

SAN JUAN WATER DISTRICT

Board of Director's Meeting Minutes

November 9, 2016 – 6:00 p.m.

BOARD OF DIRECTORS

Pam Tobin	President
Ken Miller	Vice President
Ted Costa	Director
Dan Rich	Director (arrived at 6:30pm)
Bob Walters	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Donna Silva	Director of Finance
Joshua Horowitz	Legal Counsel

OTHER ATTENDEES

Sandy Harris	Customer
Kevin Thomas	Sacramento Suburban Water District (SSWD)
Craig Locke	SSWD
Jeff Ammann	Self
Rick Ammann	Self
Pete Bontadelli	Self
Mitch Dion	Self
George Machado	SJWD

AGENDA ITEMS

- I. Public Forum**
- II. Consent Calendar**
- III. Presentation**
- IV. New Business**
- V. Old Business**
- VI. Information Items**
- VII. Directors' Reports**
- VIII. Committee Meetings**
- IX. Upcoming Events**
- X. Closed Session**
- XI. Open Session**
- XII. Adjourn**

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

I. PUBLIC FORUM

There were no public comments.

II. CONSENT CALENDAR

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

1. Payment of Bills and Claims

Recommendation: Adopt Resolution No. 16-18

2. Quarterly Financial Report – Quarter Ending September 30, 2016

Recommendation: Receive and file

3. Treasurer’s Report – Quarter Ending September 30, 2016

Recommendation: Receive and file

4. Authorization to Replace Aged Vehicle #21 – Field Services Truck

Recommendation: Approve a motion to purchase a 2017 F550 as a replacement for vehicle #21 a 2004 Ford F450

President Tobin removed item #4 from the Consent Calendar at the request of Director Costa.

Ms. Silva explained that the replacement for Vehicle #21 was discussed at the Finance Committee on November 8th. In response to some questions from the committee, Ms. Silva informed the Board that Vehicle #21 is a Field Services truck (Ford F450) that is due to be replaced after 12 years of service and over 100,000 miles, and is included in this year’s CIP budget. She explained that, in 3 years, the CIP budget contains a placeholder for replacement of the transport vehicle, which is used to pull the backhoe.

At the suggestion of Field Services, Ms. Silva recommends replacing vehicle #21 with a Ford F550 which is capable of pulling the backhoe thus eliminating that need to replace the transport vehicle in a few years. The \$96,000 cost for the transport replacement breaks down to approximately \$58,000 for the vehicle and \$38,000 for the trailer; therefore, the savings to the District would be approximately \$58,000 since the trailer would still need to be purchased.

Director Walters moved to approve the Consent Calendar for items 1, 2 and 3. Director Costa seconded the motion and it carried with 4 Aye votes (Director Rich absent).

Director Costa moved to authorize staff to purchase a 2017 F550 as a replacement for vehicle #21 a 2004 Ford F450. Director Walters seconded the motion and it carried with 4 Aye votes (Director Rich absent).

In response to Director Costa’s question, Ms. Silva explained that there is not an error on the Bills & Claims dollar amount. She explained that the Finance Committee reviewed the Bills & Claims on Tuesday and additional invoices were entered into the system after the meeting.

III. PRESENTATION

1. Retail Financial Plan Presentation – Bob Reed, The Reed Group

Ms. Silva introduced Bob Reed who is the District's financial consultant. Mr. Reed has been preparing the District's five-year wholesale and retail financial plans and recommending a five-year rate structure. She explained that Mr. Reed previously conducted a presentation to the Board on the Wholesale Financial Plan and will be presenting the Retail Financial Plan and Water Rate Update Study. In addition, she explained that after the presentation the Board will be considering approval of the maximum rate that will be included in the Proposition 218 notice to the retail customers.

Mr. Reed conducted a presentation on the Retail Financial Plan and Water Rate Update Study. A copy of the presentation will be attached to the meeting minutes.

Director Costa moved to authorize staff to issue a Proposition 218 mailer including the proposed rate increases as a maximum at 8% for 2017, 9% for 2018, 9% for 2019, 9% for 2020, and 6% for 2021. President Tobin seconded the motion and it carried unanimously.

In response to Director Miller's question, Ms. Lorance explained that the rates will not be adopted until a public hearing is conducted; however, this motion will direct staff to include the percentages in the Prop. 218 notice. In addition, she explained that the rates, not just the percentages, will be shown in the notice for each year. In response to Director Walters' question, Ms. Lorance informed the Board that the change in rate structure will also be shown in the notice.

IV. NEW BUSINESS

There were no matters discussed.

V. OLD BUSINESS

1. Sacramento County Utility Paving Requirements

Ms. Lorance informed the Board that staff is requesting that a resolution be adopted in opposition to the proposed changes to Sacramento County utility paving requirements. In addition, Legal Counsel is working with other agencies' attorneys in order to form a legal opinion on the issue. Director Walters requested a change to paragraph six to change "that utilize county roads" to "that trench within county roads"

Director Costa moved adoption of the amended Resolution 16-19 in opposition of proposed changes to Sacramento County utility paving requirements. Director Rich seconded the motion and it carried unanimously.

VI. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 USBR Water Management Plan

Ms. Lorance reported that the District has used significantly less CVP water due to reduced water usage. She informed the Board that the District has a five-year average which now falls below the minimum amount that is necessary for the District to do a water management plan. She pointed out that Mr. Greg Zlotnick identified this waiver in the requirements and there is a reasonable chance that the District will not have to spend funds in order to complete a water management plan this year.

For information, no action requested

1.2 Miscellaneous District Issues and Correspondence

Ms. Lorance informed the Board that Mr. Bob Reed has been working through the comments and different scenarios on the financial plan and is reaching the end of the budget for the study; however, there is still additional work to complete and an amendment to his contract will be brought to the Finance Committee and for Board review at the December Board meeting.

For information, no action requested.

2. ASSISTANT GENERAL MANAGER'S REPORT

2.1 SWRCB Long-term Conservation Requirements; Related Information

Mr. Durkin informed the Board that the release of the draft long-term conservation policy framework report has been delayed until mid-November and a ten-day comment period will be provided. He reported that ACWA is drafting a comment letter and they encourage each agency to submit comments as well.

Mr. Durkin explained that once the framework is adopted then the SWRCB will develop steps to implement the requirements. He commented that the SWRCB will submit a bill to legislation in the spring which will include their recommendations for indoor and outdoor water use.

Mr. Durkin mentioned an article in the LA Times that highlighted the District's water use and conservation efforts. A copy of the article will be attached to the meeting minutes. Mr. Durkin informed the Board that PCWA contacted him after reading the article and suggested that the District join in with a group of regional agencies, separate from RWA, with the intent to utilize Lobbyist Soyla Fernandez and a highly qualified strategic public affairs consultant to try to counter-balance the negative press which reaches and influences legislators. The cost is estimated at \$20,000 per month for a few months to be split between four or more agencies, for a total cost of approximately \$15,000 to \$30,000 for the District depending on how long the

effort extends. Mr. Durkin will bring back more information at a later Board meeting. The Board would like the Public Information Committee to review.

For information, no action requested

2.2 WTP Floc-Sed Improvements Project

Mr. Durkin conducted a brief presentation on the status of the WTP Flocculation/Sedimentation Improvements Project. He informed the Board that the quality of the work, the schedule, and budget are proceeding very satisfactory, with approximately 53% of the contract complete (\$3,227,960). He explained that the South basin work is approximately 75% complete and will start up in approximately 4-5 weeks. In addition, the new settled water channel is approximately 75% complete.

Mr. Durkin reported that there have been some change orders which increased the project cost by approximately \$50,000 - \$60,000. He reported that the overall project should be completed on schedule in May 2017.

For information, no action requested

2.3 Miscellaneous District Issues and Correspondence

There were no other items discussed.

3. DIRECTOR OF FINANCE'S REPORT

3.1. Miscellaneous District Issues and Correspondence

There were no items discussed.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

Mr. Horowitz informed the Board that there would be a Closed Session.

VII. DIRECTORS' REPORTS

1.1 SGA

No report.

1.2 RWA

No report.

1.3 ACWA

1.3.1 Local/Federal Government/Region 4 - Pam Tobin

President Tobin reported that she attended the ACWA Region 4 *Stream Habitat Enhancement: Lessons Learned in the Sacramento Valley, Featuring a Tour of Lower Putah Creek*. She provided the Board with some handouts that she received on the tour.

1.3.2 JPIA - Bob Walters

No report.

1.3.3 Energy Committee - Ted Costa

No report.

1.4 CVP Water Users Association

No report.

1.5 Other Reports, Correspondence and Comments

There were no other items discussed.

VIII. COMMITTEE MEETINGS

1. Finance Committee (11/8/16)

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

2. Legal Affairs Committee (11/2/16)

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

IX. UPCOMING EVENTS

1. ACWA Fall Conference
November 29 - December 2
Anaheim, CA

President Tobin called for Closed Session at 8:37 pm.

X. CLOSED SESSION

1. Public employee appointment involving the position of General Manager; Government Code sections 54954.5(e) and 54957(b)(1).
2. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving state and federal administrative proceedings and programs affecting District water rights.
3. Conference with legal counsel -- anticipated litigation; Government Code sections 54956.9(a) and (d)(4); consideration of initiation of litigation involving one case.

President Tobin returned to Open Session at 8:56 pm.

XI. OPEN SESSION

There was no reported action during closed session.

XII. ADJOURN

The meeting was adjourned at 8:56 p.m.

PAMELA TOBIN, President
Board of Directors
San Juan Water District

ATTEST:

TERI GRANT, Board Secretary

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: October 26, 2016
Subject: Quarterly Financial Report – Quarter Ending September 30, 2016

RECOMMENDED ACTION

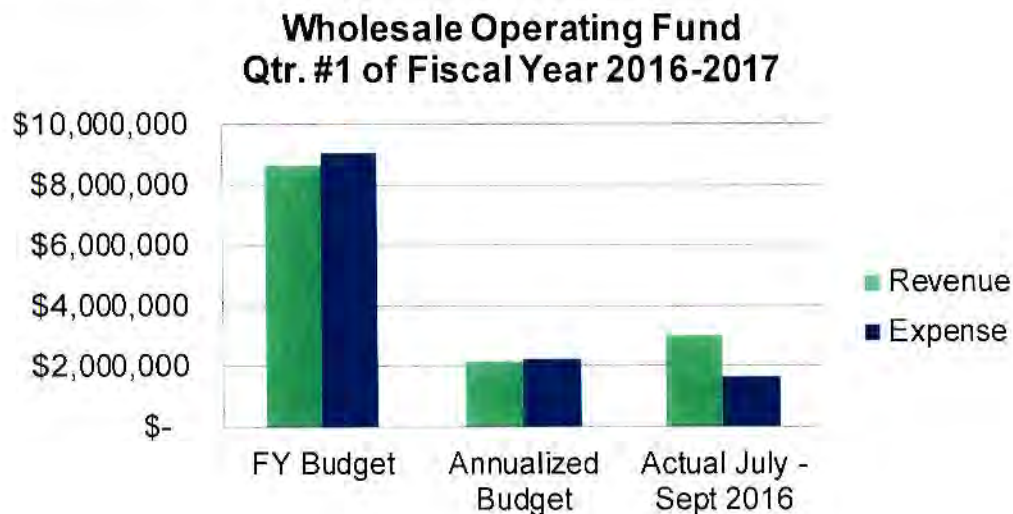
Receive report.

BACKGROUND

The Board of Directors adopted the Fiscal Year 2016-2017 Operating and Capital Budget on August 10, 2016. The purpose of this report is to provide information to the Board of Directors and the customers on the financial activities, as they relate to the budget, for the first quarter of the 2016-2017 Fiscal Year (July 1 through September 30, 2016). The information is provided for the District's four funds: Wholesale Operations, Wholesale Capital, Retail Operations and Retail Capital.

The Summary Income Statement by fund is attached to this staff report as reference for the analysis provided below. Since 25% of the year has passed (3 out of 12 months), it is reasonable to expect that the District will have recorded 25% of its budgeted revenues and expenses (annualized budget). The analysis below compares actual activity to the annualized budget.

Wholesale Operations:



As illustrated in the above graph, both wholesale operating revenues and expenses as of September 2016 are performing better than the annualized budget.

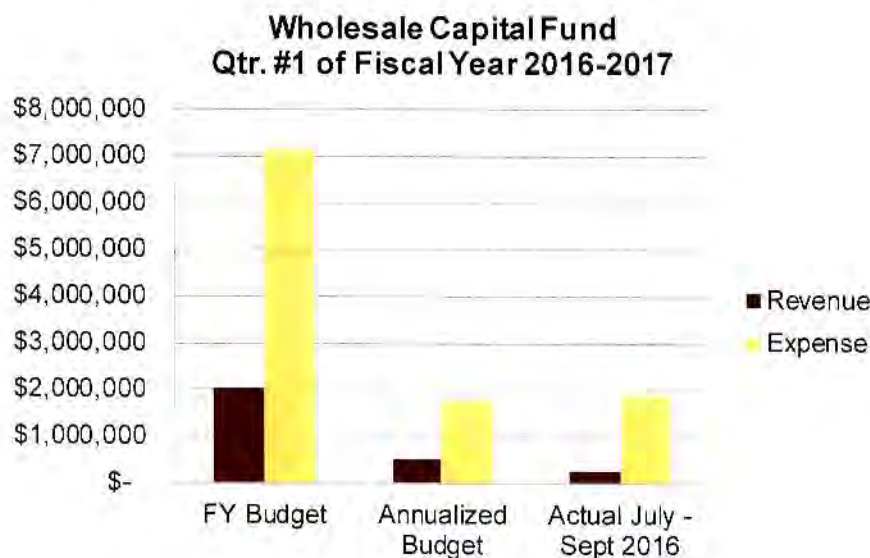
Wholesale operating revenues ended the quarter at \$2,507,760, which represents 29% of the budgeted revenues. This slight increase over expectations is a result of:

- Increased water sales to customer agencies. The budget assumes the sale of 37,800 acre feet of water. As of the end of September, the District had sold 19,300 acre feet, representing 51% of the total for the year. At this time last year the District had sold 32% of the total expected acre feet. Given the uncertainty over future actions the state may take to “encourage” conservation, this is not necessarily indicative that this revenue will exceed the budget by the end of the fiscal year, but it does illustrate that from a major revenue perspective, the wholesale operating fund is off to a good start.

Wholesale operating expenses ended the quarter at \$1,632,863, which represents just 18% of the budgeted expenditures. This mild positive variance is a result of:

- Salaries and Benefits: with 25% of the year completed, actual Salaries and Benefits represent 20% of the budget. This is to be expected given that the budget includes funding for the new positions that are currently under board consideration.
- Debt Service: expenses recorded only reflect the July portion of the August payment. The next debt service payment does not occur until February.
- Source of Supply is also lower than expectations as we have not yet received a billing from PCWA.

Wholesale Capital:

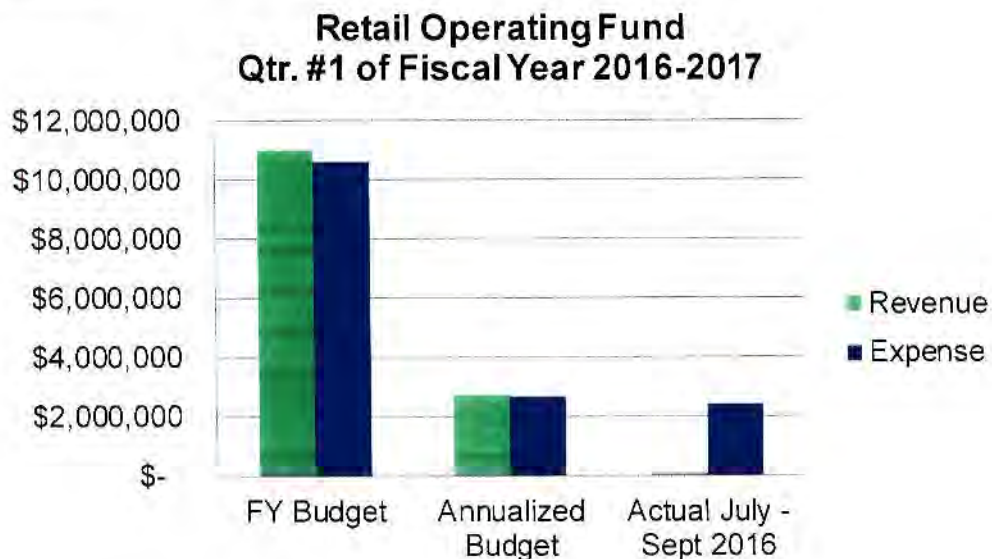


Actual revenues in the wholesale capital reserve fund are slightly below the annualized budget. At the end of September the fund had revenues of \$264,128.52, which represents just 13% of the budgeted revenues of \$2,031,800. This negative variance is to be expected due to:

- Property Taxes - The first installment of property taxes are not due to the County until December 10, 2016. While Placer County is very prompt in remitting the District's share of Property Taxes, Sacramento County will likely not remit property taxes to the District until early February.
- Connection Fees are coming in lower than expected. As of the end of the quarter the District had received \$4,033 in wholesale connection fee revenue, which represents just 5% of the budget. This may be a seasonal issue, but staff will continue to monitor this revenue source.

The wholesale capital spending is on track with budget. 26% of the wholesale capital budget was spent in the first 25% of the fiscal year. Capital project spending of \$2,209,828 represents 32% of the budget and is reflective of payments made primarily on the Flocculation-Sedimentation Basins Improvement project. The District received a refund of \$330,884 from the Sacramento Suburban Water District for capital contributions the District paid in prior years for the Antelope Pump Back project. The refund reflects receipt grant funds by SSWD for the project. Since the District's contributions to SSWD were made in prior years as contribution expense, the refund is recorded as a negative expense.

Retail Operations:



Retail operating revenues ended the quarter at \$71,300, representing just .65% of the budgeted revenues of \$11,030,900.

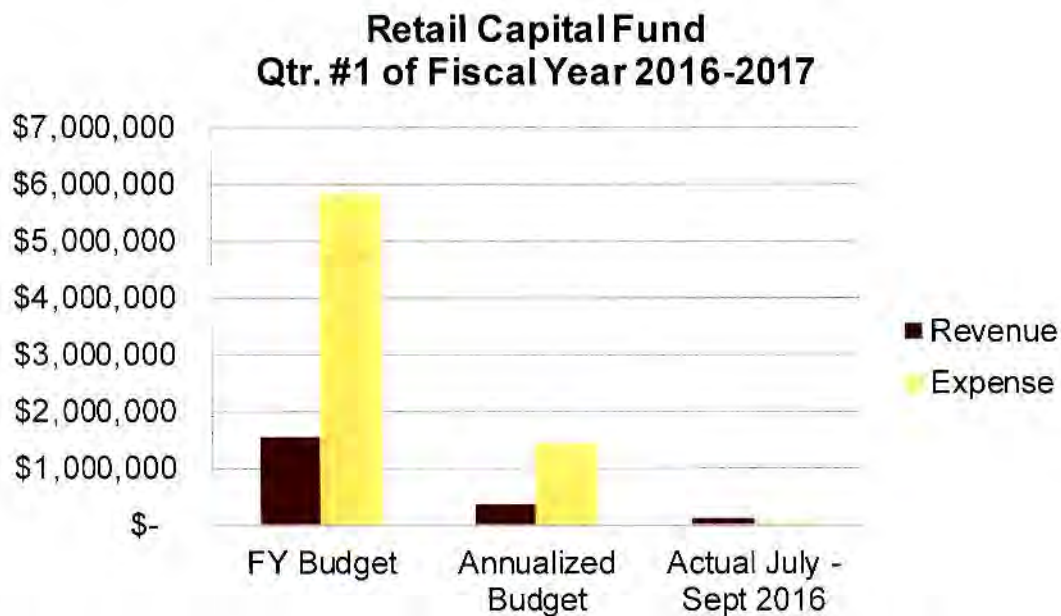
- Because the Customer Service department's utility billing system is not integrated with the Tyler accounting system, all billings have to be manually entered into the Tyler system. Finance staff has been preparing for the audit and while the entry to record the July revenue was received October 7th, the Finance Department has not yet entered into the accounting system. The September billing is the first billing for the current fiscal year and represents part of June, all of July and part of August. Revenues for this period were \$1,229,053, which

represents 12.73% of the budget for approximately one month. On an annualized basis, one month of the budget would be \$804,800 so this result indicates revenues higher than budget for this short time frame.

Retail operating expenses of \$2,412,762 represent 22.7% of the budgeted expenditures of \$10,627,900. This mild positive variance is a result of:

- Salaries and Benefits: with 25% of the year completed, actual Salaries and Benefits represent 22% of the budget. This is to be expected given that the budget includes funding for the new positions that are currently under board consideration.
- Debt Service: expenses recorded only reflect the July portion of the August payment. The next debt service payment does not occur until February.
- Source of Supply: Because the District has sold more water than anticipated in the budget, the source of supply expense is higher than expected. Retail took 5,269 acre feet from Wholesale for July – September, representing 44% of their total expected use for the year. The same quarter last year represented 37% of the annual total use. This pattern may or may not continue, depending on the weather and any future action the state may take to require conservation.
- Professional Services are currently under budget as there are many projects in the budget that have not yet commenced.
- Maintenance is at only 10% of the budget. The Field Services Department has had several employees out on leave, leaving them short staffed and unable to maintain their aggressive and much needed maintenance program.

Retail Capital:



The Retail Capital Reserve Fund has first quarter revenues of \$105,146, representing 6.8% of budgeted revenues of \$1,545,800, for the following reasons:

- Property Taxes - The first installment of property taxes are not due to the County until December 10, 2016. While Placer County is very prompt in remitting the District's share of Property Taxes, Sacramento County will likely not remit property taxes to the District until early February.
- Unlike the Wholesale Capital fund, at \$91,725 retail's connection fee revenues are close to the budget of \$450,000 (actual revenues are 20% of the budget).

Retail Capital expenditures for the quarter are \$46,372, only .8% of the budget. The largest expense thus far is for the replacement of the conservation truck. However, retail CIP's are progressing forward through the design phase, with bidding and construction phases to follow. The surveying and designs are completed for the Oak Avenue and Main Avenue Pipeline Replacement Projects. Engineering staff are currently finalizing the designs for the Oak and ARC Drive, Cavitt Stallman, and Olive Ranch Pressure Reducing Valve Stations. Engineering Staff are also beginning the designs for the Dambacher Drive and Douglas Blvd pipeline replacement projects. The Orangevale Bridge project, which is a joint project with the City of Folsom, is under construction. The bidding and construction approach for the pipeline and pressure valve station projects is to bundle these projects together to bid in later winter, with the intent of realizing an economy of scale for construction cost. Other projects such as the UGB/LGB Control Valve, the Bacon Intrusion System, and the LGB/CP MOV Emergency Intertie are in the planning and preliminary design phase. And the Los Lagos Tank Re-Coating Project is currently in construction with an expected completion date of early January. Invoices will start coming in for payment soon.

