$ 11,317,182	\$ 11,462,270	\$ 12,265,585	\$ 13,473,266
Net Revenues	\$ 4,611,943	\$ 3,940,267	\$ 5,677,283	\$ 5,069,900	\$ 5,865,278	\$ 5,303,100	\$ 6,650,372	\$ 6,025,310	\$ 5,088,503	\$ 4,811,271
Debt Service										
2012 Bonds								\$ -	\$ 1,883,113	\$ 804,300
2009 COPs						\$ 1,272,129	\$ 1,718,275	1,718,075	1,717,675	2,112,275
2003 COPs	\$ 1,662,019	\$ 1,665,319	\$ 1,668,219	\$ 1,661,969	\$ 1,648,383	1,733,552	1,732,488	1,747,713	-	-
1993 COPs	-	-	-	-	-	-	-	-	-	-
EDA Loan	30,088	30,088	30,088	30,088	30,088	30,088	30,088	30,088	30,087	30,091
CEC Advance	6,188	6,188	6,188	6,188	6,188	6,188	6,188	6,188	3,094	-
Total	\$ 1,698,295	\$ 1,701,595	\$ 1,704,495	\$ 1,698,245	\$ 1,684,659	\$ 3,041,957	\$ 3,487,039	\$ 3,502,064	\$ 3,633,969	\$ 2,946,666
Debt Service Coverage	2.72	2.32	3.33	2.99	3.48	1.74	1.91	1.72	1.40	1.63

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District

Table 14: Principal Employers for Counties Served
Current Year and Four Years Ago (Nine Years Ago - Placer)

Fiscal Year	2010			2006		
	Number of Employees	Rank	% of Total Employed	Number of	Rank	% of Total Employed
<u>County of Sacramento</u> State of California	73,243	1	12.26%	67,467	1	10.42%
Sacramento County	11,260	2	1.89%	14,408	2	2.23%
Sutter Health Sacramento Sierra Region	8,702	3	1.46%			
University of California, Davis/US Davis	8,500	4	1.42%	7,901	3	1.22%
CHW/Mercy Health Care	6,976	5	1.17%	4,897	10	0.76%
Kaiser Permanente	6,414	6	1.07%	6,656	6	1.03%
Elk Grove Unified School District	6,391	7	1.07%			
Intel Corporation	6,000	8	1.00%	7,000	4	1.08%
Sacramento Municipal Utility District	5,057	9	0.85%			
San Juan Unified School District	4,900	10	0.82%	5,775	8	0.89%
Los Rios Community College District				7,000	4	1.08%
City of Sacramento				6,000	7	0.93%
				5,105	9	0.79%
Total	137,443		23.01%	132,209		20.43%
Total Employed in Sacramento County	597,258			647,300		

Employer	2010 Fiscal Year			2001		
	Number of Employees	Rank	% of Total Employed	Number of	Rank	% of Total Employed
<u>County of Placer</u> Kaiser Permanente	3,064	1	1.94%	1,349	7	1.01%
Hewlett-Packard Co.	2,500	2	1.59%	6,000	1	4.50%
Placer County	2,400	3	1.52%	2,600	2	1.95%
Union Pacific Railroad Co. Inc.	2,000	4	1.27%	1,218	8	0.91%
Sutter Health	1,983	5	1.26%	1,428	6	1.07%
Northstar-At-Tahoe	1,500	6	0.95%			
Thunder Valley Casino Resort	1,412	7	0.90%			
City of Roseville	1,282	8	0.81%	989	10	0.74%
PRIDE Industries, Inc.	1,135	9	0.72%	1,540	4	1.16%
Raley's	1,006	10	0.64%	1,463	5	1.10%
NEC Electronics America, Inc.				1,609	3	1.21%
Artesyn Solutions, Inc.				1,200	9	0.90%
Total	18,282		11.60%	19,396		14.55%
Total Employed in Placer County	157,540			133,333		

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

Sources: Sacramento Business Journal

California State Employment Development Department

San Juan Water District
Table 15: Demographic and Economic Statistics
 Last Ten Fiscal Years

	Wholesale Population	Retail Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2005	185,996	29,056	\$ 43,462,957	\$ 32,192	5.00%
2006	188,786	30,442	\$ 45,653,787	\$ 33,521	4.70%
2007	191,051	30,512	\$ 48,313,850	\$ 35,197	5.20%
2008	193,554	30,605	\$ 50,157,252	\$ 36,340	6.80%
2009	196,089	30,578	\$ 52,356,182	\$ 37,179	11.30%
2010	180,000	30,641	\$ 53,612,730	\$ 37,700	12.40%
2011	180,548	30,615	\$ 75,928,511	\$ 42,338	12.30%
2012	180,543	30,722	Not yet available		10.80%
2013	181,739	30,831	Not yet available		8.48%
2014	182,239	31,009	Not yet available		7.37%