Attachments:

Income Statement by Fund

Balance Sheets by Fund

Project Activity Report by Fund



San Juan Water District, CA

Income Statement Group Summary

For Fiscal: 2016-2017 Period Ending: 09/30/2016

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	8,310,600.00	8,310,600.00	2,129,319.90	3,042,686.40	5,267,913.60
45000 - Other Operating Revenue	12,000.00	12,000.00	300.64	2,689.30	9,310.70
49000 - Other Non-Operating Revenue	110,400.00	110,400.00	0.00	-639.92	111,039.92
49990 - Transfer In	210,600.00	210,600.00	0.00	0.00	210,600.00
Revenue Total:	8,643,600.00	8,643,600.00	2,129,620.54	3,044,735.78	5,598,864.22
Expense					
51000 - Salaries and Benefits	3,494,100.00	3,494,100.00	269,134.88	708,547.00	2,785,553.00
52000 - Debt Service Expense	1,440,600.00	1,440,600.00	0.00	116,574.74	1,324,025.26
53000 - Source of Supply	1,910,800.00	1,910,800.00	22,254.56	256,010.07	1,654,789.93
54000 - Professional Services	746,700.00	746,700.00	12,671.29	144,909.35	601,790.65
55000 - Maintenance	324,500.00	324,500.00	10,324.04	42,372.27	282,127.73
57000 - Materials and Supplies	510,900.00	510,900.00	64,504.55	179,576.02	331,323.98
58000 - Public Outreach	139,100.00	139,100.00	10,481.28	26,889.76	112,210.24
59000 - Other Operating Expenses	472,700.00	472,700.00	43,899.04	156,416.54	316,283.46
69000 - Other Non-Operating Expenses	6,100.00	6,100.00	0.00	1,567.92	4,532.08
Expense Total:	9,045,500.00	9,045,500.00	433,269.64	1,632,863.67	7,412,636.33
Fund: 010 - WHOLESALE Surplus (Deficit):	-401,900.00	-401,900.00	1,696,350.90	1,411,872.11	-1,813,772.11
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,045,000.00	1,045,000.00	0.00	11,883.72	1,033,116.28
44000 - Connection Fees	75,000.00	75,000.00	0.00	4,033.00	70,967.00
44500 - Capital Contributions - Revenue	784,200.00	784,200.00	0.00	196,050.00	588,150.00
49000 - Other Non-Operating Revenue	127,600.00	127,600.00	51,308.28	52,161.80	75,438.20
Revenue Total:	2,031,800.00	2,031,800.00	51,308.28	264,128.52	1,767,671.48
Expense					
61000 - Capital Outlay	6,825,000.00	6,825,000.00	1,452,183.16	2,209,827.86	4,615,172.14
63000 - Contributions to Others	0.00	0.00	0.00	-330,884.28	330,884.28
69000 - Other Non-Operating Expenses	105,000.00	105,000.00	0.00	0.00	105,000.00
69900 - Transfers Out	210,600.00	210,600.00	0.00	0.00	210,600.00
Expense Total:	7,140,600.00	7,140,600.00	1,452,183.16	1,878,943.58	5,261,656.42
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	-5,108,800.00	-5,108,800.00	-1,400,874.88	-1,614,815.06	-3,493,984.94
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	9,657,800.00	9,657,800.00	1.75	712.54	9,657,087.46
45000 - Other Operating Revenue	157,000.00	157,000.00	33,147.93	49,727.07	107,272.93
49000 - Other Non-Operating Revenue	190,500.00	190,500.00	0.00	20,860.00	169,640.00
49990 - Transfer In	1,025,600.00	1,025,600.00	0.00	0.00	1,025,600.00
Revenue Total:	11,030,900.00	11,030,900.00	33,149.68	71,299.61	10,959,600.39
Expense					
51000 - Salaries and Benefits	4,570,200.00	4,570,200.00	382,428.74	995,761.61	3,574,438.39
52000 - Debt Service Expense	774,200.00	774,200.00	0.00	65,018.45	709,181.55
53000 - Source of Supply	2,721,300.00	2,721,300.00	536,975.13	940,031.88	1,781,268.12
54000 - Professional Services	990,300.00	990,300.00	38,658.85	127,008.22	863,291.78
55000 - Maintenance	454,200.00	454,200.00	10,241.88	43,197.36	411,002.64
56000 - Utilities	209,900.00	209,900.00	30,672.96	86,072.76	123,827.24
57000 - Materials and Supplies	264,300.00	264,300.00	23,994.23	53,776.51	210,523.49
58000 - Public Outreach	67,500.00	67,500.00	2,870.00	14,164.75	53,335.25
59000 - Other Operating Expenses	572,900.00	572,900.00	14,792.67	86,163.01	486,736.99
69000 - Other Non-Operating Expenses	3,100.00	3,100.00	0.00	1,567.93	1,532.07

Income Statement

For Fiscal: 2016-2017 Period Ending: 09/30/2016

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Expense Total:	10,627,900.00	10,627,900.00	1,040,634.46	2,412,762.48	8,215,137.52
Fund: 050 - RETAIL Surplus (Deficit):	403,000.00	403,000.00	-1,007,484.78	-2,341,462.87	2,744,462.87
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,050,000.00	1,050,000.00	0.00	11,883.72	1,038,116.28
44000 - Connection Fees	450,000.00	450,000.00	0.00	91,725.00	358,275.00
49000 - Other Non-Operating Revenue	45,800.00	45,800.00	666.95	1,537.66	44,262.34
Revenue Total:	1,545,800.00	1,545,800.00	666.95	105,146.38	1,440,653.62
Expense					
61000 - Capital Outlay	4,809,400.00	4,809,400.00	24,644.24	46,062.66	4,763,337.34
63000 - Contributions to Others	0.00	0.00	0.00	0.00	0.00
69000 - Other Non-Operating Expenses	0.00	0.00	0.00	309.50	-309.50
69900 - Transfers Out	1,025,600.00	1,025,600.00	0.00	0.00	1,025,600.00
Expense Total:	5,835,000.00	5,835,000.00	24,644.24	46,372.16	5,788,627.84
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	-4,289,200.00	-4,289,200.00	-23,977.29	58,774.22	-4,347,974.22
Total Surplus (Deficit):	-9,396,900.00	-9,396,900.00	-735,986.05	-2,485,631.60	-6,911,268.40

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESAL	-401,900.00	-401,900.00	1,696,350.90	1,411,872.11	-1,813,772.11
011 - Wholesale Capital Outlay	-5,108,800.00	-5,108,800.00	-1,400,874.88	-1,614,815.06	-3,493,984.94
050 - RETAIL	403,000.00	403,000.00	-1,007,484.78	-2,341,462.87	2,744,462.87
055 - Retail Capital Outlay	-4,289,200.00	-4,289,200.00	-23,977.29	58,774.22	-4,347,974.22
Total Surplus (Deficit):	-9,396,900.00	-9,396,900.00	-735,986.05	-2,485,631.60	-2,659,036.23



San Juan Water District, CA

My Balance Sheet
Account Summary
 As Of 09/30/2016

Account	Name	Balance
Fund: 010 - WHOLESALE		
Assets		
010-1000-10010	Cash - 2009 Bond Restricted Reserve	1,849,393.28
010-1000-10910	Claim on Cash	4,157,866.05
010-1000-10010	Investment in Electrical Power	350,247.94
010-1000-10510	Accounts Receivable	1,771,065.70
010-1000-10400	Prepaid Expenses - ACWA Advanced Dues	29,920.00
010-1000-14710	Deferred Outflows of Resources	1,070,659.79
010-1000-17010	Capital - Work In Progress	1,256,516.01
010-1000-17150	Capital - Land Non-depreciable	406,398.00
010-1000-17160	Capital - Land Improvements	311,130.20
010-1000-17200	Capital - Pump Stations & Improvements	5,832,651.80
010-1000-17300	Capital - Buildings & Improvements	7,236,728.31
010-1000-17350	Capital - Water Treatment Plant & Improver	39,332,478.16
010-1000-17400	Capital - Mains/Pipelines & Improvements	23,702,984.10
010-1000-17500	Capital - Reservoirs & Improvements	3,214,649.00
010-1000-17200	Capital - Equipment and Furniture	9,143,198.56
010-1000-17250	Capital - Vehicles	379,156.83
010-1000-17800	Capital - Software	182,119.38
010-1000-17850	Capital - Intangible	666,196.00
010-1000-17900	Less Accumulated Depreciation	-37,320,206.57
010-1000-18010	Bond Issuance Costs	0.01
010-1000-19010	Premium 2009 COP Bond Payable	-164,905.86
010-1000-19015	Premium 2012 Refunding Bond Payable	-683,851.13
	Total Assets:	63,724,395.56
Liability		
010-1000-10510	Reimbursable Expenses	-225.00
010-2000-20010	Accounts Payable	233,426.52
010-2000-21200	Insurance - Benefit - Voluntary Payable	-3,139.68
010-2000-21200	Insurance - Benefit - Section 125 Payable	2,863.74
010-2000-21200	Payroll Benefit Clearing Liability	240.80
010-2000-21200	Retirement Payable	-836.68
010-2000-21200	Salaries Payable	13,287.69
010-2000-21200	Deferred Compensation Payable	199.28
010-2000-21200	Insurance - Benefit - Health/Dental Payable	17,105.12
010-2000-21250	Federal Income Tax Payable	544.99
010-2000-21250	Federal Medicare Tax Payable	130.50
010-2000-21250	State Unemployment Payable	-54.97
010-2000-21250	State Income Tax Payable	-343.40
010-2000-21250	Federal (FICA) Tax Payable	407.96
010-2000-21300	Comp Absence - Vacation	76,277.83
010-2000-21300	Comp Absence - Sick	98,080.12
010-2000-21300	Current Comp Absence	174,944.09
010-2000-21600	OPEB Liability	100,396.44
010-2000-21700	Net Pension Liability (GASB 68)	2,274,348.73
010-2000-22010	Deferred Income - Service Charge	0.01
010-2000-22010	Deferred Income - Water Sales	0.01
010-2000-23050	Deferred Inflows of Resources	1,086,087.70
010-2000-23000	Loan Payable - EDA	27,825.93
010-2000-23000	Accrued Interest	582,441.91
010-2000-24100	Bonds Payable 2009 COP	18,448,000.00
010-2000-24200	2012 Deferred Refunding Bond Amortization	-178,964.64

My Balance Sheet

As Of 09/30/2016

Account	Name	Balance
<u>010-2000-24200</u>	Bonds Payable 2012 Refunding	7,151,783.50
	Total Liability:	30,104,828.50
Equity		
<u>010-3000-20100</u>	Investment in Capital Assets	28,661,803.25
<u>010-3000-30500</u>	Fund Balance	1,697,351.70
<u>010-3000-30700</u>	Restricted - Debt Service Reserve	1,848,540.00
	Total Beginning Equity:	32,207,694.95
Total Revenue		3,044,735.78
Total Expense		<u>1,632,863.67</u>
Revenues Over/Under Expenses		1,411,872.11
	Total Equity and Current Surplus (Deficit):	33,619,567.06
	Total Liabilities, Equity and Current Surplus (Deficit):	<u>63,724,395.56</u>

My Balance Sheet

As Of 09/30/2016

Account	Name	Balance	
Fund: 011 - Wholesale Capital Outlay			
Assets			
<u>011-1000-50010</u>	Claim on Cash	9,265,623.97	
<u>011-1000-40340</u>	Accounts Receivable - Property Taxes	-212.95	
<u>011-1000-40340</u>	Accounts Receivable	-17,898.75	
	Total Assets:	<u>9,247,512.27</u>	<u>9,247,512.27</u>
Liability			
<u>011-2000-20010</u>	Accounts Payable	1,431,503.43	
<u>011-2000-20100</u>	Retentions Payable	135,405.90	
	Total Liability:	<u>1,566,909.33</u>	
Equity			
<u>011-5000-40550</u>	Fund Balance	9,295,418.00	
	Total Beginning Equity:	<u>9,295,418.00</u>	
Total Revenue		264,128.52	
Total Expense		<u>1,878,943.58</u>	
Revenues Over/Under Expenses		<u>-1,614,815.06</u>	
	Total Equity and Current Surplus (Deficit):	7,680,602.94	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u>9,247,512.27</u>

My Balance Sheet

As Of 09/30/2016

Account	Name	Balance	
Fund: 050 - RETAIL			
Assets			
<u>050-1000-10010</u>	Claim on Cash	1,329,228.70	
<u>050-1000-10090</u>	Cash - 2009 Bond Restricted Reserve	1,063,527.68	
<u>050-1000-10510</u>	Accounts Receivable - Water Sales	-1,092,758.14	
<u>050-1000-10519</u>	Accounts Receivable	114,864.09	
<u>050-1000-10510</u>	Accounts Receivable - Transmittal Trust	-9.59	
<u>050-1000-11000</u>	Inventory	104,973.19	
<u>050-1000-12000</u>	Prepaid Expenses - ACWA Advanced Dues	29,920.00	
<u>050-1000-14010</u>	Deferred Outflows of Resources	1,337,221.21	
<u>050-1000-17010</u>	Capital - Work In Progress	1,550,614.58	
<u>050-1000-17150</u>	Capital - Land Non-depreciable	166,272.00	
<u>050-1000-17150</u>	Capital - Land Improvements	75,884.80	
<u>050-1000-17200</u>	Capital - Pump Stations & Improvements	5,913,843.82	
<u>050-1000-17300</u>	Capital - Buildings & Improvements	61,403.08	
<u>050-1000-17350</u>	Capital - Water Treatment Plant & Improver	329,902.40	
<u>050-1000-17400</u>	Capital - Mains/Pipelines & Improvements	46,707,577.06	
<u>050-1000-17500</u>	Capital - Reservoirs & Improvements	2,157,755.00	
<u>050-1000-17700</u>	Capital - Equipment & Furniture	1,424,512.92	
<u>050-1000-17750</u>	Capital - Vehicles	413,429.61	
<u>050-1000-17800</u>	Capital - Software	778,583.87	
<u>050-1000-17900</u>	Less Accumulated Depreciation	-33,020,667.03	
<u>050-1000-19010</u>	Premium on 2009 COP Bond Payable	-92,759.51	
<u>050-1000-19015</u>	Premium on 2012 Refunding Bond Payable	-371,311.84	
	Total Assets:	28,982,007.90	28,982,007.90
Liability			
<u>050-2000-10510</u>	Reimbursable Expenses	-25.00	
<u>050-2000-20010</u>	Accounts Payable	156,113.62	
<u>050-2000-21200</u>	Retirement Payable	583.50	
<u>050-2000-21200</u>	Insurance - Benefit - Section 125 Payable	-690.15	
<u>050-2000-21200</u>	Payroll Benefit Clearing Liability	407.99	
<u>050-2000-21200</u>	Insurance - Benefit - Voluntary Payable	404.28	
<u>050-2000-21200</u>	Insurance - Benefit - Health/Dental Payable	38,797.20	
<u>050-2000-21200</u>	Deferred Compensation Payable	200.72	
<u>050-2000-21200</u>	Salaries Payable	20,920.21	
<u>050-2000-21250</u>	State Unemployment Payable	-54.97	
<u>050-2000-21250</u>	Federal Medicare Tax Payable	906.52	
<u>050-2000-21250</u>	State Income Tax Payable	3,372.63	
<u>050-2000-21250</u>	Federal Income Tax Payable	7,725.25	
<u>050-2000-21250</u>	Federal (FICA) Tax Payable	3,428.72	
<u>050-2000-21300</u>	Current Comp Absence	376,764.02	
<u>050-2000-21300</u>	Comp Absence - Vacation	29,289.76	
<u>050-2000-21300</u>	Comp Absence - Sick	57,812.71	
<u>050-2000-21500</u>	OPEB Liability	127,509.03	
<u>050-2000-21700</u>	Net Pension Liability (GASB 68)	3,785,604.27	
<u>050-2000-22010</u>	Deposits Payable	95,269.19	
<u>050-2000-22050</u>	Deferred Inflows of Resources	1,482,332.07	
<u>050-2000-23000</u>	Accrued Interest	325,495.59	
<u>050-2000-24100</u>	Bonds Payable 2009 COP	10,377,000.00	
<u>050-2000-24200</u>	Bonds Payable 2012 Refunding	3,883,216.50	
<u>050-2000-24200</u>	2012 Deferred Refunding Bond Amortization	-97,172.74	
	Total Liability:	20,675,210.92	
Equity			
<u>050-3000-30100</u>	Investment in Capital Assets	9,988,886.27	
<u>050-3000-30500</u>	Fund Balance	-403,663.42	
<u>050-3000-30700</u>	Restricted - Debt Service Reserve	1,063,037.00	
	Total Beginning Equity:	10,648,259.85	

My Balance Sheet

As Of 09/30/2016

Account	Name	Balance
Total Revenue		71,299.61
Total Expense		<u>2,412,762.48</u>
Revenues Over/Under Expenses		-2,341,462.87
Total Equity and Current Surplus (Deficit):		8,306,796.98
Total Liabilities, Equity and Current Surplus (Deficit):		<u>28,982,007.90</u>

My Balance Sheet

As Of 09/30/2016

Account	Name	Balance	
Fund: 055 - Retail Capital Outlay			
Assets			
<u>055-1000-10010</u>	Claim on Cash	9,544,688.51	
<u>055-1000-10510</u>	Accounts Receivable - Property Taxes	-212.95	
<u>055-1000-10510</u>	Accounts Receivable	35,281.25	
	Total Assets:	<u>9,579,756.81</u>	<u>9,579,756.81</u>
Liability			
<u>055-2000-20110</u>	Accounts Payable	25,842.00	
	Total Liability:	<u>25,842.00</u>	
Equity			
<u>055-3000-30500</u>	Fund Balance	9,495,140.59	
	Total Beginning Equity:	<u>9,495,140.59</u>	
Total Revenue		105,146.38	
Total Expense		<u>46,372.16</u>	
Revenues Over/Under Expenses		<u>58,774.22</u>	
	Total Equity and Current Surplus (Deficit):	<u>9,553,914.81</u>	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u>9,579,756.81</u>

My Project Activity Report

By Project Number

Report Dates: 07/01/2016 - 09/30/2016

San Juan Water District, CA



Project Number 141043
Project Name 2014 Drought Response - SSWD Antelope Pump ... CIP - Capital Contribution
Group Administration
Status Active

Expenses
Account Key 1410439999
Account Name Adjustments/Close
Category Adj/Close - Adjustments/Close 9999
Post Date 08/11/2016
Description Record Receipt of Project Reimbursement from SSWD

GL Account Number	Account Name	Post Date	Description	Vendor Name	Item Number	Activity	Total Activity
011-700-61145	Contributions to Others	08/11/2016	Record Receipt of Project Reimbursement from SSWD			-330,884.28	-330,884.28
2016-2017 Total:						-330,884.28	-330,884.28

Total Expenses: 141043 Total: -330,884.28
141043 Total: -330,884.28

Project Number 161100
Project Name WTP Floc-Sed Basins 2015 Improvements Project
Group CIP - Asset
Status Active

Expenses
Account Key 1611002400
Account Name Materials - CAP
Category Materials - CAP - Materials - Capital 2000

GL Account Number	Account Name	Post Date	Description	Vendor Name	Item Number	Activity	Total Activity
011-700-61145	Capital Outlay - WTP & Improv...	07/20/2016	Floc Sed Basin Proj - Hinge	Rexel Inc (Platt - Rancho Cordova)	1906725	235.31	235.31
011-700-61145	Capital Outlay - WTP & Improv...	07/20/2016	Floc Sed Basin Project - Supplies	Rexel Inc (Platt - Rancho Cordova)	1896751	1,116.64	1,116.64
011-700-61145	Capital Outlay - WTP & Improv...	07/20/2016	Floc Sed Basin Project Supplies	Rexel Inc (Platt - Rancho Cordova)	1907118	1,227.96	1,227.96
011-700-61145	Capital Outlay - WTP & Improv...	07/21/2016	Floc Sed Project - Parts for Repair to SES Pump	Rocklin Industrial Co	200782100	104.18	104.18
011-700-61145	Capital Outlay - WTP & Improv...	07/22/2016	3122 Cessna Co SvcTool-Conduit in Rebar for SWC-2	US Bank Corporate Payments Sys ...	07-22-16	244.04	244.04
011-700-61145	Capital Outlay - WTP & Improv...	07/22/2016	3122 Cessna Home Depot-Conduit in Rebar for SWC-2	US Bank Corporate Payments Sys ...	07-22-16	189.56	189.56
011-700-61145	Capital Outlay - WTP & Improv...	07/22/2016	3122 Cessna Home Depot-Conduit in Rebar for SWC-2	US Bank Corporate Payments Sys ...	07-22-16	61.40	61.40
011-700-61145	Capital Outlay - WTP & Improv...	07/22/2016	3122Cessna Lowes-InfluentVlv,Pwr,Light/Pig/Relocate	US Bank Corporate Payments Sys ...	07-22-16	189.13	189.13
011-700-61145	Capital Outlay - WTP & Improv...	07/22/2016	6923 Sinnock Lowes-Floc Sed Prj Gas Wrap Tape	US Bank Corporate Payments Sys ...	07-22-16	10.78	10.78
011-700-61145	Capital Outlay - WTP & Improv...	07/29/2016	Floc/Sed Conduit Relocation Supplies	Rexel Inc (Platt - Rancho Cordova)	1988136	210.76	210.76
011-700-61145	Capital Outlay - WTP & Improv...	08/10/2016	Floc/Sed Power Relocate Hardware	Mcmaster-Carr Supply Company	741167442	107.15	107.15
011-700-61145	Capital Outlay - WTP & Improv...	08/11/2016	Floc/Sed Parts Smart Bob Project	Mcmaster-Carr Supply Company	74371433	304.08	304.08
011-700-61145	Capital Outlay - WTP & Improv...	08/15/2016	Floc/Sed Proj Conduit Relocation-Aluminum & Clamp	Mcmaster-Carr Supply Company	74820431	173.93	173.93
011-700-61145	Capital Outlay - WTP & Improv...	08/22/2016	3122 Cessna Platt Electric-Temp Power for Floc/Sed	US Bank Corporate Payments Sys ...	08-22-2016	67.11	67.11
011-700-61145	Capital Outlay - WTP & Improv...	08/22/2016	Credit Floc/Sed Proj Conduit Relocation-Aluminum	Mcmaster-Carr Supply Company	75565130	-85.65	-85.65
011-700-61145	Capital Outlay - WTP & Improv...	08/22/2016	Floc / Sed Proj - Sealant & HSS Step Bit Irwin	HD Supply Construction Supply LTD	10005711889	484.22	484.22
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #204501 LTSOP 1/2" Con	Rexel Inc (Platt - Rancho Cordova)	K095239	156.08	156.08
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #207114 THB LT75P 3/4"	Rexel Inc (Platt - Rancho Cordova)	K095239	184.37	184.37
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #208556 LTSOP 1/2" L/T Con	Rexel Inc (Platt - Rancho Cordova)	K095239	122.01	122.01

My Project Activity Report

Report Dates: 07/01/2016 - 09/30/2016

GL Account Number	GL Account Name	Post Date	Description	Vendor Name	Item Number	Activity
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #296211 LTC050	Rexel Inc (Platt - Rancho Cordova)	K095239	163.10
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #444150 LT100P	Rexel Inc (Platt - Rancho Cordova)	K095239	75.98
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #489460 LTC10TB	Rexel Inc (Platt - Rancho Cordova)	K095239	79.66
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #494835 LT1100P 1"	Rexel Inc (Platt - Rancho Cordova)	K095239	133.65
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #512405 LT475P 3/4"	Rexel Inc (Platt - Rancho Cordova)	K095239	200.66
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #553041 LTC075	Rexel Inc (Platt - Rancho Cordova)	K095239	237.23
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #567206 THB LT450P 1/2"	Rexel Inc (Platt - Rancho Cordova)	K095239	138.18
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #567207 LT9100P 1"	Rexel Inc (Platt - Rancho Cordova)	K095239	172.24
011-700-61145	Capital Outlay - WTP & Improv...	09/08/2016	Floc Sed - Platt #567210 LT975P 3/4"	Rexel Inc (Platt - Rancho Cordova)	K095239	143.42
011-700-61145	Capital Outlay - WTP & Improv...	09/22/2016	3122 Cessna Home Depot-Floc-Sed Project Supplies	US Bank Corporate Payments Sys ...	09-22-2016	139.60
011-700-61145	Capital Outlay - WTP & Improv...	09/22/2016	6923 Sinnock Lowes-Floc Sed Supplies	US Bank Corporate Payments Sys ...	09-22-2016	32.24
011-700-61145	Capital Outlay - WTP & Improv...	09/22/2016	6923 Sinnock Lowes-Floc Sed Supplies Sharpie&Bernz	US Bank Corporate Payments Sys ...	09-22-2016	55.62
1611006000	Capital		Capital - Capital 4000			6,674.64

FY 2016-2017 Total: 2,095,964.20

GL Account Number	GL Account Name	Post Date	Description	Vendor Name	Item Number	Activity
011-700-61145	Capital Outlay - WTP & Improv...	07/25/2016	Jul WTP Floc Sed Basin Improvement Services	Myers & Sons Construction, LP	0115-03	338,154.21
011-700-61145	Capital Outlay - WTP & Improv...	07/29/2016	Jul Floc Sed - Construction Support	Kennedy/Jenks Consultants, Inc.	104338	24,291.29
011-700-61145	Capital Outlay - WTP & Improv...	07/31/2016	Jul Floc Sed Basin Construction Management	Infererra Construction Managem...	1608rev1	27,276.50
011-700-61145	Capital Outlay - WTP & Improv...	08/25/2016	Aug WTP Floc Sed Basin Improvement	Myers & Sons Construction, LP	0115-04	276,772.81
011-700-61145	Capital Outlay - WTP & Improv...	08/26/2016	Aug Floc Sed Basin - Construction Services Support	Kennedy/Jenks Consultants, Inc.	105236	22,657.00
011-700-61145	Capital Outlay - WTP & Improv...	08/31/2016	Aug Floc Sed Basin Construction Management	Infererra Construction Managem...	1610	27,600.50
011-700-61145	Capital Outlay - WTP & Improv...	09/26/2016	Sept WTP Floc Sed Basin Improvement	Myers & Sons Construction, LP	0115-05	1,347,807.49
011-700-61145	Capital Outlay - WTP & Improv...	09/30/2016	Sept Floc Sed Basin Construction Management	Infererra Construction Managem...	1612	31,404.40
1611006000	Retention - CAP		Retention - CAP - Retention - Capital 6000			2,095,964.20

FY 2016-2017 Total: 0.00

GL Account Number	GL Account Name	Post Date	Description	Vendor Name	Item Number	Activity
011-20030	Retentions Payable	07/25/2016	Jul Retention WTP Floc Sed Basin Improvements	Myers & Sons Construction, LP	0115-03 CM-RET	-17,797.59
011-20030	Capital Outlay - WTP & Improv...	07/25/2016	Jul Retention - WTP Floc Sed Improv Services	Myers & Sons Construction, LP	0115-03	17,797.59
011-20030	Retentions Payable	08/25/2016	Aug Retention WTP Floc Sed Basin Improvements	Myers & Sons Construction, LP	0115-04 CM-RET	-14,566.99
011-20030	Capital Outlay - WTP & Improv...	08/25/2016	Aug Retention - WTP Floc Sed Improv	Myers & Sons Construction, LP	0115-04	14,566.99
011-20030	Retentions Payable	09/26/2016	Sept Retention WTP Floc Sed Basin Improvements	Myers & Sons Construction, LP	0115-05 CM-RET	-70,937.23
011-20030	Capital Outlay - WTP & Improv...	09/26/2016	Sept Retention - WTP Floc Sed Improvement	Myers & Sons Construction, LP	0115-05	70,937.23
1611006000	Retention - CAP		Retention - CAP - Retention - Capital 6000			0.00

Total Expenses: 2,102,638.84

161100 Total: 2,102,638.84

Project Number	Project Name	Group	Type	Status	Total Activity
161103	Control Valve Stations Water Supply Reliability	CIP - Asset	Engineering	Active	
Expenses	Account Name	Category			

My Project Activity Report

1611036000

GL Account Number
011 20030

Retention - CAP

GL Account Name
Retentions Payable

Retention - CAP - Retention - Capital 6000

Description
Aug Ret Release Reliability Flow Control Sins Svc

Post Date
07/26/2016

Vendor Name
C & D Contractors, Inc.

Item Number
FCS 07 2016

Activity
34,175.90

FY 2016-2017 Total:
34,175.90

Total Expenses:
34,175.90

161103 Total:
34,175.90

Report Dates: 07/01/2016 - 09/30/2016

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
<u>141043</u>	2014 Drought Response - SSWD Antel	0.00	-330,884.28	330,884.28
<u>161100</u>	WTP Flocc-Sed Basins 2015 Improve	0.00	2,102,638.84	-2,102,638.84
<u>161103</u>	Control Valve Stations Water Supply R	0.00	34,175.90	-34,175.90
	Project Totals:	0.00	1,805,930.46	-1,805,930.46

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	0.00	2,136,814.74	-2,136,814.74
CIP - Capital Contribution	0.00	-330,884.28	330,884.28
	0.00	1,805,930.46	-1,805,930.46

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Administration	0.00	1,771,754.56	-1,771,754.56
Engineering	0.00	34,175.90	-34,175.90
	0.00	1,805,930.46	-1,805,930.46

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-20030	Retentions Payable	0.00	-69,125.91	-69,125.91
011-700-61145	Capital Outlay - WTP & Improv...	0.00	2,205,940.65	2,205,940.65
011-700-74090	Contributions to Others	0.00	-330,884.28	-330,884.28
	GL Account Totals:	0.00	1,805,930.46	1,805,930.46

My Project Activity Report

By Project Number

Report Dates: 07/01/2016 - 09/30/2016

San Juan Water District, CA



Project Number	Project Name	Group	Type	Status	Total Activity
121966	Design and Construct Lower Granite Bay Pump Stn	CIP - Asset	Engineering	Active	241.41
Expenses					
<u>Account Key</u>	<u>Account Name</u>	<u>Category</u>	<u>Vendor Name</u>	<u>Item Number</u>	<u>Activity</u>
1219665000	Services - CAP	Services - CAP - Services - Capital 5000			241.41
<u>GL Account Number</u>	<u>GL Account Name</u>	<u>Post Date</u>	<u>Description</u>		
055-700-57120	Maintenance - Facility	08/20/2016	Transfer HDR Invoice #1200008795 from Assets to Expense		
055-700-61135	Capital Outlay - Pump Stations...	08/20/2016	Aug Lower GB BPS Services		241.41
055-700-61135	Capital Outlay - Pump Stations...	08/20/2016	Transfer HDR Invoice #1200008795 from Assets to Expense		-241.41
2016-2017 Retention Release Total:					241.41
1219666000	Retention - CAP	Retention - CAP - Retention - Capital 6000			161,108.18
<u>GL Account Number</u>	<u>GL Account Name</u>	<u>Post Date</u>	<u>Description</u>	<u>Item Number</u>	<u>Activity</u>
055-20030	Retentions Payable	08/22/2016	Retention Release Lower CM Granite Bay BPS	22 - Final	161,108.18
2016-2017 Retention Release Total:					161,108.18
Total Expenses:					161,349.59
121966 Total:					161,349.59
2016-2017 Release Retention Total: 68.09					
2016-2017 Release Retention Total: 68.09					
2016-2017 Release Retention Total: -68.09					
2016-2017 Release Retention Total:					68.09
121967	Rehab Upper Granite Bay Pump Stn - Design/Con...	CIP - Asset	Engineering	Active	73,131.56
Expenses					
<u>Account Key</u>	<u>Account Name</u>	<u>Category</u>	<u>Vendor Name</u>	<u>Item Number</u>	<u>Activity</u>
1219675000	Services - CAP	Services - CAP - Services - Capital 5000			68.09
<u>GL Account Number</u>	<u>GL Account Name</u>	<u>Post Date</u>	<u>Description</u>		
055-700-57120	Maintenance - Facility	08/20/2016	Transfer HDR Invoice #1200008795 from Assets to Expense		
055-700-61135	Capital Outlay - Pump Stations...	08/20/2016	Aug Upper GB BPS Services		68.09
055-700-61135	Capital Outlay - Pump Stations...	08/20/2016	Transfer HDR Invoice #1200008795 from Assets to Expense		-68.09
2016-2017 Release Retention Total:					68.09
1219676000	Retention - CAP	Retention - CAP - Retention - Capital 6000			73,131.56
<u>GL Account Number</u>	<u>GL Account Name</u>	<u>Post Date</u>	<u>Description</u>	<u>Item Number</u>	<u>Activity</u>
055-20030	Retentions Payable	08/22/2016	Retention Release Upper CM Granite Bay BPS	22 - Final	73,131.56
2016-2017 Release Retention Total:					73,131.56

My Project Activity Report

Report Dates: 07/01/2016 - 09/30/2016

Total Expenses: 73,199.65
 121967 Total: 73,199.65

Project Number: 1655085500
 Project Name: Los Lagos Tank Recoating and New Mixing System
 Group: CIP - Asset
 Type: Engineering
 Status: Active

Account Key	GL Account Number	GL Account Name	Post Date	Description	Vendor Name	Item Number	Activity	Total Activity
1655085500	055-700-61155	Capital Outlay - Reservoirs & L...	08/19/2016	Aug-LosLagosTnkRecoating-Ship 5 ContractorsBidDocs	Federal Express Corporation	5-519-11510	96.03	1,325.75
	055-700-61155	Capital Outlay - Reservoirs & L...	08/28/2016	Public Notice - 08/02 Los Logos Tank Bid Invite	McClatchy Newspapers, Inc.	43937108-28-16	1,197.76	
	055-700-61155	Capital Outlay - Reservoirs & L...	09/16/2016	Los Lagos Tank Service Contract Shipping 08/23/16	Federal Express Corporation	5-519-25358	31.96	
								FY2016-2017 Total: 1,325.75

Total Expenses: 1,325.75
 165508 Total: 1,325.75

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
121366	Design and Construct Lower Granite B	0.00	161,349.59	-161,349.59
121067	Rehab Upper Granite Bay Pump Stn - I	0.00	73,199.65	-73,199.65
105508	Los Lagos Tank Recoating and New Mi	0.00	1,325.75	-1,325.75
Project Totals:		0.00	235,874.99	-235,874.99

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	0.00	235,874.99	-235,874.99
Group Totals:	0.00	235,874.99	-235,874.99

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	0.00	235,874.99	-235,874.99
Type Totals:	0.00	235,874.99	-235,874.99

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
055-20030	Retentions Payable	0.00	234,239.74	-234,239.74
055-700-57120	Maintenance - Facility	0.00	309.50	-309.50
055-700-61135	Capital Outlay - Pump Stations	0.00	0.00	0.00
055-700-61155	Capital Outlay - Reservoirs & L...	0.00	1,325.75	-1,325.75
GL Account Totals:		0.00	235,874.99	-235,874.99

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: November 9, 2016
Subject: Treasurer's Report – Quarter Ending September 30, 2016

RECOMMENDED ACTION

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

BACKGROUND

The purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the first quarter of fiscal year 2016-2017, ending September 30, 2016.

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

1. Safety
2. Liquidity
3. Yield

Attached is the quarterly Treasurer's Report for the three months ended September 30, 2016.

At June 30, 2016, the end of the previous quarter, the value of the District's total portfolio was \$24.9 million. Since that time, the value of the District's portfolio decreased by \$600,000 for an ending balance of \$24.3 million as of September 30, 2016. Cash and short-term investments decreased by \$56,000, medium term investments increased by \$2 million and long-term investments decreased by \$2 million. The funds are currently held as follows:

Cash at Banking Institutions	\$ 2,659,377
Local Agency Investment Fund (LAIF)	12,658,109
PFM Managed Investment Portfolio	8,961,907
	<u>\$ 24,279,393</u>

Distribution of Investments San Juan Water District

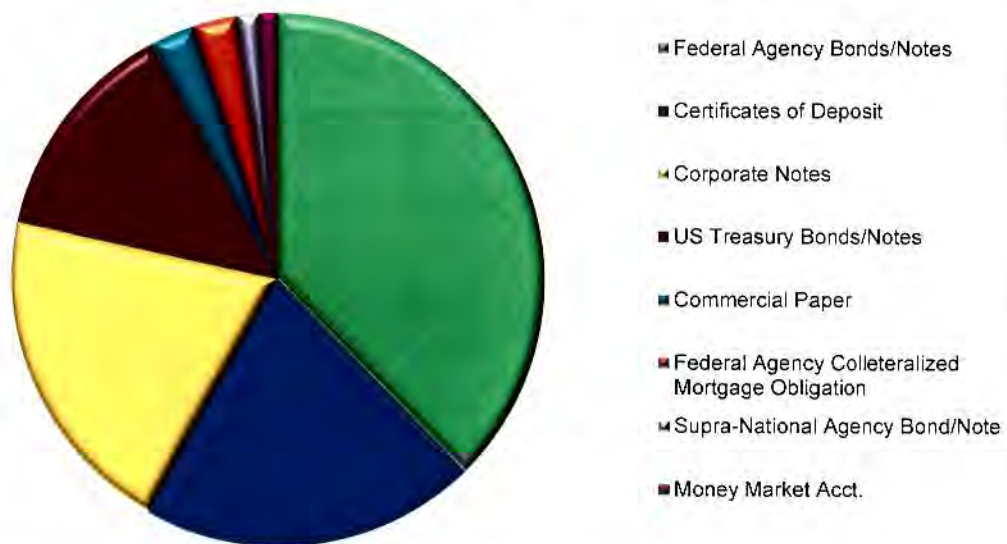


The overall portfolio is diversified with 37% invested in marketable securities (PFM Portfolio), 52% invested in short-term investments that are considered liquid (LAIF) and 11% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically reviews the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District's short term cash needs. The portfolio is currently heavy in LAIF. However, given the cash flow needs from the 2016-17 budget it is not prudent to transfer more money into the managed portfolio at this time.

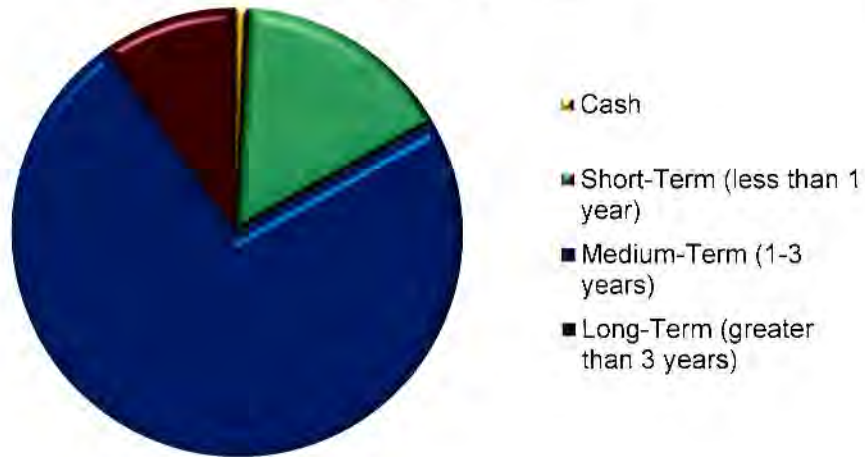
All securities held are in conformance with those permitted by the District's Investment Policy. There are sufficient funds to meet the District's expenditure requirements for the next six months.

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

Mix of Investments - PFM Portfolio



Duration of PFM Portfolio



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

The portfolio is performing well and continues to outperform the benchmark (Bank of America Merrill Lynch "BAML" 0-50 year Treasury Index) on a current and historical basis.

Total Returns – period ending September 30, 2016

	Duration (years)	Quarter Ending 6/30/2016	Past Year	Since Inception
San Juan Water District	2.14	-.05%	1.53%	1.77%
BAML 0-5 Year Treasury Index	2.16	-.12%	1.28%	1.50%

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

	Yield %	Par Value	Cost	Current Market Value	Maturity Date
CASH & DEMAND DEPOSITS - US Bank:	na	\$ 2,659,377.08	\$ 2,659,377.08	\$ 2,659,377.08	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.613%	\$12,658,108.64		\$12,658,108.64	na
PFM MONEY MARKET ACCOUNT	na	\$ 89,700.37	\$ 89,700.37	\$ 89,700.37	na
LONG-TERM INVESTMENTS (PFM Investment Portfolio)					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	1.50%	325,000.00	330,649.41	334,953.13	6/30/2020
US Treasury Notes	1.24%	270,000.00	270,147.66	272,489.13	1/31/2020
US Treasury Notes	1.23%	140,000.00	142,324.22	142,061.01	7/31/2020
US Treasury Notes	1.42%	310,000.00	327,316.41	324,057.45	8/15/2020
US Treasury Notes	0.98%	160,000.00	162,950.00	162,798.05	4/30/2021
<i>Supra-National Agency Bond/Note</i>					
Inter-American Development Bank	1.10%	125,000.00	124,625.00	124,681.49	5/13/2019
<i>Federal Agency Collateralized Mortgage Obligation</i>					
FHLMC Series KP03 A2	1.10%	155,000.00	156,546.28	156,305.70	7/1/2019
Fannie Mae Series 2015-M13 ASQ2	1.08%	80,000.00	80,801.11	80,582.96	9/1/2019
<i>Federal Agency Bonds/Notes:</i>					
FNMA Notes (Ex-Callable)	1.05%	1,000,000.00	1,000,000.00	1,003,133.00	2/27/2018
Freddie Mac Notes	1.05%	95,000.00	95,215.65	95,421.90	4/15/2019
Freddie Mac Notes	1.14%	175,000.00	174,942.25	175,777.18	4/15/2019
FNMA Notes	1.69%	470,000.00	471,193.80	480,016.17	6/20/2019
FNMA Benchmark Notes	0.93%	260,000.00	259,563.20	258,989.12	8/2/2019
FHLB Global Note	0.94%	240,000.00	239,539.20	239,112.96	8/5/2019
FNMA Notes	1.05%	200,000.00	199,688.00	199,908.00	8/28/2109
FNMA Benchmark Notes	1.48%	330,000.00	330,287.10	335,049.00	6/22/2020
FNMA Benchmark Note	1.16%	110,000.00	110,467.50	109,910.90	5/6/2021
FHLB Global Note	1.25%	115,000.00	114,300.69	114,155.21	7/14/2021
FNMA Notes	1.32%	60,000.00	59,794.74	59,837.52	8/17/2021
FNMA Notes	1.38%	100,000.00	99,388.00	99,729.20	8/17/2021
FNMA Notes	1.33%	210,000.00	209,149.50	209,431.32	8/17/2021
<i>Corporate Notes:</i>					
Wells Fargo & Company Global Notes	1.52%	1,000,000.00	999,000.00	1,001,273.00	1/16/2018
IBM Corp Notes	1.23%	225,000.00	224,313.75	224,970.53	2/6/2018
Bank of New York Mellon Corp	1.60%	175,000.00	174,984.25	176,043.35	5/22/2018
CISCO Systems Inc Corp Note	1.66%	185,000.00	184,968.55	186,518.67	6/15/2018
Toyota Motor Credit Corp	1.58%	100,000.00	99,915.00	100,541.10	7/13/2018
American Honda Finance Corp Notes	1.84%	130,000.00	129,112.10	129,137.58	9/9/2021
<i>Commercial Paper:</i>					
Toyota Motor Credit Corp	1.14%	250,000.00	247,904.79	248,250.07	5/12/2017
<i>Certificate of Deposit:</i>					
Canadian Imperial Bank NY YCD	1.01%	250,000.00	250,000.00	249,687.50	4/6/2017
BMO Harris Bank NA CD	1.01%	215,000.00	215,000.00	215,368.30	4/24/2017
Nordea Bank Finland NY CD	1.15%	250,000.00	250,000.00	249,885.00	5/26/2017
Toronto Dominion Bank NY YCD	1.25%	250,000.00	250,000.00	250,117.50	6/16/2017
Svenska Handelsbanken NY FLT Cert Depos	0.84%	215,000.00	215,000.00	215,488.05	8/24/2017
Bank of Nova Scotia Houston YCD	1.55%	215,000.00	215,000.00	215,717.03	11/6/2017
Skandinaviska Enskilda Banken NY CD	1.48%	215,000.00	215,000.00	215,322.50	11/16/2017
HSBC Bank USA NA Floating Cert Depos	0.97%	215,000.00	215,000.00	215,485.90	11/17/2017
TOTAL LONG TERM INVESTMENTS		\$ 8,820,000.00	\$ 8,844,088.16	\$ 8,872,206.48	
TOTAL CASH & INVESTMENTS AT 9/30/2016		\$24,227,186.09	\$11,593,165.61	\$24,279,392.57	

STAFF REPORT

To: Board of Directors

From: George Machado – Field Services Manager,
Mike Stemple – Purchasing Agent

Date: November 9, 2016

Subject: Authorization to Replace Aged Vehicle #21 – Field Services Truck

RECOMMENDED ACTION

Staff recommends authorizing the purchase of a 2017 Ford F550 for Field Services as replacement for Vehicle #21, in the amount of \$65,000.

BACKGROUND

Vehicle #21 is a 2004 Ford F450 with approximately 108,000 total miles. The vehicle is 12 years old and has reached the point where reliability and safety are a concern and repairs are no longer cost effective. The Districts practice for vehicle replacement is when the vehicle reaches 10 years of service life or has over 100,000 miles. This practice has been developed based upon review of vehicle maintenance and repair expenditures.

Vehicle #21 is budgeted for replacement this fiscal year in the Retail Capital Outlay Fund in the amount of \$64,000. The District has another vehicle, the "transporter" (vehicle #26) which is used to haul/tow the backhoe. The transporter is currently scheduled for replacement in fiscal year 2018-19 at a cost of \$96,000.

After analyzing District needs and vehicle capabilities, staff is recommending that instead of replacing vehicle #21 with another F450, it upgrades to an F550. The F550 has a total cost of \$65,000 and is capable of towing the backhoe and eliminates the need to replace the transporter in fiscal year 2018-2019, saving the District \$95,000.

Per Appendix B of Ordinance 4000, purchases in excess \$15,000 require bidding. The District has opted to utilize the State Vehicle Truck Contract #1-16-23-20 A-J, which has been competitively bid by the major dealerships throughout the state of California. The vehicle price under the state contract is \$42,701 plus taxes and fees. The truck utility body is purchased outside of the state contract. The utility body was competitively bid by the District, and awarded to the lowest bidder Royal Truck Body. Royal Truck Body pricing came in 28% lower than the next closest bidder. The truck body cost has been incorporated into the contract price submitted by the dealership, for a total cost of \$64,999.24

If the purchase is approved by the Board, once the new truck is received and placed in service, the old truck will be taken to auction and the proceeds will be deposited into the Retail Capital Reserve Fund.

Per ordinance 2000, the General Manager can authorize the purchase of goods for up to \$15,000. Since the bid is in excess the \$15,000 Board authorization is required. Staff is requesting approval in the amount of \$65,000, for the replacement of vehicle #21 with a 2017 Ford F550.

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: November 9, 2016
Subject: Presentation of Retail Financial Plan and Water Rate Update Study

RECOMMENDED ACTION

Accept report as final, direct staff to prepare Proposition 218 Notice based on the rate increases recommended in the study.

BACKGROUND

In early 2016, the District retained The Reed Group, Inc. to update the District's ten-year wholesale and retail financial plans and to develop recommendations for updating water rates for a five-year period from 2017 through 2021. The purpose of the study was to ensure that the District's wholesale and retail water systems continue to meet financial obligations for ongoing operations and maintenance, debt service and capital improvements while maintaining prudent reserves. The report being presented in this meeting contains analysis and recommendations related to the District's *retail* operations. The Wholesale report will be brought back to the Board of Directors in January after the completion of the 150 day comment period.

The Retail Financial Plan and Water Rate Update study was first presented to the Board of Directors on June 29, 2016. The recommended retail water rate increases were as follows:

- 2017: 6%
- 2018: 8%
- 2019: 8%
- 2020: 6%
- 2021: 6%

During the presentation on June 29, 2016 the Board of Directors provided direction to add specific analysis to the study as follows:

- Additional analysis related to the CalPERS unfunded pension liability, including a loan from wholesale to retail, to allow both wholesale and retail to fully fund the pension liability
- Shorter future debt repayment terms
- Presentation of a graph showing the proposed rate increases and changes in the rate structure

As a result of the requested changes, the new recommended rates are as follows:

- 2017: 8%
- 2018: 9%
- 2019: 9%
- 2020: 9%
- 2021: 6%

Staff is requesting authorization from the Board to include these proposed rate increases in the required Proposition 218 notice. The Proposition 218 notice sets the *maximum* rate increase the Board could consider for adoption after the 45 day noticing period, it does not obligate the Board to approve the noticed rate increases.

In accordance with previous direction from the Board, staff will be working with Director Dan Rich on the design on the Proposition 218 notice as his "special project".

The Retail Financial Plan and Water Rate Update Study, as well as the consultant's power point presentation, are attached for review.

San Juan Water District

Retail Financial Plan and Water Rate Update Study

November 9, 2016

The Reed Group, Inc.