Note:

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

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

San Juan Water District
Table 16: Staffing - Certificates - Licenses by Function/Program
 Last Ten Fiscal Years

Comparison by Function/Program	Full-Time Equivalent Employees as of June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Executive	3	3	3	3	3	3	3	3	3	3
Conservation	3	3.5	3.5	3.5	3.5	5	5	4	4	4
Customer Service	3	3	3	3	3	3	3	4	4	4
Engineering Services	3	3	3	3	3.5	4	4	4	4	4
Field Services	15	16	17	17	17	15	15	15	15	15
Finance/Administrative Services	4	4	5	5	5	5	5	5	5	5
Water Treatment Operations	10	10	10	10	10	10	10	10	10	10
Total	41	43	45	45	45	45	45	45	45	45

Actual Versus Budgeted

	FY 2004		FY 2014	
	Filled as of		Filled as of June	
	June 30	Budgeted	30	Budgeted
Executive	3	3	4	4
Conservation	3	3	4	4
Customer Service	4	4	4	4
Engineering Services	4	4	3	4
Field Services	16	16	14	14
Finance/Administrative Services	3	3	5	5
Operations Manager	0	0	1	1
Water Treatment Operations	11	11	10	10
Total	44	44	44	45

Certificates and Licenses

	December 31, 2013
California Department of Health Services Water Distribution Operator	
Grade 1	2
Grade 2	3
Grade 3	8
Grade 4	9
Grade 5	2
California Department of Health Services Water Treatment Operator	
Grade 1	2
Grade 2	8
Grade 3	1
Grade 4	5
Grade 5	0
AWWA Cross-Connection Control Program	
California Professional Engineer - Civil	4
Masters Degree	1
California Certified Municipal Treasurer	1
California Special District Administrator	1

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

Source: San Juan Water District Finance & Administrative Services Department

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Facilities:										
# of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Plant Capacity (MGD) ¹	120	120	120	120	120	120	120	120	150	150
# of ARVs							71	71	86	86
# of Blow-offs							52	52	59	59
# of Fire Hydrants							13	13	14	14
# of Valves							21	21	45	45
# of Pumping Stations ²	3	3	3	3	3	3	-	-	-	-
# of Storage Tanks/Reservoirs	2	2	2	2	2	2	2	2	2	2
Water Supply Available:										
Pre-1914 Water Rights	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
USBR/CVP Water Contract	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
PCWA Contract	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total Water Supply	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200
Water Supply Delivered:										
Pre-1914 Water Rights	30,761	35,476	35,402	32,539	28,999	30,364	32,732	34,912	34,961	30,952
USBR/CVP Water Contract	7,013	5,947	9,908	7,884	7,022	418	1,211	555	3,048	0
PCWA Contract	11,998	11,802	12,249	12,818	11,301	9,075	8,574	8,841	11,326	10,374
Total Water Supply Delivered	49,772	53,225	57,559	53,241	47,322	39,857	42,517	44,308	49,335	41,326
Production (average in acre feet):										
Five Year	70,319	70,217	69,559	68,168	64,669	61,047	59,005	56,159	54,169	50,834
Ten Year	64,520	64,992	67,421	68,044	67,248	65,683	64,455	62,845	61,166	57,751
Fifteen Year	59,578	60,211	62,200	62,948	63,263	63,363	63,880	63,667	63,419	61,777
Twenty Year	58,399	58,937	59,626	59,885	60,140	59,945	60,385	60,690	60,753	60,156
Connections: ³										
San Juan Water District (retail)	10,288	10,306	10,339	10,345	10,348	10,373	10,361	10,410	10,441	10,500
Citrus Heights Water District	19,265	19,486	19,498	19,573	19,547	19,568	19,576	19,547	19,547	19,557
Fair Oaks Water District	13,544	13,848	14,469	14,474	14,450	14,129	14,135	14,133	14,221	14,225
Orange Vale Water Company	5,324	5,518	5,566	5,572	5,572	5,543	5,545	5,545	5,600	5,600
City of Folsom						981	981	981	981	981
Total Connections	48,421	49,158	49,872	49,964	49,917	50,594	50,598	50,616	50,790	50,863
Population ⁴	185,996	188,786	191,051	193,554	196,089	180,000	180,548	181,048	181,739	182,239

Notes:

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

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

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

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

Sources:

San Juan Water District Finance & Administrative Services Department

San Juan Water District Engineering Services Department

San Juan Water District Wholesale Operations Department

San Juan Water District
Table 18: Wholesale Water Production by Month
 Last Ten Fiscal Years (in million gallons)