1

Presentation Outline

- Proposed 5-year rate plan
- Current financial situation
- Financial plan development
 - O&M costs, debt obligations, CIP needs
 - Funding for capital projects
 - Efficient use of financial resources
 - Other scenarios examined
- Water rate analyses
 - Rate structure refinement
 - Proposed rate schedules
- Summary of recommendations



2

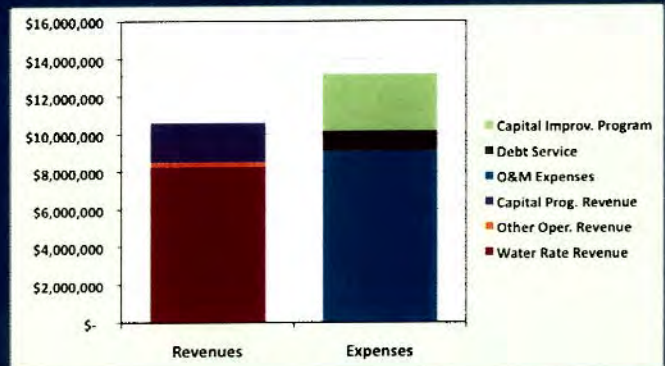
Annual Overall Retail Water Rate Adjustments

Year	Increase	Year	Increase
2017	8%	2022	4%
2018	9%	2023	4%
2019	9%	2024	4%
2020	9%	2025	4%
2021	6%	2026	4%



3

Est. FY 15-16 Revs. & Expenses



4

Est. FY 15-16 Year-End Reserves*

- **Operating Fund (Total = \$2,756,000)**
 - Operating Reserve \$1,997,000
 - Comp. Absences \$348,000
 - PERS Stab. Reserve \$411,000
 - Uncommitted Bal. \$0
- **Capital Fund (Total = \$7,506,000)**
 - General CIP Reserve \$6,798,000
 - Vehicle/Equipment Reserve \$315,000
 - Kokila Res. Reserve \$393,000

* Excludes debt service reserves and other restricted reserves



5

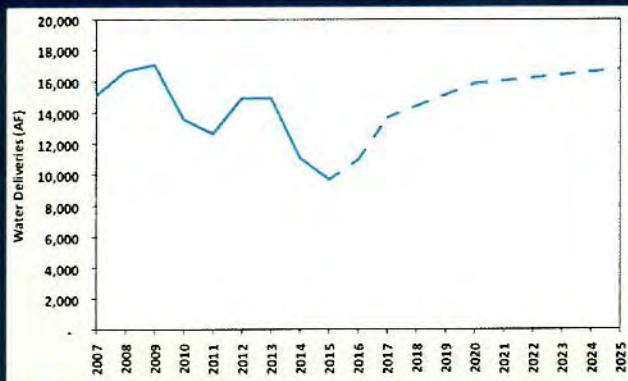
Parallel Issues for Wholesale and Retail Systems

- Uncertain rebound in water demands
- Economic efficiency and cost-effective use of financial resources
 - Reduce long-term PERS UAL obligations
- Capital improvement program
 - Combination of PayGo and debt financing



6

Water Deliveries to Retail System



7

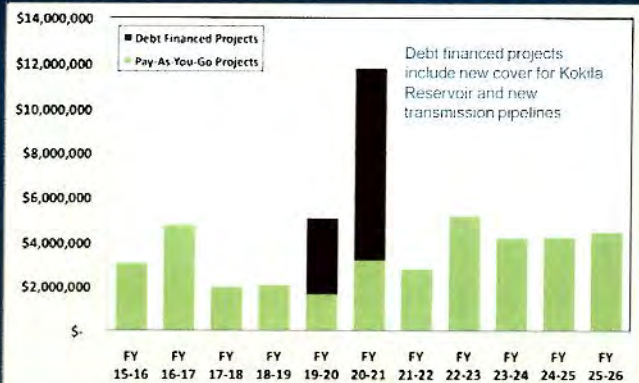
Future Costs and Obligations

- O&M costs increase from \$9.7 million to \$15.8 million per year over planning period
 - Average increase is about 5.5% per year
- Existing debt service stable at about \$1.0 million per year
 - New debt could add \$737,000 per year
- Capital program totals \$46.7 million over 10 years
 - Pay-as-you-go program totals \$34.6 million
 - Debt financed program totals \$12.1 million



8

Capital Improvement Program



9

Retail CIP Financing

- Issue new debt in 2019 for new Kokila Reservoir cover and transmission pipelines
 - \$12.75 million par amount at estimated 4.0%
 - Annual debt service (and total interest)
 - 30-year term = \$737,000 (\$9.4 million total interest)
 - 20-year term = \$938,000 (6.0 million total interest)
 - 10-year term = \$1,572,000 (\$3.0 million total interest)
- Pay-as-you-go funding
 - About \$34.6 million over 10 years

10

Economic Efficiency

- Current rate of return on District's investments ~ 0.5%
- Long-term bond interest rates ~ 2.5% to 4.0%
- Interest paid on PERS unfunded accrued liability (UAL) ~ 7.5%
 - Est. UAL as of 6/30/16 ~ \$5,477,000

11

Current PERS Unfunded Accrued Liability (UAL)

- Est. UAL at June 30, 2016 = \$5,477,000
 - Wholesale portion = \$2,300,000
 - Retail portion = \$3,177,000
- Available reserves to eliminate the UAL
 - Retail
 - Retail PERS stab. reserve = \$411,000
 - Kokila reservoir reserve = \$393,000
 - Hinkle reservoir reserve = \$790,000 (loan from wholesale system)
 - General CIP reserve = \$1,584,000

12

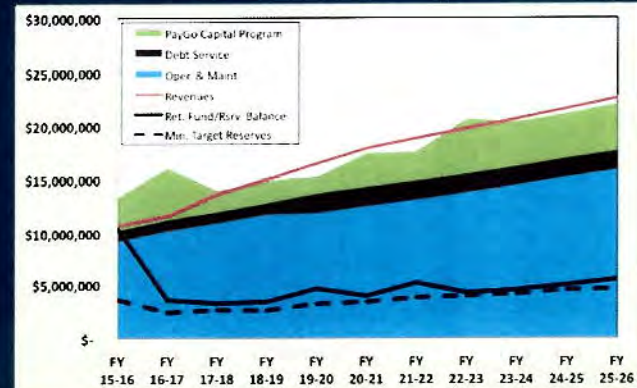
Financial Plan Strategy

- Issue new long-term debt in 2019 for major capital improvement projects
 - Maintain pay-as-you-go for majority of CIP
- Pay off PERS UAL to reduce interest costs and future uncertainty
- Bring revenues and expenses into balance
- Maintain prudent reserves
- Gradually increase retail water rates
 - 8%, 9%, 9%, 9%, and 6% over 5 years



13

Retail Financial Plan Summary



Debt proceeds and debt-funded projects not shown.

14

Other Scenarios Examined

- Shorter debt repayment term on new debt
 - 20-years: Additional 2% rate increase by 2019
 - 10-years: Additional 7.5% rate increase by 2019
- SRF loan (1.7%) rather than COPs (4.0%)
 - May reduce annual debt service about \$175,000
- Refund 2009 COPs
 - Savings of about \$220,000 in annual retail debt service if refunded in 2018
- Maintain PERS UAL
 - Retail rates about 3% higher in 2017



15

Retail Rate Analysis

- Anticipate gradual rebound in water demand
- Gradually increase emphasis on daily fixed base charges
 - Maintain current water usage rate while daily base charges gradually increase
 - Maintain uniform water usage rate for all water usage



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SAN JUAN WATER DISTRICT

Retail Financial Plan and Water Rate Update Study

Revised Draft Report

November 2, 2016



THE REED GROUP, INC.

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SECTION I. SUMMARY

INTRODUCTION AND BACKGROUND

In early 2016, the San Juan Water District retained The Reed Group, Inc. to update the District's ten-year wholesale and retail financial plans and develop recommendations for updating water rates for a five-year period from 2017 through 2021. The purpose of the study was to ensure that the District's wholesale and retail water systems continue to meet financial obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves. This report contains analyses and recommendations related to the District's retail operations. A separate report contains analyses and recommendations related to the District's wholesale operations.

One focus of this retail financial plan is to help ensure adequate funding of the District's retail capital improvement program. The retail capital improvement program includes about \$46.7 million (in future dollars) in capital improvements over the ten-year planning period extending through FY 25-26. The financial plan presented herein indicates that undertaking this capital program, as planned and scheduled, will require the issuance of an estimated \$12.75 million in new long-term debt in 2019 in order to fund two needed transmission pipelines and replace the cover of Kokila reservoir. Based on financial plan analyses, all other planned capital improvement projects can be funded on a pay-as-you-go basis.

A second focus of this retail financial plan is to address the outstanding unfunded accrued liability (UAL) associated with the District's retirement programs. Based on the most recent actuarial analysis, the retail water system has an outstanding UAL of about \$3.177 million as of June 30, 2016. The District is paying interest on this accrued liability of 7.5 percent while its financial reserves are earning about 0.5 percent. The financial plan includes a strategy for paying off this outstanding liability using available financial reserves, which is a more economically efficient use of the District's financial resources.

In other respects, the retail financial plan provides a strategy and recommendations for annually adjusting water rates in order to meet financial and service obligations while maintaining prudent reserves. While the financial plan covers a ten-year planning period, water rate recommendations cover five years. It is recommended that the District update the financial plan analysis at least once every three to five years, as warranted. In particular, the District should plan on updating the wholesale and retail financial plans prior to issuing new long-term debt.

Retail water rate calculations were updated based on the revenue needs developed through the financial planning process. The rate structure and cost allocation methodology used in the rate calculations are generally the same as in past studies. Proposed rates continue to include a uniform water usage rate for all water usage. One change, however, is a shift in the overall rate structure to place greater emphasis on daily fixed base charges with a corresponding reduction in the reliance on water usage revenue. This change is intended to help improve revenue stability.

During the course of this study, preliminary results and recommendations were presented to the District's Board of Directors in a workshop on June 29. Following that workshop changes were made with regards to the UAL issue, as well as other refinements.

This report summarizes the analyses and recommendations of the retail financial plan and water rate study. It includes a financial strategy that relies upon ongoing revenues as well as available reserves to meet all financial obligations, including the planned capital improvement program.

FINANCIAL PLAN AND REVENUE NEEDS

The financial plan model covers the ten-year planning period from FY 16-17 through FY 25-26. The plan reflects estimated operation and maintenance costs, debt service obligations, and capital improvement needs of the retail water system. The financial plan is a cash-flow model, and differs from standard accounting income statements and balance sheets. The financial plan also separately reflects ongoing operation and maintenance, debt service payment obligations, and the capital improvement program, with separate revenue sources reflected for each. Financial reserves are also reflected in the financial planning model.

During the past couple of years, the District's operations have been impacted by the sustained drought that has affected all of California. Reduced water sales to retail customers has resulted in reduced revenues without a corresponding reduction in costs. As a result, the District cut costs, where possible, deferred capital improvement projects, relied more heavily on available financial reserves, and implemented a temporary 10 percent water shortage surcharge on water usage. The 10 percent water shortage surcharge was insufficient to address financial needs¹. As a result, property tax revenue and capital program reserves normally dedicated to capital improvement projects have been needed to help cover operating, maintenance, and debt service costs. At the present time, the financial condition of the retail water system is more financially stressed than it has been in a number of years.

Details of the financial plan assumptions, findings, and recommendations are presented in Section II of this report. However, the analysis indicates that the District needs to increase retail water rates each year for the next five years. The District's Board of Directors has approved the FY 16-17 budget without a rate increase, however that budget requires a dramatic use of reserves and would leave the District in greater financial stress. Primary findings and recommendations stemming from the retail financial plan analysis include:

- Annual water sales have declined in recent years likely due to the slowdown in the economy, the recent drought, and water conservation efforts by the District's customers. The financial plan assumes there will be a modest rebound in water demand beginning in FY 16-17 that then continues and extends over several years.

¹ Based on the severity of the drought, a 30 percent water shortage surcharge was authorized, but the District's Board of Director opted to only implement a 10 percent surcharge.

- Based on the most recent actuarial estimates, the retail water system has an outstanding unfunded accrued liability under its Public Employee Retirement System (PERS) retirement programs of about \$3.177 million. It is recommended that the District utilize available financial reserves to pay off this liability in FY 16-17, thereby avoiding the 7.5 percent annual interest on the UAL.
- The District should anticipate issuing about \$12.75 million in new long-term debt for the retail water system in 2019 in order to finance two needed transmission pipelines and replace the cover of Kokila Reservoir². It is anticipated that all other capital improvement projects can be funded on a pay-as-you-go basis thereby avoiding additional interest expenses.
- The District's financial reserve policies have served and continue to serve the District well. However, changes in certain reserves and reserve policies are recommended in order to provide greater economic efficiency and cost savings. A summary of reserve policy recommendations include:
 - Maintain the 20 percent operating reserve for working capital and emergency purposes
 - Eliminate the compensated absence reserve as it is unnecessary
 - Use funds from the PERS stabilization reserve, the Kokila reservoir reserve, and a portion of the general CIP reserve to payoff the \$3.177 million PERS UAL balance³
 - Maintain required and restricted debt service reserves
 - Continue to utilize the general CIP reserve to help fund planned capital improvement projects
 - Within the planning period, begin to fund an emergency CIP reserve to help provide flexibility in funding needed capital projects.
- It is recommended that the overall level of retail water rates be increased on an annual basis, as follows:

○ January 2017	8%
○ January 2018	9%
○ January 2019	9%
○ January 2020	9%
○ January 2021	6%

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model and future estimates at least every three to five years, or when conditions or plans changes sufficiently to warrant an update. Actual future conditions, such as water supply conditions, water deliveries, water sales revenue, operating and maintenance expenses, CIP project costs/timing, project

² An estimated additional \$28.75 million may be needed to fund planned wholesale capital improvement projects. A single issue for both wholesale and retail projects is anticipated.

³ A loan from the wholesale water system will also be needed to help pay off the UAL. Details of the loan are described in Section II of this report.

financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the retail water system may warrant closer review and/or an earlier update. The need and magnitude of annual retail water rate increases may also be affected by differences between assumed and actual conditions, including the potential refunding of existing debt and the issuance of new debt.

PROPOSED RETAIL WATER RATES

Exhibit I-1 presents proposed retail water rates to be implemented in January 2017, and each January through 2021. The proposal includes holding the uniform water usage rate at the current \$0.92 per CCF, and meets all revenue needs through increases in the daily fixed base charges. The rate schedules for 2017 through 2021 reflect annual overall water rate increases of 8 percent, 9 percent, 9 percent, 9 percent, and 6 percent, respectively. At present, about 41 percent of retail water rate revenue is derived from water usage charge. By FY 20-21, water usage charge revenue will decline to about 37 percent of the total, even with a rebound in water demand.

The bottom portion of Exhibit I-1 summarizes the amount of a typical single family residential water bill under each of the proposed rate schedules. Residential customers with a 1" water meter will see water bill increases of \$0.18 per day with the rates proposed for January 2017, regardless of water usage. With the proposed 5-year rate plan, after five years of annual rate adjustments water bills for residential customers will have increased by a total of \$1.05 per day.

**Exhibit I-1
San Juan Water District
Current and Proposed Retail Water Rates**

	Current	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020	Jan. 2021
Overall Water Rate Increase -->		8%	9%	9%	9%	6%
Daily Base Charges						
Up to 1" meter	\$ 1.24	\$ 1.42	\$ 1.63	\$ 1.86	\$ 2.11	\$ 2.29
1 1/2" meter	\$ 3.31	\$ 3.67	\$ 4.21	\$ 4.80	\$ 5.44	\$ 5.91
2" meter	\$ 5.28	\$ 5.83	\$ 6.68	\$ 7.61	\$ 8.62	\$ 9.36
3" meter	\$ 10.50	\$ 10.87	\$ 12.46	\$ 14.20	\$ 16.09	\$ 17.47
4" meter	\$ 16.36	\$ 18.08	\$ 20.73	\$ 23.62	\$ 26.77	\$ 29.06
6" meter	\$ 32.73	\$ 36.09	\$ 41.38	\$ 47.15	\$ 53.44	\$ 58.01
8" meter	\$ 58.83	\$ 57.70	\$ 66.16	\$ 75.38	\$ 85.43	\$ 92.73
Fire District	\$ 6.36	\$ 7.28	\$ 8.35	\$ 9.51	\$ 10.78	\$ 11.70
Water Usage Charge (\$/CCF)						
All water usage	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92
Daily Private Fire Line Charges						
4" meter	\$ 0.53	\$ 0.57	\$ 0.62	\$ 0.68	\$ 0.74	\$ 0.78
6" meter	\$ 0.78	\$ 0.84	\$ 0.92	\$ 1.00	\$ 1.09	\$ 1.16
8" meter	\$ 1.05	\$ 1.14	\$ 1.24	\$ 1.35	\$ 1.47	\$ 1.56
10" meter	\$ 1.26	\$ 1.36	\$ 1.48	\$ 1.61	\$ 1.75	\$ 1.86
Hinkle PS Pumping Surcharge (\$/AF)						
Wholesale deliveries to City of Folsom	\$ 68.87	\$ 74.38	\$ 81.07	\$ 88.37	\$ 96.32	\$ 102.10
Typical Monthly Residential Bill (@ 30 CCF/mo.)	\$ 64.80	\$ 70.20	\$ 76.50	\$ 83.40	\$ 90.90	\$ 96.30
		\$ 5.40	\$ 6.30	\$ 6.90	\$ 7.50	\$ 5.40
		8.3%	9.0%	9.0%	9.0%	5.9%

SECTION II. RETAIL FINANCIAL PLAN

This section of the report describes the financial plan for the District's retail water system. The ten-year financial plan is used to determine annual retail water rate revenue requirements. The annual rate revenue requirement is the amount of revenue needed from water rates to cover planned operating, maintenance, debt service, and capital program costs with consideration of other revenues and financial reserves.

FUND STRUCTURE AND CASH FLOWS

The financial plan is an annual cash flow model. As a cash flow model, it differs from standard accounting income statements, and balance sheets. The financial plan models sources and uses of funds into, out of, and between the various funds and reserves of the water utility.

The financial plan model is based on a fund, reserve, and account structure that separately addresses operating, debt service, and capital program needs, with three funds for these three purposes. This presentation helps provide transparency as to the sources and uses of funds for each type of obligation. The District recently replaced and upgraded its financial accounting system. This financial plan was developed based on the new account structure reflected in the District's financial accounting software.

An understanding of the fund/reserve structure is helpful in understanding the financial plan worksheets that model annual cash flows through the retail water system from one year to the next. The fund/reserve structure is comprised of:

- **Retail Operating Fund** – The retail operating fund is the primary fund within the retail water system. Most retail revenues, including water rate revenues, flow into the operating fund and all operating and maintenance costs, including debt service payments, are paid out of this fund. Funds are also transferred from the operating fund to the retail capital fund to help pay for capital projects intended to rehabilitate and upgrade facilities. Five separate reserves are reflected in the operating fund.
 - *Operating Reserve* – The District maintains an operating reserve within the operating fund equal to 20 percent of annual retail operating and maintenance costs. The purpose of the operating reserve is to provide working capital and funds for unplanned operating and maintenance expenditures. At the end of FY 15-16, the retail operating reserve had an estimated \$1,997,000, based on the budgeted operating and maintenance costs budgeted for the upcoming fiscal year.
 - *Compensated Absence Reserve* – The District has maintained a separated reserve to fund its liability for compensated absences. At the end of FY 15-16 this reserve had an estimated balance of about \$348,000. The need to maintain the reserve has been under review by District staff and Board. A policy recommendation to eliminate this reserve is supported by staff and incorporated in the financial plan analyses.

- *PERS Stabilization Reserve* - A separate Public Employee Retirement System (PERS) stabilization reserve is shown as a part of the operating fund, and reflects the balance of funds set aside to meet PERS UAL obligations. At the end of FY 15-16, the PERS stabilization reserve had an estimated balance of about \$411,000. At present, the retail water system is responsible for about \$3.177 million of the UAL obligation. Because this obligation is carried with a 7.5 percent interest rate, and the District only earns about 0.5 percent on its total investment pool, it would be advantageous to use this reserve to reduce the UAL obligation. This matter is discussed in greater detail later in this section.
- *Customer Deposits* - Money on deposit with the District as security is maintained in a separate reserve account. At the end of FY 15-16 the District held about \$47,000 in customer deposits. This reserve is not available for general purposes and does not affect the financial plan analysis.
- *EDA Loan Reserve* - Consistent with the requirements of a loan from the Economic Development Agency, the District has maintained a loan reserve equal to one annual loan payment. The EDA loan will be fully repaid in FY 16-17, and the loan reserve can be used to make the final payment. This reserve will no longer exist following payoff of the loan.
- *Uncommitted Fund Balance* - The balance in the operating fund in excess of the target amount for the operating reserves, as well as the other operating fund reserves, is shown in the financial plan as uncommitted fund balance. After all other obligations are met the uncommitted fund balance is available to offset rate increases, and the financial plan model generally seeks to reduce any uncommitted fund balance over time. **Negative amounts for the uncommitted fund balance indicate the degree to which the minimum operating reserve is not met.** To prevent a significant negative uncommitted balance at the end of FY 15-16 the financial plan model includes a transfer of funds from the capital fund to the operating fund of \$1,866,000.
- *Retail Capital Fund* - The retail capital fund is used to account for capital project expenditures, as well as related funding sources. The District applies property tax revenues (the 1 percent increment taxes) to the capital program. In addition, it is recommended that a portion of revenues from the retail water rates be transferred annually to the capital fund, in support of the long-term capital program. While current revenues are insufficient for this transfer, this should be an objective to help minimize or reduce the amount of debt that may be required in the future. Capital projects funded from the retail capital fund are intended to rehabilitate, upgrade, and expand the retail water system to meet current and future needs of the utility. The financial plan model generally seeks to maintain a positive balance in the capital fund while also covering the costs of planned capital improvement projects. The capital fund is comprised of five separate reserves.

- *General CIP Reserve* - This reserve reflects the capital fund balance that is generally available for retail capital improvement purposes. At the end of FY 15-16, this reserve had an estimated balance of about \$6.80 million.
- *Vehicle/Equipment Reserve* - This reserve is intended to provide funds for the replacement of vehicles and major equipment. At the end of FY 15-16 the reserve had an estimated balance of about \$315,000. District staff and the Board of Directors are currently reviewing the need to maintain this as a separate reserve, and it may be rolled into the general CIP reserve.
- *Kokila Reservoir Reserve* - The District maintains a sinking fund for the eventual replacement and upgrade of Kokila Reservoir. The sinking fund has a FY 15-16 year-end balance of about \$393,000. The District adds \$10,000 annually to this reserve, plus accrued interest. The District plans to replace the cover of Kokila reservoir in FY 20-21 for an estimated cost of about \$9.5 million (in future dollars). As presently funded, the Kokila reservoir reserve would only cover a small fraction of the total cost of this major project.
- *Emergency CIP Reserve* - The emergency CIP reserve currently has a zero balance. The reserve is intended to be available for emergency capital improvement projects at the Board's discretion. The financial plan includes gradual funding of the emergency CIP reserve during the later half of the planning period. However, it could also be consolidated into the general CIP reserve.
- *Project Fund* - The financial plan includes the issuance of new long-term debt in 2019 to finance the Kokila reservoir cover project, as well as two transmission pipelines. The financial plan model includes a project fund as part of the capital fund as a means of accounting for the use of debt proceeds.
- *Debt Service Fund* - The financial plan model also includes a debt service fund as the mechanism for tracking debt service obligations and payments. Outstanding debt was issued in 2009 and in 2012. Restricted debt service reserves are required under the terms of the 2009 COPs, and it is anticipated that similar reserve may be required as part of the anticipated 2019 debt issue.
 - *2009 COP Debt Service Reserves* - The 2009 certificates of participation (COPs) requires the District to maintain certain debt service reserves. These reserves are shown as part of the overall debt service fund balance. Retail 2009 COP debt service reserves total about \$1.033 million as of the end of FY 15-16. Money in this reserve is restricted and can only be used for specific purposes related to the 2009 COPs.
 - *2019 Debt Service Reserves* - Estimated costs for the 2019 debt issue include providing money from the issuance to fund a debt service reserve. Such a reserve has been included in the financial plan model.

FINANCIAL PLAN ASSUMPTIONS

The financial plan was created to reflect the FY 15-16 estimated actual revenues, expenses, and year-end financial position, as well as the FY 16-17 adopted budget, ten-year capital improvement program, and existing debt service schedules. The financial plan also reflects estimates of future operating and maintenance costs, revenues based on a number of assumptions, potential future debt service obligations, and information provided by the District.

The process used to develop the financial plan involved estimating future revenues and expenditures based on inflation and interest rates, water supply costs and demand projections, anticipated capital improvement needs, and other information. The District does not have formal estimates of future operating and maintenance costs, and capital improvement needs are defined at a planning level. The financial plan is based on the best available information and assumptions are believed to be reasonable; however, no assurance can be provided as to the accuracy and completeness of the estimates.

Primary assumptions reflected in financial plan analyses are summarized below. Many of the assumptions used in both retail and wholesale financial plans are summarized in Exhibit II-1.

- *Interest Rates* – The District invests most of its available funds in the Local Agency Investment Fund (LAIF), which has been earning less than 0.5 percent for the past several years. A small portion of the District’s available assets is invested in other securities that have recently yielded about 1.5 percent. In aggregate, in FY 14-15 the District’s invested funds returned about 0.5 percent. The financial plan model incorporates an assumed 0.5 percent rate of return on all funds. This interest rate is assumed to gradually increase to 1.0 percent by the end of the ten-year planning period. Interest calculations are based on beginning-of-year balances and interest accrues to each of the funds. The District also pays interest on outstanding long-term debt obligations. The interest payments on outstanding debt are those contained in existing contracts and repayment schedules.
- *Inflation Rates* – Annual inflation rates for general operating and maintenance costs is 3.0 percent per year throughout the planning period. Inflation for chemical and energy costs is assumed 5.0 percent per year. Inflation on retiree medical costs and other post-employment benefit (OPEB) obligations is assumed at 6.0 percent per year. Finally, construction costs are assumed to increase 3.0 percent annually.
- *Retail Customer Base and Water Demand* – Modest growth in the District’s retail customer base is incorporated for financial planning purposes based on information contained in the 2015 *Urban Water Management Plan* (UWMP). Annual growth of the District’s retail customer base is slightly more than 1 percent per year during the planning period. Retail water demand is estimated to rebound toward historic levels over the next several years, based on the assumed return to normal water supplies in 2016 and demand rebound over several years reaching normal demand by 2020. Retail water demands in 2020 and 2025 are based on estimates included in the District’s 2015 UWMP.

Exhibit II-1
San Juan Water District
Financial Plan Assumptions

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Financial Assumptions											
Interest Earnings		0.5%	0.5%	0.5%	0.5%	0.75%	0.75%	0.75%	1.0%	1.0%	1.0%
General Inflation		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Energy/Chem. Inflation		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Retiree Med. & OPEB Infl.		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Construction Inflation		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Wholesale Operating Fund Reserve		20% of annual O&M expenses									
Retail Operating Fund Reserve		20% of annual O&M expenses									
Wholesale Water Service											
No. Retail Connections	50,863	51,253	51,643	52,034	52,424	52,814	53,156	53,498	53,840	54,182	54,524
% Change		0.8%	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
Total Ann. Deliv. (AF)	28,817	37,051	42,383	44,728	47,056	48,592	48,938	49,285	49,630	49,977	50,184
% Change		28.6%	14.4%	5.5%	5.2%	3.3%	0.7%	0.7%	0.7%	0.7%	0.4%
Folsom Pumping Charge	\$ 68.87	\$ 71.63	\$ 77.73	\$ 84.72	\$ 92.35	\$ 97.89	\$ 101.81	\$ 105.88	\$ 110.12	\$ 114.52	\$ 119.10
Folsom Deliveries (AF)	963	1,068	1,334	1,346	1,358	1,370	1,370	1,370	1,370	1,370	1,370
Retail Customer Accounts and Water Usage											
No. of Customer Accounts											
Residential	10,105	10,224	10,343	10,462	10,581	10,700	10,823	10,946	11,069	11,192	11,315
Non-Residential	477	483	489	495	501	507	513	519	525	531	537
Total Accounts	10,582	10,707	10,832	10,957	11,082	11,207	11,335	11,464	11,592	11,721	11,849
% Change		1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
No. of Equiv. Mtrs.	8,566	8,711	8,836	8,961	9,086	9,211	9,339	9,468	9,596	9,724	9,853
Water Sales (CCF)	3,755,000	4,460,000	5,220,000	5,541,000	5,861,000	6,104,000	6,226,000	6,351,000	6,477,000	6,603,000	6,680,000
Water Sales (AF)	8,620	10,239	11,983	12,720	13,455	14,013	14,293	14,580	14,869	15,158	15,335
Water Demand Factor		19%	17%	6%	6%	4%	2%	2%	2%	2%	1%
Water Purchases (AF)	10,181	12,044	13,976	14,707	15,424	15,928	16,112	16,295	16,479	16,663	16,773
Unacct. Loss Rate	-15%	-15%	-14%	-14%	-13%	-12%	-11%	-11%	-10%	-9%	-9%
Connection Fees											
Wholesale Conn. Fee	\$ 391	\$ 403	\$ 415	\$ 427	\$ 440	\$ 453	\$ 467	\$ 481	\$ 495	\$ 510	\$ 525
Retail Conn. Fee	\$ 14,910	\$ 15,357	\$ 15,818	\$ 16,293	\$ 16,782	\$ 17,285	\$ 17,804	\$ 18,338	\$ 18,888	\$ 19,455	\$ 20,039
2019 Debt Issue											
Par Amount	41,500,000	28,750,000	12,750,000								
Interest Rate	4.0%										
Term (years)	30										
Funded DS Reserve	Yes										
Issuance Costs	2.0%										
Net Proceeds	38,270,000	26,512,000	11,758,000								
Est. Annual Payment	2,400,000	1,663,000	737,000								

- *Cost of Water Supplies* – The cost of water supplies is reflected as the amount the retail water system pays the wholesale water system for water deliveries. This is comprised of quarterly fixed service charges, debt service charges, and capital facilities charges, as well as a water usage charge for each acre-foot of delivered water. The retail financial plan uses information from the 2016 *Wholesale Financial Plan and Water Rate Update Study* as the basis for water supply costs to the retail water system.
- *Other Operation and Maintenance Costs* – Beyond water purchases costs, the financial plan model is based on current operating and maintenance costs as reflected in the FY 16-17 operating budget. Future operating and maintenance costs are estimated based on assumed inflation rates, as previously described. Energy costs for pumping are also adjusted based on changes in water demands.
- *Staff Additions* – The retail financial plan incorporates the following new staff positions, based on needs identified by District staff.
 - Human Resources Specialist – This position is added mid-year in FY 16-17 at a total annual cost of \$125,000. The position has been split equally between the wholesale and retail water systems, and has been included in the District’s FY 16-17 budget.
 - Administrative Assistant - This position is added in FY 17-18 at a total annual cost of \$80,000. The position has been split equally between the wholesale and retail water systems.
 - Customer Services Representative – This position is added in FY 17-18 at a total annual cost of \$90,000, and is included entirely as a cost to the retail water system.
- *Large Non-Capital Projects* – Large non-capital projects, such as studies, assessments, and large maintenance items had previously been included in the District’s capital improvement program. Beginning in FY 16-17 these items are being included in the operating budget, and treated as operating and maintenance expenses (rather than capitalized and expensed over time). The retail financial plan includes the budgeted FY 16-17 large non-capital items totaling about \$157,000. For future years, this amount is escalated at the pace of inflation to account for most ongoing non-capital project needs. Four additional items have also been explicitly added to the retail financial plan. They include:
 - New GIS implementation with an estimated cost of \$123,000 in FY 17-18
 - A retail master plan with an estimated cost of \$338,000 in FY 18-19
 - AMR feasibility study with an estimated cost of \$68,000 in FY 18-19
 - Bacon 33” and Sierra 30” pipeline condition assessments with estimated costs of \$52,000 and \$160,500 in FY 17-18 and FY 18-19, respectively.

It is believed that these estimates and allowances conservatively reflect future non-capital project needs.

- *Debt Obligations* – The District’s retail debt obligations are currently limited to repayment of 2009 COPs and 2012 refunding revenue bonds. The retail portion

of annual debt service on the 2009 COPs totals about \$757,000, and is about \$257,000 on the 2012 refunding revenue bonds.

The financial plan model includes estimates related to the issuance of additional long-term debt in 2019 in order to fund major capital improvement projects. The 2019 new debt issue is estimated with a total par amount of \$41.5 million (\$28.75 million for wholesale projects and \$12.75 million for retail projects). Estimated terms include a 4.0 percent interest rate, 30-year repayment term, issuance costs of 2.0 percent of the par amount, funding of a debt service reserve, and approximately equal annual principal and interest payments throughout the repayment period. Actual terms would be determined at the time of debt issuance and will reflect market conditions at that time. The actual allocation of debt service obligations to each wholesale customer will also be determined at the time of issuance.

Exhibit II-2 provides details on current actual and estimated future debt service obligations, including the distribution of debt service costs to each wholesale customer. The District is currently meeting debt service coverage obligations, and financial plan analyses consider this requirement in developing estimates for future annual water rate adjustments.

The District has considered refunding the 2009 COPs in order to take advantage of current low interest rates. However, because of pre-payment penalties, financial advisors have indicated that it will likely be more feasible to refund the COPs in 2018 when pre-payment penalties no longer apply. Financial plan analyses do not reflect any potential cost savings associated with refunding of the 2009 COPs.

- *Capital Improvement Program* – The District’s retail 10-year capital improvement program includes about 75 projects totaling about \$46.7 million in future dollars, averaging about \$4.7 million annually. Exhibit II-3 lists the planned projects, as well as estimated cost and timing. Costs in Exhibit II-3 have been escalated each year based on a 3.0 percent annual construction inflation factor.

The capital improvement program has a concentration of project expenditures in FY 19-20 and FY 20-21. This concentration primarily includes two major transmission pipeline projects and a new cover for Kokila reservoir, which together total about \$12.1 million. Because of their size, and the District’s current financial condition, it is virtually impossible to undertake these projects without issuing new long-term debt.

Financial plan analyses suggest that with the exception of the two transmission pipelines and the Kokila reservoir cover project, the entire capital improvement program can be financed on a pay-as-you-go basis using capital program revenues, transfers from the operating fund, and available reserves.

Annual transfers from the operating fund to the capital fund range from zero dollars initially (due to inadequacy of water rate revenues) to \$2.0 million toward the end of the planning period. By establishing rates sufficient to support a portion of the capital program the District may be able to avoid the need for additional long-term debt beyond 2019. This has been an objective of the financial plan, and the proposed rates help to achieve this objective.

Exhibit II-2
San Juan Water District
Summary of Wholesale and Retail Debt Service Obligations

	Alloc. %	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
2009 Certificates of Participation												
Principal		430,000	450,000	475,000	500,000	525,000	550,000	580,000	615,000	650,000	690,000	725,000
Interest		1,672,400	1,653,050	1,630,550	1,606,800	1,580,550	1,551,675	1,521,425	1,488,075	1,452,713	1,415,338	1,379,113
Total Payment		2,102,400	2,103,050	2,105,550	2,106,800	2,105,550	2,101,675	2,101,425	2,103,075	2,102,713	2,105,338	2,104,113
Outstanding Balance		28,825,000	28,375,000	27,900,000	27,400,000	26,875,000	26,325,000	25,745,000	25,130,000	24,480,000	23,790,000	23,065,000
Retail Share	36%	756,900	757,100	758,000	758,400	758,000	756,600	756,500	757,100	757,000	757,900	757,500
Wholesale Share	64%	1,345,500	1,346,000	1,347,000	1,348,400	1,347,600	1,345,100	1,344,900	1,346,000	1,345,700	1,347,400	1,346,600
SJWD-RSA	31.59%	425,000	425,200	425,700	426,000	425,700	424,900	424,900	425,200	425,100	425,600	425,400
Citrus Heights WD	33.63%	452,500	452,700	453,200	453,500	453,200	452,400	452,300	452,700	452,600	453,100	452,900
Fair Oaks WD	20.93%	281,600	281,700	282,100	282,200	282,100	281,500	281,500	281,700	281,700	282,000	281,800
Orange Vale WC	10.57%	142,200	142,300	142,400	142,500	142,400	142,200	142,200	142,300	142,200	142,400	142,300
City of Folsom	3.28%	44,100	44,100	44,200	44,200	44,200	44,100	44,100	44,100	44,100	44,200	44,200
Total	100.00%	1,345,400	1,346,000	1,347,600	1,348,400	1,347,600	1,345,100	1,345,000	1,346,000	1,345,700	1,347,300	1,346,600
2012 Refunding Revenue Bonds												
Principal		440,000	450,000	465,000	485,000	500,000	530,000	555,000	580,000	610,000	630,000	650,000
Interest		539,200	526,000	508,000	487,075	472,525	447,525	421,025	393,275	364,275	345,975	327,075
Total Payment		979,200	976,000	973,000	972,075	972,525	977,525	976,025	973,275	974,275	975,975	977,075
Outstanding Balance		11,285,000	10,835,000	10,370,000	9,885,000	9,385,000	8,855,000	8,300,000	7,720,000	7,110,000	6,480,000	5,830,000
Retail Share	26.39%	258,400	257,600	256,800	256,600	256,700	258,000	257,600	256,900	257,100	257,600	257,900
Folsom Share	8.80%	86,100	85,900	85,600	85,500	85,600	86,000	85,900	85,600	85,700	85,900	86,000
Wholesale Share	64.81%	634,600	632,500	630,600	630,000	630,300	633,500	632,600	630,800	631,400	632,500	633,200
SJWD-RSA	29.82%	189,200	188,600	188,000	187,900	188,000	188,600	188,600	188,100	188,300	188,600	188,800
Citrus Heights WD	34.81%	220,900	220,200	219,500	219,300	219,400	220,500	220,200	219,600	219,800	220,200	220,400
Fair Oaks WD	25.58%	162,300	161,800	161,300	161,200	161,200	162,000	161,800	161,400	161,500	161,800	162,000
Grange Vale WC	7.85%	49,800	49,700	49,500	49,500	49,700	49,700	49,500	49,500	49,600	49,700	49,700
City of Folsom	1.94%	12,300	12,300	12,200	12,200	12,300	12,300	12,300	12,200	12,200	12,300	12,300
Total	100.00%	634,500	632,600	630,500	630,100	630,300	633,400	632,600	630,800	631,400	632,600	633,200
2019 New Debt Issue - Wholesale												
Principal						510,000	530,000	550,000	575,000	595,000	620,000	645,000
Interest						1,150,000	1,130,000	1,108,000	1,086,000	1,063,000	1,040,000	1,015,000
Total Payment						1,660,000	1,660,000	1,658,000	1,661,000	1,658,000	1,660,000	1,660,000
Outstanding Balance					28,750,000	28,240,000	27,710,000	27,160,000	26,585,000	25,990,000	25,370,000	24,725,000
SJWD-RSA	33.0%				547,800	547,800	547,800	547,140	548,130	547,140	547,800	547,800
Citrus Heights WD	30.0%				498,000	498,000	498,000	497,400	498,300	498,000	498,000	498,000
Fair Oaks WD	23.0%				381,800	381,800	381,340	382,030	381,340	381,340	381,800	381,800
Orange Vale WC	11.0%				182,600	182,600	182,380	182,710	182,710	182,380	182,600	182,600
City of Folsom	3.0%				49,800	49,800	49,740	49,740	49,830	49,740	49,800	49,800
Total	100.00%				1,660,000	1,660,000	1,658,000	1,661,000	1,661,000	1,658,000	1,660,000	1,660,000
2019 New Debt Issue - Retail												
Principal						225,000	235,000	245,000	255,000	265,000	275,000	285,000
Interest						510,000	501,000	492,000	482,000	472,000	461,000	450,000
Total Payment						735,000	736,000	737,000	737,000	737,000	736,000	735,000
Outstanding Balance					12,750,000	12,525,000	12,290,000	12,045,000	11,790,000	11,525,000	11,250,000	10,965,000

Exhibit H-3 - Continued
SAN JUAN WATER DISTRICT
TEN-YEAR RETAIL CAPITAL IMPROVEMENT PROGRAM - SUMMARY TABLE

Line	Construction Inflation Factor	Project Name	Cost Est. 1	Total Cost 11	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38
Transmission Pipelines															
29		AFR - North Phase 24" T-main	\$ 650,000	\$ 678,000											
30		Winn Rocks Road 18" (Vigal Valley to Sierra Ponds)	\$ 2,200,000	\$ 2,787,000											
31		Barton Rd 18" T-main (2710-LF, Eureka to Douglas)	\$ 840,000	\$ 974,000					\$ 974,000						
32		Eureka Rd 18" T-main (3925-LF, Barton to Aub-Fois, Steel)	\$ 1,500,000	\$ 1,734,000				\$ 169,000	\$ 1,565,000						
33		Gravity Zone CIP to Gravity/Sierra Zone Interne	\$ 500,000	\$ 580,000					\$ 580,000						
Storage Tanks															
34		4.0 MG Kokila Reservoir (Replace Hypalon w/ Steel)	\$ 8,000,000	\$ 9,524,000					\$ 927,000	\$ 8,597,000					
35		Los Lagos Tank Recasting (Interior & Exterior)	\$ 724,000	\$ 767,500		\$ 760,000									
36		Los Lagos Tank Mixing System and Residual Test Ports	\$ 20,000	\$ 21,000		\$ 21,000									
37		Mooney Ridge Hydro-Tank Recasting (Inside & Outside)	\$ 100,000	\$ 119,000						\$ 119,000					
38		Mooney Tank Building New Roof	\$ 20,000	\$ 22,000			\$ 22,000								
Pressure Reducing Stations															
39		Oak Ave ARC North/South PRS	\$ 200,000	\$ 212,000		\$ 212,000									
40		Bacon/B7 PRS	\$ 300,000	\$ 318,000		\$ 318,000									
41		Canyon Falls Village PRS Replacement	\$ 150,000	\$ 164,000			\$ 164,000								
42		Bacon/Sierra PRS Improvements (3 Stations identified)	\$ 335,000	\$ 355,000		\$ 355,000									
43		LGB/LGB Control Valves (Bronson Valve)	\$ 150,000	\$ 159,000		\$ 159,000									
Pump Stations															
44		Generator Replacements (Bacon & LGB)	\$ 425,000	\$ 473,000		\$ 42,000	\$ 186,000	\$ 287,000							
45		LGB/CP Emergency Intertie (MOV)	\$ 40,000	\$ 42,000		\$ 42,000									
46		Bacon CP Cooling Improvements (HWAC)	\$ 20,000	\$ 22,000			\$ 22,000								
47		Bacon PS - new roof	\$ 20,000	\$ 22,000			\$ 22,000								
48		Bacon Painting & Repairs	\$ 3,000	\$ 3,000					\$ 3,000						
49		Bacon Manifold Piping Modifications	\$ 10,000	\$ 12,000					\$ 12,000						
50		UGB & LGB Low Flow Pumps	\$ 140,000	\$ 162,000					\$ 162,000						
51		Douglas PS Pump, Motors, HVAC	\$ 375,000	\$ 448,000			\$ 20,000	\$ 20,000		\$ 448,000					
52		ARC PS Building, Piping, HVAC Improvements	\$ 18,000	\$ 20,000											
53		Bacon Infiltration Alarms	\$ 30,000	\$ 32,000		\$ 32,000									
54		Lower Granite Bay PS Construction	\$ 245,000	\$ 245,000		\$ 245,000									
55		Upper Granite Bay PS Construction	\$ 1,020,000	\$ 1,020,000		\$ 1,020,000									
Miscellaneous CIP Items															
56		Water Quality Sample Stations	\$ 75,000	\$ 75,000		\$ 75,000									
57		Utility Locator (Replacement)	\$ 6,000	\$ 15,000			\$ 7,000					\$ 8,000			
58		Security Improvements (Bacon)	\$ 150,000	\$ 167,000				\$ 169,000							
59		Field & Eng Building Roof Replacement (RSA Share)	\$ 50,000	\$ 55,000			\$ 55,000								
60		Field & Eng Building HVAC Replacement (RSA Share)	\$ 19,000	\$ 33,500			\$ 21,000						\$ 12,500		
61		Portable Generator - Trailer Mounted	\$ 5,000	\$ 5,000			\$ 5,000								
62		SCADA Radio Replacements (RSA Share)	\$ 25,000	\$ 29,000					\$ 29,000						
63		SCADA System Improvements (RSA Share)	\$ 300,000	\$ 369,000						\$ 369,000					
64		Corp. Site Paving Improvements (RSA Share)	\$ 150,000	\$ 169,000			\$ 33,000								
65		Electrical Equipment R&R	\$ 30,000	\$ 33,000					\$ 33,000						
66		Administration Building Impr'm't/Rep'm't	\$ 1,875,000	\$ 2,232,000					\$ 217,000	\$ 2,015,000					
67		Unidentified or Emergency Projects	\$ 50,000	\$ 607,000		\$ 53,000	\$ 53,000	\$ 56,000	\$ 58,000	\$ 60,000	\$ 61,000	\$ 63,000	\$ 65,000	\$ 67,000	\$ 69,000
Information Technology															
68		Retail Share of Engineering Copier	\$ 16,500	\$ 17,500		\$ 17,500									
69		Replace Engineering Plotter/Scanner	\$ 10,000	\$ 11,000		\$ 11,000									
70		New Servers	\$ 12,500	\$ 30,000				\$ 14,000					\$ 16,000		
71		New Switches	\$ 8,000	\$ 9,000					\$ 9,000						
72		Baracuda Backup Appliance	\$ 7,500	\$ 8,000											
73		New Appliances	\$ 5,000	\$ 13,000											
74		WaterSmart Program	\$ 55,000	\$ 131,000											\$ 7,000
75		Water Billing Module	\$ 116,900	\$ 126,900		\$ 126,900									\$ 76,000
Capital Improvement Program Totals 1			\$31,467,350	\$49,726,700	\$ 3,061,300	\$ 4,820,400	\$ 1,956,000	\$ 2,063,000	\$ 5,095,000	\$ 11,778,000	\$ 2,787,000	\$ 5,202,000	\$ 4,233,500	\$ 4,248,000	\$ 4,502,000

Notes:
 1. All estimated costs are shown in Feb 2014 dollars, ENR Index 9081.
 1a. Total costs include construction inflation factors applied in year of project implementation.
 2. The timing and approach to replacing the Kokila Reservoir will be determined as part of the FY 15-16 condition assessment/replacement evaluation.
 3. Where appropriate, IT costs split between wholesale and retail.

- *New Administration Building* – An estimated cost of nearly \$4.5 million (in future dollars) for a new administration building is included in financial plan analyses, and equally split between the wholesale and retail capital improvement programs, with construction in FY 20-21. Financial plan analyses indicate that this project can be funded at that time on a pay-as-you-go basis from available capital program revenues and reserves. Prior to completion of a new building the financial plan assumes the District will add temporary trailers to provide additional space from FY 17-18 through FY 20-21.
- *PERS UAL Obligations* – Based on the most recent actuarial analysis (completed in 2015) the District has a total estimated unfunded accrued liability (UAL) associated with its retirement programs of about \$5.477 million. The wholesale water system is responsible for about \$2.3 million of this amount; \$3.177 million is the responsibility of the retail water system. Interest accrues on the UAL at a rate of 7.5 percent annually, which is significantly greater than the 0.5 percent the District earns of its investments. The current practice of holding reserves while this liability grows is economically inefficient and costly to the District. Financial plan analyses suggest it is possible for the retail water system to pay off its UAL obligation from existing reserves, supplemented by a modest short-term loan from the wholesale water system. This will result in net annual cost savings to the District. The financial plan assumes that the retail portion of the current UAL will be paid off with funds from the following retail reserves and loan from the wholesale water system:
 - PERS stabilization reserve \$411,000
 - Kokila reservoir reserve \$393,000
 - General CIP reserve \$1,583,000
 - Loan from wholesale system \$790,000

While the District has been gradually accumulating the Kokila reservoir reserve to help fund major improvements to that facility in a few years, it will only provide a modest amount toward the total cost, and the District will be required to fund most of the project in new long-term debt. It is economically more efficient to use the available reserve funds to pay off the UAL than to hold it for the Kokila reservoir project. The District's Board of Directors generally supported this use of funds during the workshop held on June 29.

- *Loan From the Wholesale Water System* – As cited above, it is advantageous to pay off the District's UAL obligations. However, the retail water system does not have sufficient financial reserves for this purpose. The Board of Directors provided direction to consider applying the remaining balance in the wholesale Hinkle reservoir reserve (after applying a portion for the wholesale UAL obligation) as a loan to the retail water system. A loan of \$790,000 from the wholesale water system to the retail water system has been included in the financial plan analyses. The loan would be repaid in four years, with a balloon payment that includes four years of interest at 1.5 percent. The loan payment of \$838,000 would be made during construction of the Hinkle reservoir improvements, thereby enabling the funds to be used for its original intended purpose.

FINANCIAL PLAN RESULTS

Details of the financial plan analyses are presented in Exhibits II-4, II-5, and II-6 reflecting the retail operating fund, capital fund, and debt service fund, respectively. The financial plan is also presented graphically in Exhibit II-7. The colored bands in Exhibit II-7 show retail operating and maintenance costs, debt service payments, and pay-as-you-go capital program expenditures. Debt-financed capital expenditures are not reflected, although the associated debt service is. The dashed line in the exhibit show minimum target reserves, and the solid black line shows estimated total year-end reserves. The financial plan analysis seeks to keep the solid line above the dashed line throughout the planning period.

Results of the financial plan analyses are summarized below.