Month	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
July	3,110	3,255	3,099	2,563	2,937	2,292	3,240	2,866	2,152	2,226
August	3,053	3,101	3,226	2,409	2,917	2,095	3,126	2,714	2,325	2,071
September	2,787	2,670	2,932	1,907	2,427	1,844	2,607	2,345	2,497	1,621
October	1,852	2,166	2,116	1,170	1,646	1,413	1,873	1,525	1,294	1,350
November	1,014	1,466	1,138	878	857	1,059	786	965	596	931
December	1,039	1,048	968	661	764	679	780	930	661	688
January	933	881	1,065	559	728	722	719	922	637	563
February	831	819	962	537	631	673	619	651	534	196
March	1,035	812	1,308	1,325	620	538	617	549	854	350
April	1,313	980	1,732	2,021	1,405	577	1,186	835	1,106	629
May	1,926	2,510	1,793	2,639	1,854	1,285	1,793	1,788	1,745	1,227
June	2,696	3,004	2,323	2,791	2,112	2,544	2,042	1,936	1,816	1,613
Annual Total	21,589	22,712	22,662	19,460	18,898	15,721	19,388	18,026	16,219	13,466
Average Monthly Water Production	1,799	1,893	1,889	1,622	1,575	1,310	1,616	1,502	1,352	1,122
Average Daily Water Production	59.1	62.2	62.1	53.3	51.8	43.1	53.1	49.4	44.4	36.9

Source: San Juan Water District Wholesale Operations Department

San Juan Water District
Table 19: Retail Water System Capital Asset and Operating Indicators
 Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Facilities:										
Miles of Main Line	210	213.5	213.5	213.5	214	214	214	214	214	214
# of ARVs							768	768	807	804
# of Blow-offs							788	788	861	861
# of Fire Hydrants							1,412	1,412	1,423	1,443
# of Valves							2,761	2,761	2,766	2,810
# of Pumping Stations	5	5	5	5	5	5	8	8	8	8
# of Storage Tanks/Reservoirs	3	3	3	3	3	3	3	3	3	8
Connections:										
Single-Family Residential	9,746	9,753	9,752	9,756	9,761	9,778	9,771	9,811	9,851	9,908
Multi-Family Residential	118	118	117	121	121	119	119	119	119	119
Commercial	187	190	217	215	215	239	238	239	242	242
Institutional	12	11	11	11	11	11	11	11	11	11
Landscape Irrigation	213	222	230	230	228	214	210	209	205	207
Agricultural Irrigation	4	4	4	4	4	4	4	4	5	5
Other	8	8	8	8	8	8	8	8	8	8
Total Connections	10,288	10,306	10,339	10,345	10,348	10,373	10,361	10,401	10,441	10,500
Total New Connections	209	18	33	6	3	25	(12)	40	40	59
Consumption (units of ccf): ⁽¹⁾										
Single-Family Residential		5,043,423	5,680,870	5,392,177	5,020,192	4,369,153	4,327,393	4,500,448	5,008,334	4,645,129
Multi-Family Residential		90,785	99,732	92,353	96,145	87,162	80,391	83,539	80,962	76,392
Commercial		155,681	173,631	167,395	149,209	171,923	197,402	199,458	175,946	195,122
Institutional		98,444	104,898	103,931	93,052	81,364	68,920	74,877	116,328	97,881
Landscape Irrigation		425,275	503,444	501,790	453,918	358,816	355,991	360,465	426,595	402,151
Agricultural Irrigation		5,361	4,531	8,808	8,144	9,282	7,612	9,634	13,195	12,787
Other		886	1,200	970	802	789	927	871	1,705	908
Total Consumption	-	5,819,855	6,568,306	6,267,424	5,821,462	5,078,489	5,038,636	5,229,292	5,823,065	5,430,370
Average Daily Consumption	-	15,945	17,995	17,171	15,949	13,914	13,804	14,327	15,954	14,878
Population	29,056	30,442	30,512	30,605	30,578	30,641	30,615	30,722	182,239	31,009

Note:

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

Sources:

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

San Juan Water District

**Table 20: Retail Water Connection Fee Report Per Government Code Section 66013(d) and (e)
Fiscal Year Ended June 30, 2013**

Connection Fees, beginning balance		\$	2,192,603
Connection Fees Collected	\$		32,321
Interest Earned			2,076
Fees Available			34,397
Applied to:			
Capital Costs Funded	\$		402,316
Refunds			-
Total Funds Applied			402,316
Net Changes for the Year			(367,919)
Connection Fees, ending balance		\$	1,824,684

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

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

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

The District's 10-year Capital Improvement Plan shows these connection fees will be utilized in the amount of \$2,192,603 for growth/expansion related capital projects in addition to \$10,319,000 estimated to be received during the period for new connections.

Source: San Juan Water District Finance & Administrative Services Department