- The recent multi-year drought has created financial stress for the retail water system resulting in a significant decline in total financial reserves over the past two years.
- Current retail water rate revenues are insufficient to fully cover ongoing operating and maintenance costs and debt service payment obligations. As a result, a portion of capital fund revenues and reserves are being used for operating purposes. The current net operating loss and existing capital program revenues do not adequately support the capital improvement program. Because of the costs and timing of planned projects, the District will need to issue new long-term debt. It is not practical to avoid new debt unless the Kokila reservoir cover replacement project is postponed for a significant period of time.
- The pace and extent of rebound in retail water demand is uncertain and will have an impact on annual water rate revenues. The rebound trajectory has been reviewed with staff and is believed reasonable. Nevertheless it is an area of potential financial risk, which should be monitored.
- The District is meeting debt service coverage obligations, and is expected to continue to meet this requirement throughout the planning period even with new debt issued in 2019.
- Earlier in 2016, the District's financial advisors suggested that refunding of the 2009 COPs is possible at this time (with certain pre-payment penalty associated costs), but that it may be more advantageous to refund the COPs in 2018 when the pre-payment penalties no longer apply. Because future market conditions cannot be known, financial plan analyses do not reflect any cost savings associated with refunded COPs. However, the District should re-consider a refunding in 2018, and the annual cost savings that may result.
- The compensated absence reserve does not need to be maintained as a separate reserve, as it is unlikely that it would ever need to be paid out in lump sum. It would be advantageous to the District to eliminate this reserve. Money currently designated to this reserve could be used to help reduce the magnitude of the needed water rate increase for January 2017. District staff supports this change, and it has been incorporated in the financial plan analyses.

Exhibit II-4
San Juan Water District
Retail Financial Plan -- Operating Fund

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
		8%	9%	9%	9%	6%	4%	4%	4%	4%	4%
Calendar Year Retail Rate Increases -->											
RETAIL OPERATIONS											
Beginning Balance	2,624,300	2,832,701	2,223,101	2,385,001	2,460,501	2,863,601	2,832,701	3,082,701	3,105,301	3,193,801	3,316,101
Sources of Funds											
Daily Base Charge Revenue	4,851,000	5,600,000	6,456,000	7,461,000	8,571,000	9,602,000	10,391,000	11,088,000	11,823,000	12,595,000	13,407,000
Usage Charge Revenue	3,441,000	4,096,000	4,792,000	5,098,000	5,392,000	5,615,000	5,728,000	5,843,000	5,959,000	6,075,000	6,145,000
Fire Service Fees	26,800	30,800	33,000	36,000	39,000	41,000	43,000	45,000	47,000	49,000	51,000
Hinkle PS Surcharge	53,300	76,000	104,000	114,000	125,000	134,000	139,000	145,000	151,000	157,000	163,000
Grant Revenue (RWA)	26,500										
Other Operating Revenue	103,000	50,200	52,000	54,000	56,000	58,000	60,000	62,000	64,000	66,000	68,000
CFC Storage Bldg. Reimb.		133,000									
Interest Earnings	4,000	15,100	11,100	11,900	12,300	21,500	21,200	23,100	31,100	31,900	33,200
Total Sources of Funds	8,505,600	10,001,100	11,448,100	12,774,900	14,195,300	15,471,500	16,382,200	17,206,100	18,075,100	18,973,900	19,867,200
Uses of Funds											
Source of Supply	2,051,200	2,572,800	3,050,800	3,378,800	3,753,700	4,066,500	4,301,000	4,569,000	4,850,200	5,150,500	5,306,900
Capital Facilities Charge	475,900	426,600	230,600	34,600	34,600	17,300					
Field Services	2,927,800	3,152,600	3,247,000	3,344,000	3,444,000	3,547,000	3,653,000	3,763,000	3,876,000	3,992,000	4,112,000
Energy Costs	221,000	199,800	246,000	302,000	371,000	456,000	560,000	688,000	845,000	1,038,000	1,276,000
Executive & Board of Directors	236,100	296,200	305,000	314,000	323,000	333,000	343,000	353,000	364,000	375,000	386,000
Administration & Info. Tech.	452,800	742,200	806,000	830,000	855,000	881,000	907,000	934,000	962,000	991,000	1,021,000
Customer Service	635,800	723,700	838,000	863,000	889,000	916,000	943,000	971,000	1,000,000	1,030,000	1,061,000
Finance	420,000	389,800	401,000	413,000	425,000	438,000	451,000	465,000	479,000	493,000	508,000
Human Resources	104,900	105,200	205,000	211,000	217,000	224,000	231,000	238,000	245,000	252,000	260,000
Retiree Medical and OPEB	310,000	291,500	309,000	327,500	347,200	368,000	390,100	413,500	438,300	464,600	492,400
PERS UAL Req'd Payment	161,700	195,100									
PERS UAL Reduction	3,177,000										
Engineering	325,300	378,200	390,000	402,000	414,000	426,000	439,000	452,000	466,000	480,000	494,000
Master Plan, Studies, Etc.			175,000	566,500							
Conservation & Outreach	795,300	658,100	678,000	698,000	719,000	741,000	763,000	786,000	810,000	834,000	859,000
Transfers for Debt Service											
2009 COP DS Transfer	756,900	757,100	758,000	758,400	758,000	756,600	756,500	757,100	757,000	757,900	757,500
2012 Bond DS Transfer	258,400	257,600	256,800	256,600	256,700	258,000	257,600	256,900	257,100	257,600	257,900
2019 New Debt DS Transfer					735,000	736,000	737,000	737,000	737,000	736,000	735,000
EDA Loan Payment	30,100	29,200			250,000	500,000	1,400,000	1,800,000	1,900,000	2,000,000	2,000,000
Transfer to Capital Fund	(1,866,000)	(2,952,000)	(610,000)			838,000					
Loan from Wholesale											
Total Uses of Funds	8,297,200	10,610,700	11,286,200	12,699,400	13,792,200	15,502,400	16,132,200	17,183,500	17,986,600	18,851,600	19,526,700
Ending Balance	2,832,701	2,223,101	2,385,001	2,460,501	2,863,601	2,832,701	3,082,701	3,105,301	3,193,801	3,316,101	3,656,601
Operating Reserve (20%)	1,997,355	2,176,000	2,337,000	2,359,000	2,483,000	2,596,000	2,727,000	2,867,000	3,020,000	3,155,000	3,296,000
Comp. Absence Reserve	347,915										
PERS Stabilization Reserve	410,806										
Customer Deposits	47,090	47,090	47,090	47,090	47,090	47,090	47,090	47,090	47,090	47,090	47,090
Retail EDA Loan Reserve	30,000										
Uncommitted Fund Balance	(466)	11	911	54,411	333,511	189,611	308,611	191,211	126,711	114,011	313,511

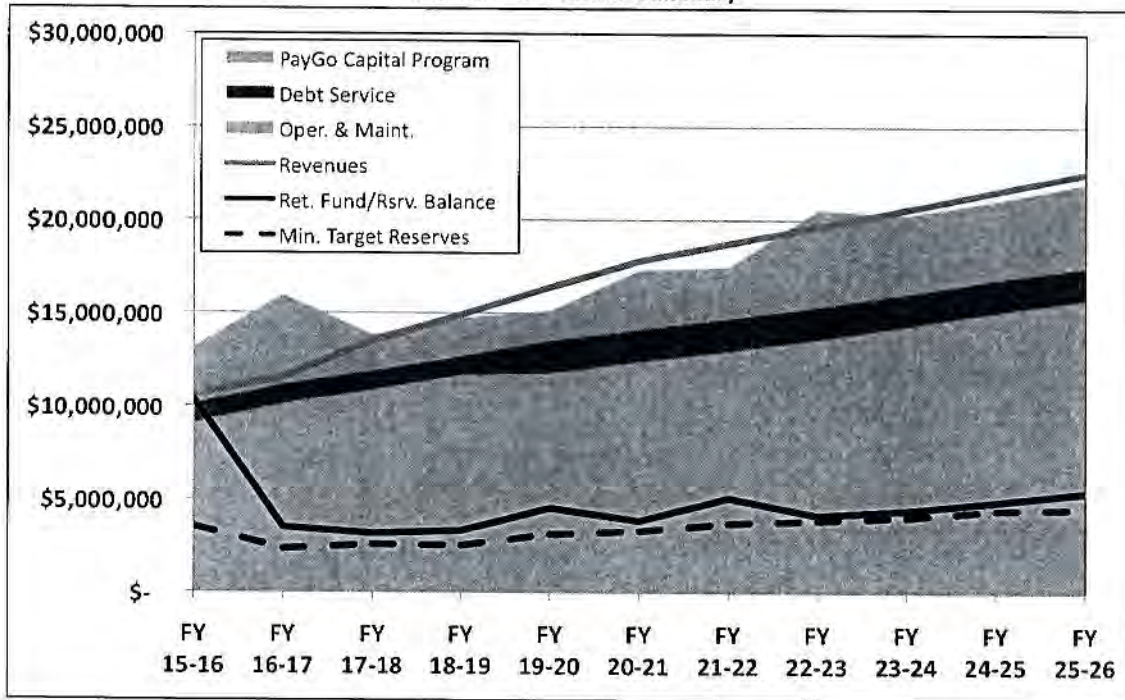
Exhibit II-5
San Juan Water District
Retail Financial Plan -- Capital Fund

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
RETAIL CAPITAL PROGRAM FUNDING											
<i>Beginning Balance</i>	10,331,773	7,505,573	1,278,973	790,373	873,373	9,986,773	1,044,673	2,024,473	1,066,673	1,256,873	1,599,473
Sources of Funds											
Transfer from Operations	(1,866,000)	(2,952,000)	(610,000)	-	250,000	500,000	1,400,000	1,800,000	1,900,000	2,000,000	2,000,000
Property Taxes (50% of 1% Incr.)	1,000,000	1,050,000	1,082,000	1,114,000	1,147,000	1,181,000	1,216,000	1,252,000	1,290,000	1,329,000	1,369,000
Retail Connection Fees	410,000	450,000	989,000	1,018,000	1,049,000	1,080,000	1,143,000	1,177,000	1,213,000	1,249,000	1,287,000
Grant Rev. (Barton Rd. Intertie)	671,300										
Interest Earnings	19,800	45,800	6,400	4,000	4,400	74,900	7,800	15,200	10,700	12,600	16,000
Debt Proceeds					11,758,000						
Total Sources of Funds	235,100	(1,406,200)	1,467,400	2,136,000	14,208,400	2,835,900	3,766,800	4,244,200	4,413,700	4,590,600	4,672,000
Uses of Funds											
Engineering Dept. Equipment			17,000						21,000		
Vehicle/Equip. Replac.	111,000	349,000	78,000	212,000	163,000	78,000	123,000	127,000	130,000	149,000	197,000
Distribution Mainline Replac.	869,800	2,356,000	1,269,000	951,000	396,000	461,000	2,234,000	2,217,000	3,979,000	4,032,000	4,153,000
Transmission Pipelines	678,000			169,000	3,119,000			2,787,000			
Storage Tanks	7,500	781,000	22,000			119,000					
Kokila Reservoir Projects						8,597,000					
Pressure Reducing Stations		1,044,000	164,000								
Pump Stations	1,265,000	74,000	230,000	307,000	177,000	448,000					
Miscellaneous CIP Items	75,000	53,000	176,000	394,000	304,000	2,075,000	430,000	71,000	77,500	67,000	69,000
Information Technology	55,000	163,400		20,000	9,000				16,000		83,000
Total Uses of Funds	3,061,300	4,820,400	1,956,000	2,053,000	5,095,000	11,778,000	2,787,000	5,202,000	4,223,500	4,248,000	4,502,000
Ending Balance	7,505,573	1,278,973	790,373	873,373	9,986,773	1,044,673	2,024,473	1,066,673	1,256,873	1,599,473	1,769,473
General CIP Reserve	6,797,959	1,162,973	602,373	747,373	1,081,773	359,673	1,062,473	81,673	251,873	343,473	560,473
Vehicle/Equip. Reserve	315,000	116,000	188,000	126,000	113,000	185,000	212,000	235,000	255,000	256,000	209,000
Kokila Reserve	392,614										
CIP Emergency Reserve					500,000	500,000	750,000	750,000	750,000	1,000,000	1,000,000
Project Fund (Debt Proceeds)					8,292,000						

Exhibit II-6
San Juan Water District
Retail Financial Plan -- Debt Service Fund

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DEBT SERVICE FUND											
<i>Beginning Balance</i>	1,033,037	1,036,037	1,035,937	1,772,937	1,773,037	1,773,237	1,773,237	1,773,137	1,773,237	1,773,237	1,773,437
Sources of Funds											
Transfer from Operations											
2009 COPS	756,900	757,100	758,000	758,400	758,000	756,600	756,500	757,100	757,000	757,900	757,500
2012 Refunding Rev. Bond	258,400	257,600	256,800	256,600	256,700	258,000	257,600	256,900	257,100	257,600	257,900
2019 New Debt Issue	-	-	-	-	735,000	736,000	737,000	737,000	737,000	736,000	735,000
Folsom 2012 Direct Portion Prnt	89,100	85,800	85,600	85,600	85,800	86,000	85,800	85,700	85,800	86,000	85,800
Total Sources of Funds	1,104,400	1,100,500	1,100,400	1,100,600	1,835,500	1,836,600	1,836,900	1,836,700	1,836,900	1,837,500	1,836,200
Uses of Funds											
2009 Certificate of Participation											
Principal Payment	154,800	162,000	171,000	180,000	189,000	198,000	208,800	221,400	234,000	248,400	261,000
Interest Payment	602,100	595,100	587,000	578,400	569,000	558,600	547,700	535,700	523,000	509,500	496,500
2012 Refunding Rev. Bond (Incl. Folsom Direct)											
Principal Payment	154,800	158,400	163,600	170,700	176,000	186,500	195,300	204,100	214,700	221,700	228,700
Interest Payment	189,700	185,100	178,800	171,400	166,300	157,500	148,200	138,400	128,200	121,700	115,100
2019 New Debt Issue					225,000	235,000	245,000	255,000	265,000	275,000	285,000
Principal Payment					510,000	501,000	492,000	482,000	472,000	461,000	450,000
Interest Payment											
Total Uses of Funds	1,101,400	1,100,600	1,100,400	1,100,500	1,835,300	1,836,600	1,837,000	1,836,600	1,836,900	1,837,300	1,836,300
Ending Balance	1,036,037	1,035,937	1,772,937	1,773,037	1,773,237	1,773,237	1,773,137	1,773,237	1,773,237	1,773,437	1,773,337
Retail 2009 DS Reserve	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037	1,033,037
Retail 2019 DS Reserve			737,000	737,000	737,000	737,000	737,000	737,000	737,000	737,000	737,000

Exhibit II-7
San Juan Water District
Retail Financial Plan Summary



- Maintaining the PERS stabilization reserve, the Kokila reservoir reserve, and the full amount of the general CIP reserve while the \$3.177 million PERS UAL remains outstanding is economically inefficient and results in unnecessary interest costs to the District. The District should pay off this obligation, and the retail system should borrow \$790,000 from the wholesale water system (Hinkle reservoir reserve) should be applied to make this possible. As modeled, the loan would be repaid, with interest at 1.5 percent annually, in a balloon payment in four years.
- Retail water rate increases are required over the next several years in order to meet current and future financial and service obligations, as well as to position the District for issuing new long-term debt in 2019. Estimated annual increases in the overall level of retail water rates for each January (beginning in 2017) of the ten-year planning period are 8 percent, 9 percent, 9 percent, 9 percent, 6 percent, 4 percent, 4 percent, 4 percent, 4 percent, and 4 percent, respectively.
- These annual water rate increases will enable the District to maintain overall reserve levels above minimum target levels throughout the planning period. In addition, the retail financial plan provides for gradual funding of the emergency CIP reserve to a level of \$1 million by the end of the ten-year planning period. Alternatively, the District might consider consolidating the emergency CIP reserve with the general CIP reserve.

The next section of this report includes recommendations for modifying retail water rates including increasing the emphasis on fixed daily base charge revenue and gradually reducing the portion of revenue for water usage charges. This change would help reduce the financial risk associated with variable and uncertain water demands.

At this point in time, it is recommended that the District adopt a five-year retail water rate plan with new rates implemented each January. It is also recommended that the District re-evaluate its financial condition and update the financial plan prior to issuing new long-term debt.

As with past practice, the District should monitor financial conditions and needs on an ongoing (annual) basis and update the financial plan model if conditions or plans change sufficiently to warrant an update. Actual future conditions, such as water demand, water sales revenue, operating and maintenance expenses, CIP project costs/timing, project financing, etc., may differ from the financial plan assumptions reflected herein. Material differences affecting the overall financial condition of the retail water system may warrant closer review and/or an earlier update. The need for and magnitude of annual retail water rate increases may also be affected by differences between assumed and actual conditions.

The next section of this report provides details on wholesale water rate calculations for 2017, as well as specific water rate schedules for each year from 2017 through 2021.

SECTION III. RETAIL WATER RATES

This section of the report describes retail water rate calculations for 2017, and presents a proposed five-year rate plan, including rate schedules through 2021. The water rates include fixed daily base charges and a uniform water usage rate. The proposed retail water rates were developed based on (1) sound cost of service principles, (2) a balancing of rate setting objectives, and (3) revenue needs for the retail water system, as determined from the financial plan.

CURRENT WATER RATES

Exhibit III-1 summarizes the current water rates for the District's retail water system. The current water rates have been effective since January 1, 2016, when the District implemented a 15 percent adjustment to the level of the water rates. A temporary 10 percent surcharge on the water usage rate was rescinded in early 2016, as state-mandated water conservation requirements were lifted.

For general water service, the water rates include both fixed daily base charges and a uniform water usage rate. The daily base charges vary with the size of the water meter, and are intended to recover a portion of fixed customer and capacity related costs. The water usage rate applies to all units of actual water usage by retail service customers. There are also fixed daily charges for private fire lines, and a special pumping surcharge applicable to wholesale deliveries of water to the City of Folsom.

**Exhibit III-1
San Juan Water District
Current Retail Water Rates**

	Effective Jan. 1, 2016
Daily Base Charges	
Up to 1" meter	\$ 1.24
1 1/2" meter	\$ 3.31
2" meter	\$ 5.28
3" meter	\$ 10.50
4" meter	\$ 16.36
6" meter	\$ 32.73
8" meter	\$ 58.83
Fire District	\$ 6.36
Water Usage Charge (\$/CCF)	
All water usage	\$ 0.92
Daily Private Fire Line Charges	
4" meter	\$ 0.5265
6" meter	\$ 0.7777
8" meter	\$ 1.0529
10" meter	\$ 1.2563
Hinkle PS Pumping Surcharge (\$/AF)	
Wholesale deliveries to City of Folsom	\$ 68.87

The District bills customers for water service on a bi-monthly basis. Therefore, the daily base charge of \$1.24 for a 1" water meter equates to \$74.40 for a 60-day billing cycle. Water use in the past few years has varied due to drought-related water use restrictions. Average residential water use in 2014 was about 65 CCF bi-monthly (about 825 gpd) and about 51 CCF bi-monthly (about 625 CCF) in 2015. Residential water use in 2016 is expected to partially rebound in 2016 with an average bi-monthly water use of about 58 CCF (about 725 gpd). This represents a modest rebound from consumption during the drought, but remains well below pre-drought levels.

In FY 15-16, with restricted water usage, about 41 percent of water rate revenue was generated from water usage charges and about 59 percent from fixed base charges. Under normal water demands about 38.5 percent of water rate revenue can come from water usage charges. Analyses performed in 2012 as part of the District's compliance with water conservation best management practices indicated that at least 29 percent of water rate revenue should be generated from water usage charges to meet requirements of the California Urban Water Conservation Council's (CUWCC) Best Management Practice (BMP) 1.4 regarding water conservation pricing. The District's current water rates exceed this threshold, and therefore the District meets the BMP requirements. However, the District has also become increasingly concerned about the mismatch between variable costs and variable revenues. As a result, proposed water rates presented in this report include a gradually shift to an increased focus on stable fixed charge revenues and away from variable usage-based rate revenue.

As of December 2015, the District's retail water system was comprised of 10,105 single family residential accounts and 477 multi-family and non-residential accounts. In 2015, single family customers used about 3,086,000 CCF (7,084 AF) of water, and multi-family and non-residential accounts used about 479,000 CCF (1,101 AF) of water. Water use in 2016 has been estimated to increase about 13 percent (as a partial rebound in demand), to about 3,497,000 CCF of single family residential water use and about 543,000 CCF of multi-family and non-residential water use.

While the District's residential water use is unusually high for residential areas, the reason is largely due to large parcel sizes typical of the area, as well as land use decisions and community values that are largely outside of the District's direct control. While most suburban communities have lot sizes typically below 10,000 sq. ft., the District's retail service area has a significant number of low density (10,000 sq. ft. to 1 acre) and rural estate (over 1 acre) developments.

WATER RATE CALCULATIONS

Water rates are determined in a three-step process. The first is to determine the annual water rate revenue requirement. The second step is cost of service analysis and the allocation of costs to various customer categories. The third step is water rate design. Each step is address separately below.

Water Rate Revenue Requirements

The retail financial plan includes revenues and expenses for each fiscal year over the ten-year planning period. The District, however, adjusts water rates on a calendar year

basis. As a result the financial and rate analyses necessarily involve certain translations back and forth between fiscal and calendar years. On this basis, the annual water rate revenue requirement for 2017 was determined to be \$9,615,000 for the calculations of water rates. This revenue requirement reflects an 8 percent increase in the overall level of water rates. That is, \$9,615,000 is 8 percent more than the annual water rate revenues as determined based on the current 2016 water rates, estimated water usage for 2016, and the customer base as of December 2015. The revenue requirement for rate calculations reflects a customer base of about 10,582 accounts, and annual water sales of about 4,040,000 CCF (9,275 AF). Actual water rate revenue for 2017 will also be affected by (1) a partial rebound in water demand in the post-drought environment, and (2) modest growth in the customer base.

Water rate calculations contained herein are intended to generate the revenue requirement from rate revenues paid by the District's retail water service customers. The manner in which each retail customer is responsible for the District's costs for operation, maintenance, and replacement is the subject of the cost of service analysis and the cost allocations to each customer.

Cost of Service Analysis

Once the annual water rate revenue requirement has been determined, the next step in the rate setting process is to allocate costs to components for customer, capacity, and commodity costs.

The District incurs certain types of costs associated with making water service available to customers. Other costs are incurred as a direct result of customer water usage. A cost of service analysis is intended to proportionately allocate the costs of providing water service to customers in relation to each customer's water service requirements. There are many approaches to cost of service analysis; some are more complex than others. The approach used herein is the same as that developed in past rate studies for the District.

The cost allocation methodology assigns all costs to one of three different categories. The cost allocation process is performed at the highest level of detail available in the District's budget document. The three cost categories include:

- *Customer Costs* – Customer costs, such as meter reading and billing costs, are fixed costs that tend to vary as a function of the number of customers being served. Customer costs are allocated to customers based on the number of accounts. That is, every customer will pay an equal share of customer-related costs.
- *Capacity Costs* – Capacity costs are also fixed costs; however, these tend to vary in relation to the capacity of the water system. Customers that can place greater or lesser burdens on the capacity of the water system should bear a greater or lesser share of these costs. The sizing of the water system is based on the potential demand that each customer could place on the water system. Capacity costs are allocated to customers in proportion to the hydraulic capacity (as determined by meter size) of each water connection. The hydraulic capacity reflects the potential demand that a customer could place on the water

system at any given time. A customer with a larger water meter is assigned a larger share of fixed capacity-related costs. Capacity costs include fixed costs associated with operating and maintaining the water system, as well as debt service, capital outlay items, and other items related to system capacity.

- *Commodity Costs* – Commodity costs include variable costs that tend to vary with the amount of actual water usage. Examples include water supply costs, energy for pumping, and chemicals for water treatment. Commodity costs can also include a portion of fixed costs that are reasonably allocated to customers on the basis of actual water usage. For example, water conservation program costs are generally considered fixed; however, it is reasonable to recover water conservation costs on the basis of water usage.

Professional judgment and discretion in how costs are assigned to each cost category provides some flexibility in meeting the various rate-setting objectives. For example, shifting costs to the commodity category has the benefit of providing a more conservation-oriented rate structure, whereas shifting costs to the fixed base charges aids in revenue stability.

Current water rates generate about 41 percent of water rate revenue from usage charges and about 59 percent from base charges (based on FY 15-16 water usage characteristics). Drought related water use restrictions resulted in a reduction in water usage as well as a reduction in water sales revenue. The decline in water sales revenue exceeded the decline in water system costs, and this contributed to financial stress for the District. As a result, this water rate study includes gradually modifying the water rate structure to better align fixed and variable costs with fixed and variable revenues. While this shift is counter to a water conservation objective, it is consistent with a financial stability objective.

Using FY 16-17 budget and financial plan information, the cost allocation process resulted in 2.7 percent of costs being allocated to the customer cost category, 58.8 percent to the capacity cost category, and 38.5 percent to the commodity cost category. This represents a modest shift toward fixed base charge revenue and away from variable water usage revenue, and is consistent with the District's objective of increasing revenue stability.

Water Rate Design

The third step in the rate-setting process is water rate design. In 2015 the District modified its residential water rates to eliminate the 3-tier water usage rate structure and replace it with a uniform water usage rate. The current uniform water usage rate will be maintained for all customers. The only change incorporated in this study is to gradually shift the rate structure emphasis away for the variable usage charge to the fixed base charges. This is accomplished over a five-year period by holding the usage rate constant and increasing the base charges to meet revenue needs.

Exhibit III-2 presents retail water rate calculations for 2017. It reflects the revenue requirement, cost allocation, and rate structure shift described above.

**Exhibit III-2
San Juan Water District
2017 Retail Water Rate Calculations (1)**

	Meter Size						8"	Total	Est. CY 2016 Water Use (CCF)
	1"	1 1/2"	2"	3"	4"	6"			
No. of Accounts									
Single Family Resid.	10,091	10	4				10,105	3,496,700	
Multi-Fam. & Non-Resid.	209	99	140	27	2		477	543,300	
Total Accounts	10,300	109	144	27	2	-	10,582	4,040,000	
Hydr. Cap. Factor	0.75	2.0	3.2	6.0	10.0	20.0	32.0		
1" Equiv. Mtrs.	7,725	218	461	162	20	-	8,586		
Daily Base Charges									
Customer Cost	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	
Capacity Costs	\$ 1.35	\$ 3.61	\$ 5.77	\$ 10.83	\$ 18.04	\$ 36.08	\$ 57.73		
Daily Base Charge	\$ 1.42	\$ 3.68	\$ 5.84	\$ 10.89	\$ 18.11	\$ 36.15	\$ 57.80		
Ann. Rev. (\$1,000s)	\$ 5,338	\$ 146	\$ 307	\$ 107	\$ 13	\$ -	\$ 5,912		
Water Rate Revenue Requirement									
Customer Costs	\$	258,000	2.7%						
Capacity Costs	\$	5,654,000	58.8%						
Commodity Costs	\$	3,703,000	38.5%						
Total Rev. Reqmt.	\$	9,615,000							
Water Use Rate (\$/CCF)									
							Rate	Usage	Ann. Rev.
							\$ 0.92	3,496,700	\$ 3,205,020
							\$ 0.92	543,300	\$ 497,980
								4,040,000	\$ 3,703,000

Notes:

(1) Water rate calculations are based on the customer base as of December 2015 and estimated CY 2016 water usage. Actual rate revenue in 2017 will be higher due to demand rebound and growth in the customer base. This higher revenue has been reflected in the revenue estimates contained in the financial plan model.

PROPOSED RETAIL WATER RATES FOR 2017 THROUGH 2021

Exhibit III-3 presents a complete five-year rate plan, including water rate schedules for each of the next five years. The proposed water rate schedules also include two additional elements of the retail water rates. Daily private fire line charges are fixed charges applicable to private fire service connections. These are standby services that are generally only used for fire suppression purposes. The charges are intended to reflect the estimated cost of maintaining these standby service connections, and associated capacity. The rate schedule also includes a pumping surcharge applicable to wholesale water deliveries to the City of Folsom. This is a separate charge than the District's wholesale water rates, and reflects the estimated costs of pumping water through the District's distribution system to the City, including other operating and maintenance costs of pumping facilities.

Prior water rate analyses demonstrated the District's compliance with the California Urban Water Conservation Council's (CUWCC) Best Management Practice (BMP) for conservation pricing (BMP 1.4). That analysis determined that at least 29 percent of the District's water rate revenues be recovered through water usage charges. With the change in the District's water rate structure, and updated financial plan analysis, it is recommended that the District consider updating the BMP 1.4 compliance analysis.

By holding the water usage rate constant, the only changes in customer water bills will be the increase in the fixed daily base charge. The proposed water rates for 2017 include a \$0.18 increase in the daily base charge for a 1" water meter (typical of a residential home). There will be no change in the cost to customers in relation to the water usage charge, as the water usage rate will remain unchanged.

Exhibit III-3
San Juan Water District
Current and Proposed Retail Water Rates

	Current	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020	Jan. 2021
Overall Water Rate Increase -->		8%	9%	9%	9%	6%
Daily Base Charges						
Up to 1" meter	\$ 1.24	\$ 1.42	\$ 1.63	\$ 1.86	\$ 2.11	\$ 2.29
1 1/2" meter	\$ 3.31	\$ 3.68	\$ 4.22	\$ 4.81	\$ 5.45	\$ 5.92
2" meter	\$ 5.28	\$ 5.84	\$ 6.69	\$ 7.62	\$ 8.63	\$ 9.37
3" meter	\$ 10.50	\$ 10.89	\$ 12.48	\$ 14.22	\$ 16.11	\$ 17.49
4" meter	\$ 16.36	\$ 18.11	\$ 20.76	\$ 23.65	\$ 26.80	\$ 29.09
6" meter	\$ 32.73	\$ 36.15	\$ 41.44	\$ 47.21	\$ 53.50	\$ 58.07
8" meter	\$ 58.83	\$ 57.80	\$ 66.26	\$ 75.48	\$ 85.53	\$ 92.83
Fire District	\$ 6.36	\$ 7.28	\$ 8.35	\$ 9.51	\$ 10.78	\$ 11.70
Water Usage Charge (\$/CCF)						
All water usage	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92
Daily Private Fire Line Charges						
4" meter	\$ 0.53	\$ 0.57	\$ 0.62	\$ 0.68	\$ 0.74	\$ 0.78
6" meter	\$ 0.78	\$ 0.84	\$ 0.92	\$ 1.00	\$ 1.09	\$ 1.16
8" meter	\$ 1.05	\$ 1.14	\$ 1.24	\$ 1.35	\$ 1.47	\$ 1.56
10" meter	\$ 1.26	\$ 1.36	\$ 1.48	\$ 1.61	\$ 1.75	\$ 1.86
Hinkle PS Pumping Surcharge (\$/AF)						
Wholesale deliveries to City of Folsom	\$ 68.87	\$ 74.38	\$ 81.07	\$ 88.37	\$ 96.32	\$ 102.10
Typical Monthly Residential Bill (@ 30 CCF/mo.)	\$ 64.80	\$ 70.20	\$ 76.50	\$ 83.40	\$ 90.90	\$ 96.30
		\$ 5.40	\$ 6.30	\$ 6.90	\$ 7.50	\$ 5.40
		8.3%	9.0%	9.0%	9.0%	5.9%

Each year of the five-year rate plan includes adjustments to the base charges while maintaining the water usage rate. As a result, over time a larger percentage of revenue will come from base charges, rather than usage charges. This is true even as water demands rebound toward pre-drought levels. By FY 20-21 it is estimated that 37 percent of water rate revenue will be derived from usage changes, and if this method of adjusting water rates continues through FY 25-26 then usage-based revenue will decline to an estimated 31 percent of total rate revenue.

AGENDA ITEM V.1

RESOLUTION NO. 16-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT OPPOSING PROPOSED CHANGES TO SACRAMENTO COUNTY'S TRENCH CUT RESTORATION STANDARDS

WHEREAS, it is apparent from information presented at the May 10, 2016 Sacramento County Department of Transportation's Pavement Maintenance Workshop that the County's ability to carry out its legal mandate to maintain 5,454 lane miles of roadways is severely challenged with funding shortfalls;

WHEREAS, shifting Sacramento County's legal obligations to maintain and reconstruct roadways that have reached the end of their useful life to public utility agencies using the County Right-of-Way is neither good public policy nor a solution to the County's transportation funding problem;

WHEREAS, the San Juan Water District operates and maintains pipelines and related facilities in Sacramento County roadways, many of which roadways are listed in the County Pavement Condition Index as in poor to very poor condition;

WHEREAS, San Juan Water District has established water rates, fees, and charges commensurate with the District's costs to operate and maintain its water system, and conducts its operational and capital improvement program responsibly and transparently to implement water system repairs and replacements for the benefit of the District's customers in accordance with Proposition 218 and other applicable California laws;

WHEREAS, San Juan Water District has successfully worked with the County on mutually beneficial pavement partnerships that have resulted in a better-finished project at lower total cost to the benefit of the community served by both agencies; and

WHEREAS, it has been determined by the Board of Directors of the San Juan Water District that it is in the public interest and to the benefit of the District's customers to express its disapproval of and opposition to the Sacramento County Department of Transportation's proposed changes to the County's trench cut restoration standards that would impermissibly shift the County's obligation to maintain its roads to the customers of the District and other utility agencies that utilize County roads, and therefore urges the County Department of Transportation to amend its proposal consistent with the following principles consistent with the legal standards set by the September 14, 2000 decision in *Arcade Water District v. County of Sacramento*, Proposition 26, Water Code section 71695, and other applicable laws:

- I. Reflects the need for utilities to ensure trench restoration is sufficient to not unreasonably decrease the remaining service life of existing pavement;
AND
- II. Does not unreasonably shift pavement restoration costs to those agencies that operate buried utilities, making the cost of necessary replacements of aging public infrastructure prohibitive and difficult to fund;
AND

- III. Does not discourage private investment in new home and business infill projects within our community by imposing unjustified and prohibitive fees and charges;
AND
- IV. Increases the coordination of County paving projects with buried infrastructure projects by public utilities, which will improve overall customer service and minimize the costs of road repairs and replacements in the County.

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

1. The District's General Manager is hereby authorized and directed to organize and present opposition to the Sacramento County Department of Transportation's proposal for the Board of Supervisors to approve amended trench cut restoration standards that impermissibly and unfairly shift the County's road repair obligations to underground utility agencies and their ratepayers.

2. The District's General Manager is further authorized and directed to provide copies of this resolution to the Sacramento County Board of Supervisors and the Director of the County Department of Transportation.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on this November 9, 2016 by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Pamela E. Tobin
President, Board of Directors
San Juan Water District

ATTEST:

Teri Grant
Board Secretary

The drought eased up, and these Californians turned on the spigot

By **Matt Stevens** and **Ryan Menezes**

OCTOBER 31, 2016, 12:05 AM

The San Juan Water District showed the rest of California how to save water when the state needed the savings most.

The supplier for eastern Sacramento and southern Placer counties cut consumption 41% from 2013 levels during the summer of 2015 — the height of a years-long drought.

District residents let their acre-sized properties fade, livestock went thirsty, vineyards decayed.

Then, the rain arrived. Regulators relaxed the rules and on went some spigots.

This summer, the district used almost 600 million more gallons than it did last summer. Lacking a state mandate to conserve, residents' daily consumption climbed to more than 500 gallons per person.

The San Juan Water District's especially steep backslide stood out as part of a statewide trend: With mandatory state restrictions lifted, the overwhelming majority of local suppliers saved less this summer, according to a Times analysis of state water data.

Regulators say San Juan — which this summer cut water use 12.8% from 2013 levels — is one of the suppliers they are scrutinizing and could reprimand as the prospect of a dry winter looms.

“Do these water managers understand how precarious our statewide situation still is, and are they acting responsibly?” said Max Gomberg, climate and conservation manager at the State Water Resources Control Board. “A relaxation of [conservation requirements] is reasonable and appropriate; an abandonment of rules that help customers conserve is shortsighted and irresponsible.”

“

Do these water managers understand how precarious our statewide situation still is?

— Max Gomberg, state climate and conservation manager

In interviews, officials with some water districts where water use has jumped the most cited faulty data, while others said regulators weren't giving them appropriate credit for their unique circumstances.

But some also acknowledged that they were eager to ease up on their customers after the state board lifted mandatory conservation for the vast majority of urban suppliers.

Lisa Brown, the San Juan Water District's customer service manager, said she and her colleagues could not ask people to save at high levels indefinitely, especially after they saw their local reservoir fill, and eventually spill.

As Brown sees it, 12.8% savings may be less than 41%, but it's far better than the zero percent the state now requires of her district.

"The mandatory restrictions were eliminated. Our customers did exactly what they were supposed to do," Brown said. The district has asked residents to cut back 10% voluntarily.

Concerned by a statewide decline in water conservation, regulators cranked up their rhetoric at an early-October meeting.

They announced that statewide water conservation flagged in August for the third consecutive month, and their data showed that Californians had saved far less water this last summer compared with summer 2015. Water board Chairwoman Felicia Marcus said the state should be on "yellow alert."

The Times analysis uses two metrics that regulators say they are monitoring: drop-offs in conservation and high residential per-capita water use.

The amount of water an urban supplier saved during summer 2015 was compared with the savings in June, July and August of this year. Adjustments were made to give greater weight to districts with atypically heavy residential per-capita water use.

Statewide, water conservation slid about nine percentage points, according to the analysis. About 93% of local suppliers saved less this summer than they did during the summer of 2015. Water districts in inland Northern California regressed the most. Three of the water districts where consumption rebounded at the highest rate draw supply from Folsom Lake.

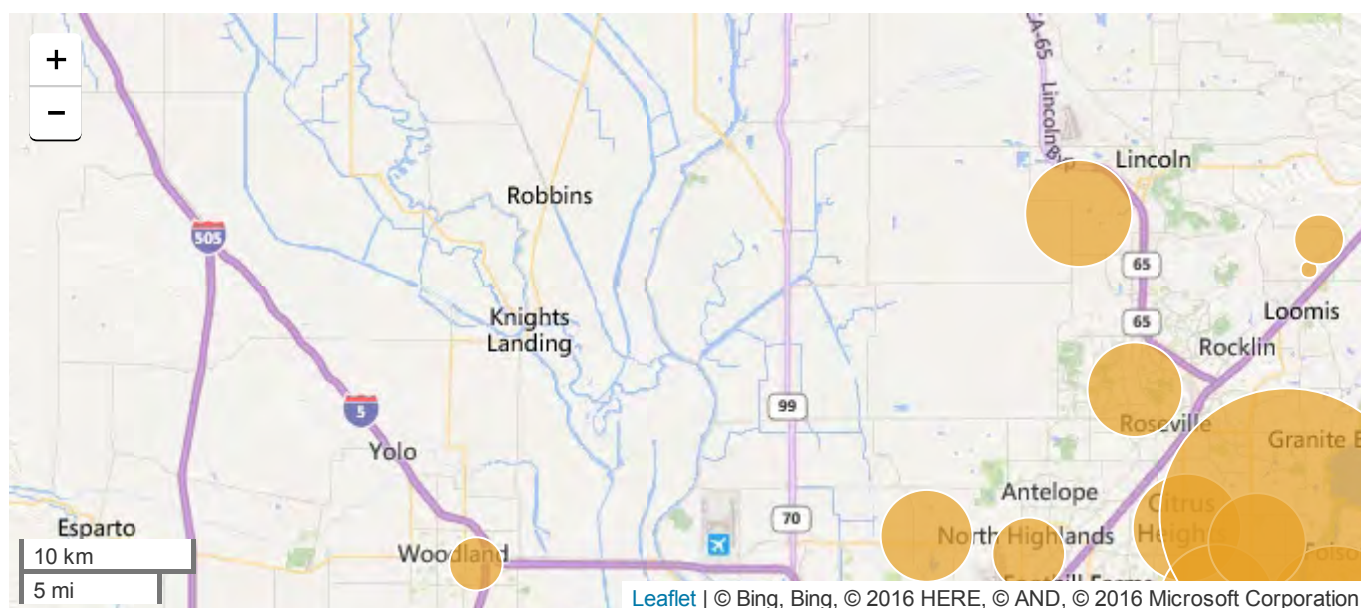
Californians open the spigots

Most of the state's local water suppliers ramped up consumption this summer after the state eased restrictions. Districts in inland Northern California regressed the most.

Size of dots correlates with degree of conservation backslide (click map for details)

Used more water

Saved more water



Sources: State Water Resources Control Board, Mapbox, OpenStreetMap. Data analysis by Ryan Menezes. Thomas Suh
Lauder / @latimesgraphics

When customers saw that Folsom was spilling this spring, they expressed “significant anger” toward district staff members who urged them to keep conserving, Brown said.

Under pressure from districts such as San Juan, state water board members eventually ended mandatory conservation for providers that could prove they have a reliable three-year supply. The regulators argued that California's improved hydrology allowed them to provide districts some relief. The changes took effect in June.

The Times analysis found that similar levels of backsliding occurred regardless of whether suppliers still were required to conserve by the state. Those without a state

mandate saw water consumption rebound about 8.9 percentage points this summer. The smaller group of suppliers that are still under state orders to conserve saw water consumption increase slightly less — about 7.7 percentage points.

(Conservation efforts dropped off in Los Angeles, but only slightly, the analysis shows. The Department of Water and Power saved 18% during the summer of 2015 and continued to save 14% this summer, despite being told the district no longer was required to conserve. Angelenos used about 81 gallons of water per day in June, July and August.)

As California's **drought conditions** improved and members of the state board mulled changing its rules, many of the districts did away with their excessive-use surcharges, allowed residents to resume watering their lawns more days per week and returned to voluntary conservation.

Brown said it was “absolutely unfair” to compare 2016 savings with 2015 savings, especially because the district had conserved so much during the drought's most punishing period. Water managers in other districts where water savings have declined made similar arguments.

Brown attributed San Juan's high per-capita use to its demographics and relatively low density.

“You have to consider what we look like here,” Brown said, adding that livestock, orchards and vineyards require water to maintain. “We do not have postage-stamp-sized lots.”

“Most people just want to salvage what they had, and to save 36% [as required by the state in 2015], they really had to sacrifice a lot,” Brown continued. “[Customers are] really trying to reestablish existing landscapes, trying to revive trees and shrubs, revive what they have back.”

“

Most people just want to salvage what they had.

— Lisa Brown, San Juan Water District customer service manager

Tracy Quinn, a policy analyst with the Natural Resources Defense Council, acknowledged that it can be difficult to assess appropriate water use in areas with large lots. A property owner who appears to be using a lot of water might be using it efficiently if the property's outdoor area is extremely large, she said.

“But in a drought emergency, it seems a bit egregious to be using nearly 500 gallons of water per person per day,” Quinn said. “They have the capacity to cut back.”

Quinn said she is worried state officials will report an even larger backslide Tuesday when they are expected to release water-use data for September.

But Quinn said she is also concerned about what lies down the road.

The executive order that governs the current drought rules will expire in February. So the water board soon will need to grapple with whether to extend the emergency regulations and then potentially decide how to adjust them.

The decision to reinstate mandatory statewide water conservation is mostly a question of weather. The drier this winter proves to be, the more likely water districts will be told to ramp up their efforts again. Quinn said getting them to do so could prove difficult.

But one thing is almost certain.

“The only way for [the executive order] to expire is for us to determine that there is no longer a drought emergency,” Gomberg said, “and the likelihood of that is close to zero.”

The 10 worst backsliders in California

The Times analyzed state water data to create a Conservation-Consumption Score that ranked suppliers on changes in overall water savings and per-person residential water use. [Search the full list >>](#)

Supplier	Conservation-Consumption Score
San Juan Water District	6.37
North Marin Water District	4.89
Santa Fe Irrigation District	4.82

Supplier	Conservation-Consumption Score
Bella Vista Water District	3.71
City of Folsom	3.41
Valley Water Company	3.13
San Lorenzo Valley Water District	2.97
Fair Oaks Water District	2.88
Vaughn Water Company	2.87
Yucaipa Valley Water District	2.82

How we did it

A Times analysis found that the overwhelming majority of California water districts increased their usage after the state eased its drought restrictions. Some of the most extreme increases were found in inland Northern California, led by the San Juan Water District near Folsom Lake.

How did The Times come to that conclusion?

We started by downloading data from California's [State Water Resources Control Board](#), which publishes a monthly accounting of each district's water usage on its website.

That data has been used by state regulators to monitor and enforce mandatory water-use reductions introduced as part of the state's emergency drought response. Regulators ended mandatory conservation for the vast majority of urban water suppliers this spring.

The state measures each district's water savings by comparing the number of gallons it supplies to homes, businesses and institutions each month versus the same month in 2013, a baseline that precedes Gov. Jerry Brown's proclamation of a drought state of emergency.

The Times calculated that statistic for three months this summer after restrictions were eased, then compared it against the same months in 2015. In total, 93% of 387 districts

increased water usage this summer. Nineteen districts were excluded because they did not report enough data to the state.

California's water districts vary greatly in size, from large urban areas like Los Angeles to small districts in the rural north. To compare suppliers and identify areas where residents use large amounts of water at home, state officials also track the total amount of water used by each district's average resident each day.

The Times combined that measure with each district's change in total summer water usage to create a ranking we're calling a Conservation-Consumption Score. By including both factors, this statistic better identifies areas where residents account for increases.

To learn more about our analysis and review the computer code that compiled the ranking, visit our [open-source repository on GitHub](#).

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Times staff writer Ben Welsh contributed to this report.

ALSO

[LAPD Chief Charlie Beck fractures pelvis falling off motorcycle on mountain trail](#)

[San Francisco supervisor plans support for George Lucas' museum, which has a competing proposal in L.A.](#)

[Father of man fatally shot by El Cajon police establishes foundation for police reform](#)

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**Finance Committee Meeting Minutes
San Juan Water District
November 8, 2016
4:00 p.m.**

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

District Staff: Shauna Lorance, General Manager
Keith Durkin, Assistant General Manager
Donna Silva, Director of Finance
Mike Stemple, Purchasing Agent

Topics: Review and Pay Bills (W & R)
Discussion on Impact of Pay Adjustments to CalPERS Pension Liabilities (W & R)
Discussion on Pros and Cons of Pension Obligation Debt (W & R)
First Quarter Financial Report (W & R)
Quarterly Treasurer's Report (W & R)
Other Finance Matters
Public Comment

1. Review and Pay Bills (W & R)

The committee reviewed the presented bills and claims. The reviewed bills and claims were found to be in order.

Staff update: the total amount of bills and claims provided for approval for October payables is \$1,618,850.09.

The Finance Committee recommends adoption of Resolution 16-18 via the Board Consent Calendar

2. Discussion on Impact of Pay Adjustments to CalPERS Pension Liabilities (W & R)

Ms. Donna Silva presented a summary of the information she obtained from the CalPERS actuary. In summary, the actuarial assumptions for pay increases are based on the overall average increase expected from the pool of employees. Since CalPERS payments are based on actual pay amounts, not assumptions, there is a negligible impact on the District's pension liability from a single employee receiving a pay increase above the actuarial assumption.

For information only; no action requested.

3. Discussion on Pros and Cons of Pension Obligation Debt (W & R)

In response to an inquiry by Director Costa, Ms. Donna Silva led a discussion with the Committee on the pro's and con's of pension obligation financing. Per Ms. Silva, the benefit of issuing debt to pay off the unfunded pension liability is that the debt could be secured at a lower interest rate than the District is paying to CalPERS on the unfunded pension liability,

saving ratepayers money in the long run. The drawback of issuing pension obligation debt is that you lock in the debt. Each year CalPERS calculates the pension liability, if their investment portfolio outperforms their expectations, it reduces the unfunded liability. The unfunded liability is a running total. If the District were to issue debt to completely pay off the unfunded liability then it locks that debt in place, and future investment gains above expectations would no longer be applied to the unfunded liability or the existing debt. Additionally, under the Public Employer Pension Reform Act (PEPRA), if a pension plan is over funded, the employer still has to make it's normal contribution, and cannot get a "refund" over the over funded amount. Therefore, it makes sense to leave at least a small amount of unfunded pension liability on the books with CalPERS to be able to absorb future pension gains.

4. First Quarter Financial Report

Ms. Silva provided the committee with a copy of the first quarter financial report for the fiscal year 2016/2017.

The committee had no questions regarding the first quarter financial report and recommended presentation to the Board of Directors.

5. Quarterly Treasurers Report

Ms. Silva provided the committee with a copy of the quarterly treasurers report for the fiscal year 2016/2017.

The committee had no questions regarding the first quarter financial report which is on the consent calendar to be received and filed.

6. Other Finance Matters (W & R)

The committee reviewed the staff request for authorization to approve the purchase of aged vehicle #21. The intent is to purchase a Ford F550 instead of a Ford F450, as this will allow the avoidance of replacing the transport vehicle as currently planned in 2018.

The committee recommended approval of authorization request to replace vehicle #21 which is included on the consent calendar.

7. Public Comment

There were no public comments.

The meeting was adjourned at 4:23 p.m.

San Juan Water District

**RESOLUTION 16-18
PAYMENT OF BILLS AND CLAIMS**

WHEREAS, the Finance Committee of the Board of Directors has reviewed the bills and claims in the amount of \$1,618,850.09; and

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

WHEREAS, subsequent to the Finance Committee two bills have been added to the list bringing the total bills and claims to \$1,653,283.25

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

1. The bills and claims attached hereto totaling \$1,653,283.25 are hereby approved.
2. That the depository be and the same is hereby authorized to pay said bills and claims in the total sum of \$1,653,283.25 of the General Fund Account.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 9th day of November 2016, by the following vote:

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

ATTEST

PAMELA TOBIN
President, Board of Directors
San Juan Water District

SHAUNA LORANCE
General Manager, Board of Directors

November 2016 Payment Register

Paid in Advance:

<u>Check Date:</u>	<u>Vendor:</u>			<u>Amount:</u>
10/31/2016	Payroll			582,726.59
10/27/2016	ACWA / JPIA - Workers Comp	EFT	404701	17,705.00
10/27/2016	AFLAC - Payroll	CK	50615	1,154.68
10/14/2016	Galic Disbursing Company - Payroll	CK	50603	400.00
10/27/2016	Galic Disbursing Company - Payroll	CK	50616	400.00
10/27/2016	WageWorks, Inc - Payroll	EFT	404702	242.23
10/27/2016	ACWA / JPIA - Payroll	EFT	404700	108.10
11/9/2016	WageWorks, Inc - Payroll	EFT	404703	242.23
Total Paid in Advance				602,978.83

Open Payable's:

** See Attached Open Payable Report

Total Open Payables				904,474.07
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Pending Payables:

<u>Invoice No.:</u>	<u>Vendor - Description:</u>		<u>Invoice Amount</u>	<u>Vendor Total</u>
Oct Statement	US Bank - CalCards		23,148.66	23,148.66
1340	PCWA - AM River Joint Defense - <i>Pending Contract Approval</i>		21,148.77	21,148.77
Oct 2016	SMUD - October Electric Charges		19,017.04	19,017.04
105573	Kennedy/Jenks - Floc Sed Sept Services		18,705.00	18,705.00
3084611-0	Sierra - Wholesale Mailer & Postage	<i>Estimate</i>	15,366.24	15,366.24
NNPB000841016	Department of Energy - Oct Regular Service Bill	<i>Estimate</i>	9,000.00	9,000.00
October 2016	PG&E - October Electric & Gas Services		2,022.37	2,032.37
November 2016	PG&E - COTP Invoice	<i>Estimate</i>	10.00	
063510501	Pace - Tap Sleeve		1,033.89	1,033.89
2002066	Primex - SCADA Services		875.00	875.00
63867312-001	Sunbelt - Diesel Generator		399.64	399.64
9774532895	Verizon - October Cell Phone Services		494.35	494.35
Oct 2016	MCI - Long Distance Phone Services		94.47	94.47
Oct 2016	City of Folsom - October Water Services		81.76	81.76
Total Pending Payables				111,397.19

REPORTED TO FINANCE COMMITTEE AS PAID AND PAYABLE				1,618,850.09
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Adjustments:

<u>Invoice No.:</u>	<u>Vendor - Description:</u>		<u>Invoice Amount</u>	<u>Vendor Total</u>
11/03/16	Galic Disbursing Company - Payroll		400.00	400.00
03404	Wondries - Field Services F450 Replace V#09		34,033.16	34,033.16
TOTAL PAID AND PAYABLE				1,653,283.25

Signature _____

Signature _____



San Juan Water District, CA

Open Payable Report

As Of 11/08/2016

Summarized by Payable Account

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
Payable Account: 999-20200 - Accounts Payable							
Vendor: 03401	ABC Supply Inc						Payable Count: (1) 108.78
360374	Tooling Mfgr Lid Openings - 5/8"OD x 120x 8FT Tube	10/24/2016	68.00	-	35.00	5.78	108.78
Vendor: 03091	Ace Hardware - Auburn Folsom Act#2051						Payable Count: (12) 264.70
018693	Brass Connectors Supplies	10/03/2016	12.57	-	-	0.94	13.51
018712	2 Spring Link Zinc 1/2" & Bowl Brush	10/07/2016	11.22	-	-	0.84	12.06
018735	Los Lagos Tank - Bushings, Key Tag, Insulation	10/12/2016	35.28	-	-	2.65	37.93
018740	V#21 & 24 Small Tools - Ratchet, Wire Stripper,Knf	10/14/2016	82.95	-	-	4.72	87.67
018756	Arc Flash Supplies - Film Poly, Plunger, NippleCon	10/18/2016	24.72	-	-	1.85	26.57
18769	WTP Man Gate Reader - Outlet	10/24/2016	6.20	-	-	0.47	6.67
18774	WTP Man Gate Reader - Outlet and Cover	10/24/2016	11.31	-	-	0.85	12.16
18775	Mounting Brackets for Restroom Signs Over Doors	10/24/2016	3.22	-	-	0.24	3.46
018787	North Sed Basin Sludge Removal Bolt	10/26/2016	2.24	-	-	0.17	2.41
018790	Supplies - Comet Cleaner, Battery, Lime Remover	10/27/2016	41.68	-	-	3.13	44.81
018791	Nuts/Bolts to Hang Restroom Signs Over Doors	10/27/2016	0.99	-	-	0.07	1.06
18805	V#16 Conservation Tools - Knee Pads, & Screwdriver	11/02/2016	15.25	-	-	1.14	16.39
Vendor: 01034	Advanced Utility Systems, a Division of N Harris Computer Corp						Payable Count: (1) 43,477.18
MN00095238	2017 CSI Infinity Support - Annual Maintenance	10/31/2016	43,477.18	-	-	-	43,477.18
Vendor: 01041	Afman, Todd R						Payable Count: (1) 602.56
409105	Black,Blue,&White Inverted Paint & Safety Glasses	10/27/2016	560.52	-	-	42.04	602.56
Vendor: 01048	Airgas, Inc						Payable Count: (1) 119.65
9939729802	Sept Air Gas Cylinder Rentals	09/30/2016	119.65	-	-	-	119.65
Vendor: 01073	Amarjeet Singh Garcha						Payable Count: (3) 3,250.00
5545	Sept Landscape Maintenance	09/30/2016	1,500.00	-	-	-	1,500.00
5547	Old Maint Bldg - Remove Jasmine & cut bushes	10/17/2016	250.00	-	-	-	250.00
5546	Oct Landscape Maintenance	10/31/2016	1,500.00	-	-	-	1,500.00
Vendor: 01081	American Messaging Services, LLC						Payable Count: (1) 9.11
R1105372QK	Oct Pager Services	10/31/2016	9.11	-	-	-	9.11
Vendor: 01090	American Water Works Association						Payable Count: (2) 1,187.00
7001251398	2017 District & GM Membership Dues	09/19/2016	420.00	-	-	-	420.00
7001260213	2017 Standards Revisions Subscription Renewal	09/27/2016	767.00	-	-	-	767.00
Vendor: 02463	AnswerNet						Payable Count: (1) 212.35
054-61073	Oct Answering Services	10/01/2016	212.35	-	-	-	212.35
Vendor: 01027	Association of California Water Agencies						Payable Count: (1) 19,513.60
2017 Annual Agency	2017 Annual Agency Dues	10/23/2016	19,513.60	-	-	-	19,513.60
Vendor: 01094	Association of Metropolitan Water Agencies						Payable Count: (1) 3,863.00
2017 Dues	2017 AMWA Dues Endings December 31, 2017	10/05/2016	3,863.00	-	-	-	3,863.00
Vendor: 03370	AT Battery Company						Payable Count: (2) 67.04
A30013346	Power-Sonic 1230 & 1280 Sealed Lead Acid Battery	08/23/2016	32.98	-	7.35	2.47	42.80
A30018611	Power-Sonic Replacement UPS Battery for APC RBC35	10/06/2016	15.99	-	7.05	1.20	24.24
Vendor: 01138	AT&T Mobility II LLC						Payable Count: (1) 61.66
991798660X1019201	Oct GPS Wireless Service 09/12/16 - 10/11/16	10/11/2016	61.66	-	-	-	61.66
Vendor: 01182	Bartkiewicz, Kronick & Shanahan						Payable Count: (1) 29,734.30
8617 Sept 2016	Sept Legal Services	09/30/2016	29,734.30	-	-	-	29,734.30

Open Payable Report

As Of 11/08/2016

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount	
Vendor: 01189 <u>E05728</u>	Bay Area Coating Consultants, Inc. Oct Los Lagos Tank coating inspection service	10/26/2016	395.56	-	-	-	395.56	
							Payable Count: (1)	395.56
Vendor: 03301 <u>2015 IE Rebate-2nd H</u>	Bjorklund, Patricia 2015 Irrigation Efficiency Rebates - 2nd Half	11/01/2016	38.90	-	-	-	38.90	
							Payable Count: (1)	38.90
Vendor: 01219 <u>138359</u>	Borges & Mahoney Co Chlorination Feed System Prev Main Kit, Tube, Orif	10/24/2016	764.08	-	37.99	57.31	859.38	
							Payable Count: (1)	859.38
Vendor: 01232 <u>196606</u>	Brower Mechanical, Inc. HVAC System Repairs & Maintenance	09/13/2016	476.65	-	-	-	476.65	
							Payable Count: (1)	476.65
Vendor: 01234 <u>2300</u> <u>2301</u>	Bryce Consulting, Inc. Sept Human Resources Technical Assistance Srvcs Sept HR Consulting Services	09/30/2016 09/30/2016	3,662.00 1,840.00	- -	- -	- -	3,662.00 1,840.00	
							Payable Count: (2)	5,502.00
Vendor: 01242 <u>CVP 09-30-15 Annual</u>	Bureau of Reclamation-MPR CVP 09/30/15 Annual Analysis Int & O&M Deficit	08/11/2016	3,477.42	-	-	-	3,477.42	
							Payable Count: (1)	3,477.42
Vendor: 03104 <u>1034187</u>	Capital Datacorp Accounting Printer Maintenance	10/10/2016	369.00	-	-	19.43	388.43	
							Payable Count: (1)	388.43
Vendor: 03226 <u>145611</u> <u>145674</u>	Capitol Sand and Gravel Co. Inventory Replenishment order Inventory Replenishment order	10/25/2016 10/27/2016	1,544.88 509.53	- -	- -	115.87 38.22	1,660.75 547.75	
							Payable Count: (2)	2,208.50
Vendor: 01330 <u>FQW8838</u>	CDW Government LLC 4 Dell Monitors and 2 Dual Dell Monitor Stands	10/14/2016	1,201.22	-	72.30	88.89	1,362.41	
							Payable Count: (1)	1,362.41
Vendor: 03221 <u>91931138</u> <u>91931139</u> <u>91935808</u> <u>91935809</u> <u>91942577</u> <u>91942578</u>	Chemtrade Chemicals Corporation Chemical Aluminum Blend 23.72 Tons Chemical Aluminum Blend 24.17 Tons Chemical Aluminum Blend 23.36 Tons Chemical Aluminum Blend 24.97 Tons Chemical Aluminum Blend 23.42 Tons Chemical Aluminum Blend 24.25 Tons	09/29/2016 09/30/2016 10/06/2016 10/07/2016 10/12/2016 10/14/2016	3,729.02 3,799.77 3,672.43 3,925.53 3,681.86 3,812.34	- - - - - -	- - - - - -	279.68 284.98 275.43 294.41 276.14 285.93	4,008.70 4,084.75 3,947.86 4,219.94 3,958.00 4,098.27	
							Payable Count: (6)	24,317.52
Vendor: 01378 <u>19079023</u>	Clark Pest Control of Stockton WTP Ground Squirrel Bait Box Maintenance	10/28/2016	150.00	-	-	-	150.00	
							Payable Count: (1)	150.00
Vendor: 02613 <u>Vision Reimb 10-2016</u>	Clark, Tom Vision Reimbursement 10/10/16 - T Clark/Self	10/12/2016	173.00	-	-	-	173.00	
							Payable Count: (1)	173.00
Vendor: 01380 <u>16-1206</u> <u>16-1233</u>	Classic Impressions Awards Etc., Inc. Admin Building Engraved Restroom Sign Admin Building 2 Engraved Signs for Restrooms	10/21/2016 10/27/2016	18.20 22.50	- -	- -	1.37 1.69	19.57 24.19	
							Payable Count: (2)	43.76
Vendor: 03065 <u>0951-594419</u> <u>0951-594742</u> <u>0951-594363</u> <u>0951-594806</u>	Consolidated Electrical Distributors, Inc. Maint Facility DRV Cooling Fan WTP Gate Reader - 2" Ocal Coated GRC & Female Adpt Arc Flash Disconnect Electrical Parts WTP In Plant Proj Electrical SV Parts PS	10/07/2016 10/20/2016 10/21/2016 10/21/2016	149.00 111.95 1,834.00 7,358.46	- - - -	- - - 124.02	11.18 9.52 137.55 551.88	160.18 121.47 1,971.55 8,034.36	
							Payable Count: (4)	10,287.56
Vendor: 02556 <u>Mileage Reimb 10-2016</u>	Costa, Ted Mileage Reimbursement 10/2016	10/26/2016	37.80	-	-	-	37.80	
							Payable Count: (1)	37.80
Vendor: 03451 <u>Refund 5140 Pastor E</u> <u>Sept 2016 Refund</u> <u>Oct 2016 Refund</u>	D R Horton CA2 Inc Refund 5140 Pastor Dr Refund 5160 Pastor Dr Refund 5170 Pastor Dr	10/12/2016 10/12/2016 10/14/2016	77.76 79.60 109.96	- - -	- - -	- - -	77.76 79.60 109.96	
							Payable Count: (3)	267.32
Vendor: 02616 <u>Vision Reimb 10-2016</u>	Darr, Toni Vision Reimbursement 10/20/16 - T Darr/Dependent	10/21/2016	143.60	-	-	-	143.60	
							Payable Count: (1)	143.60
Vendor: 01521	DataProse, LLC							
							Payable Count: (1)	10,975.58

Open Payable Report

As Of 11/08/2016

Payable Number	Description	Post Date	Payable Amount	Discount Amount	Shipping Amount	Tax Amount	Net Amount
<u>DP1603210</u>	Oct Billing and Insert Services	10/31/2016	10,975.58	-	-	-	10,975.58
Vendor: 01486	Department of Energy						Payable Count: (1) 3,152.45
<u>NNPB000841016R</u>	Oct Wholesale Power Bill - Regular / Restoration	10/25/2016	3,152.45	-	-	-	3,152.45
Vendor: 01494	Dewey Services Inc.						Payable Count: (2) 164.00
<u>10444552</u>	Sept Pest Control Services	09/30/2016	82.00	-	-	-	82.00
<u>10512396</u>	Oct Pest Control Services	10/31/2016	82.00	-	-	-	82.00
Vendor: 01055	Divers, Alan Richard						Payable Count: (1) 10,280.00
<u>15-166 Dir Job Chrgs</u>	Baldwin Res Topographical Survey	10/21/2016	10,280.00	-	-	-	10,280.00
Vendor: 01909	Durkin, Keith						Payable Count: (1) 1,375.97
<u>Expense Reimb 10-20</u>	Expense Reimbursement 10/2016	10/21/2016	1,375.97	-	-	-	1,375.97
Vendor: 03147	EDGES ELECTRICAL GROUP LLC						Payable Count: (4) 5,258.60
<u>S3875150.001</u>	Arc Flash Electrical Components	10/13/2016	2,413.55	-	-	181.02	2,594.57
<u>S3875150.002</u>	Arc Flash Electrical Components	10/20/2016	1,603.49	-	318.78	120.26	2,042.53
<u>S3875150.004</u>	Arc Flash Electrical Components	10/24/2016	107.31	-	-	8.05	115.36
<u>S3903077.001</u>	ARC Flash Electrical Parts	10/24/2016	470.83	-	-	35.31	506.14
Vendor: 02516	Ehnat, Stephen						Payable Count: (1) 171.80
<u>Oct 2016</u>	Vision Reimbursement 10/18/20 -Ehnat/SELF	10/20/2016	171.80	-	-	-	171.80
Vendor: 01554	Electrical Equipment Co						Payable Count: (1) 2,786.52
<u>0091693</u>	WTP Pump Improvement - Enclosure & Motor	10/18/2016	2,592.11	-	-	194.41	2,786.52
Vendor: 01589	Eurofins Eaton Analytical, Inc						Payable Count: (9) 1,553.00
<u>L0284668</u>	Retail Regulatory Compliance Sampling 09/27	09/27/2016	195.00	-	-	-	195.00
<u>L0285869</u>	Retail Regulatory Compliance Sampling 10/04	10/04/2016	195.00	-	-	-	195.00
<u>L0285940</u>	Folsom Lake Raw WH Reg Compliance Sampling 10/04	10/12/2016	29.00	-	-	-	29.00
<u>L0286779</u>	Retail Regulatory Compliance Sampling 10/11	10/17/2016	195.00	-	-	-	195.00
<u>L0287602</u>	Folsom Lake Raw WH Reg Compliance Sampling 10/13	10/21/2016	440.00	-	-	-	440.00
<u>L0288616</u>	Retail Regulatory Compliance Sampling 10/18	10/25/2016	195.00	-	-	-	195.00
<u>L0289619</u>	Retail Regulatory Compliance Sampling 10/25	10/25/2016	195.00	-	-	-	195.00
<u>L0288717</u>	Raw Water Retail Reg Compliance Sampling 10/18	10/26/2016	80.00	-	-	-	80.00
<u>L0289197</u>	Folsom Lake Raw Ret Reg Compliance Sampling 10/17	10/29/2016	29.00	-	-	-	29.00
Vendor: 03453	Fairchild, Steve OR Margaret						Payable Count: (1) 72.08
<u>Refund 244 Caples Dr</u>	Refund 244 Caples Dr	10/28/2016	72.08	-	-	-	72.08
Vendor: 01604	Fastenal Company						Payable Count: (2) 2,016.37
<u>CAELD20682</u>	V# 21 Tool replacement Expense #175802 Fast	09/15/2016	1,860.35	-	-	139.53	1,999.88
<u>CAELD20747</u>	V# 21 Tool replacement Expense #175802 Fast	10/03/2016	15.34	-	-	1.15	16.49
Vendor: 01609	Federal Express Corporation						Payable Count: (1) 74.82
<u>5-585-91464</u>	Los Lagos Tank Recoating 09/16/16 Shippings	09/30/2016	74.82	-	-	-	74.82
Vendor: 03456	Finn, Robert						Payable Count: (1) 513.88
<u>5063 Westbury Cir</u>	Refund 5063 Westbury Cir	11/04/2016	513.88	-	-	-	513.88
Vendor: 01631	Folsom Chevrolet / Geo Inc						Payable Count: (1) 47.34
<u>417194</u>	V#16 Conserv.-Oil Change, Filter, & Tire Rotation	10/27/2016	47.34	-	-	-	47.34
Vendor: 01634	Folsom Lake Ford, Inc.						Payable Count: (6) 3,589.91
<u>F01S773515 B</u>	V#9 FS-Lube, Oil, Filter, and Inspection	09/26/2016	60.00	-	-	-	60.00
<u>F01S775698</u>	V#29 WTP - Lube, Oil, Filter, Tire Rotation & Insp	10/19/2016	135.36	-	-	-	135.36
<u>F01S775822</u>	V#27 - Maintenance, Inspection and Repair	10/21/2016	431.35	-	-	-	431.35
<u>F01S776347</u>	V#24 FS - Alt Light Inspection, Oil change, &Tires	10/25/2016	2,689.69	-	-	-	2,689.69
<u>F01S776348</u>	V#12 FS - Lube, Oil, Filter, Tire Rotation, & Smog	10/26/2016	219.57	-	-	-	219.57
<u>F01S776598</u>	V#28 FS - Lube, Oil & Filter, & Inspection	10/26/2016	53.94	-	-	-	53.94
Vendor: 03089	Fulton, Jonathan						Payable Count: (1) 114.68
<u>Expense Reimb 11-20</u>	Expense Reimbursement 11/2016	11/04/2016	114.68	-	-	-	114.68

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Vendor: 01659	Gary Webb Trucking						Payable Count: (1) 505.00
<u>Oct 2016</u>	Oct Spoils Out Services	10/05/2016	505.00	-	-	-	505.00
Vendor: 03389	Georgia Western, Inc.						Payable Count: (2) 5,192.00
<u>63930</u>	Filter Basin repalcement parts	08/16/2016	4,187.00	-	-	-	4,187.00
<u>64555</u>	Filter Basin repalcement parts	10/24/2016	1,005.00	-	-	-	1,005.00
Vendor: 01068	Glenn C. Walker						Payable Count: (1) 993.00
<u>17232</u>	Oct Patrol Services	10/20/2016	993.00	-	-	-	993.00
Vendor: 01674	Global Labs, Inc.						Payable Count: (1) 432.00
<u>6081478</u>	AI2 Sampling of Baldwin	08/11/2016	432.00	-	-	-	432.00
Vendor: 03237	GM Construction & Developers, Inc						Payable Count: (4) 11,201.25
<u>4234</u>	7920 West Hidden Lakes Dr Tap & Connect Srvc	10/10/2016	4,635.05	-	-	-	4,635.05
<u>RET-4234</u>	7920 Hidden Lakes Dr-RET Tap & Connect Srvc	10/10/2016	243.95	-	-	-	243.95
<u>4238</u>	6050 Oak Hills Dr Tap & Connect Srvc	10/17/2016	6,005.25	-	-	-	6,005.25
<u>RET 4238</u>	6050 Oak Hills Dr RET Tap & Connect Srvc	10/17/2016	317.00	-	-	-	317.00
Vendor: 01681	Golden State Flow Measurements, Inc.						Payable Count: (1) 3,124.76
<u>I-052962</u>	Residential installs - Sensus OMNI C2 & R2 Meters	10/24/2016	2,906.75	-	-	218.01	3,124.76
Vendor: 01706	Graymont Western US Inc.						Payable Count: (2) 12,109.52
<u>285580 RI</u>	High Calcium Quicklime 26.26 Tons	10/03/2016	6,013.54	-	-	-	6,013.54
<u>286056 RI</u>	High Calcium Quicklime 26.620 Tons	10/11/2016	6,095.98	-	-	-	6,095.98
Vendor: 01721	Hach Company						Payable Count: (2) 899.70
<u>10133906</u>	V#21 Tool Replacement - Pocket Clrmtr II Chlorine	10/03/2016	432.00	-	30.89	32.40	495.29
<u>10142145</u>	Filter Basin Sys & Process Control Sys Cables	10/07/2016	347.45	-	30.89	26.07	404.41
Vendor: 01736	Hasler/MailFinance/Neopost						Payable Count: (1) 88.87
<u>P6171434</u>	Assessed Tax 01/01/16 by Placer County Assessor	10/07/2016	88.87	-	-	-	88.87
Vendor: 01738	Hazardous Disposal Specialists, Inc.						Payable Count: (1) 6,577.50
<u>11025</u>	Hazardous Waste Disposal-Bin, Liners, Surcharges	10/12/2016	6,577.50	-	-	-	6,577.50
Vendor: 03235	HD Supply Construction Supply LTD						Payable Count: (1) 86.76
<u>10006059718</u>	General Maint Items - Adapters	10/27/2016	79.97	-	-	6.79	86.76
Vendor: 02047	Heasley, Mike						Payable Count: (1) 100.00
<u>2016 Service Award</u>	2016 Service Award - 5 Years - M. Heasley	09/30/2016	100.00	-	-	-	100.00
Vendor: 03351	Hiuga Diving Co						Payable Count: (1) 3,000.00
<u>Dive-03</u>	Dive Services - Floc Basin	11/04/2016	3,000.00	-	-	-	3,000.00
Vendor: 01768	Hopkins Technical Products, Inc.						Payable Count: (1) 1,996.13
<u>3616301360</u>	CL2 Sensor & Gel Caps	10/24/2016	1,839.14	-	19.05	137.94	1,996.13
Vendor: 01790	Industrial Safety Supply Corp of California						Payable Count: (1) 2,377.67
<u>1040199</u>	Safety Supplies - Gas Monitors & Calibration Stn	10/28/2016	2,165.00	-	50.29	162.38	2,377.67
Vendor: 03383	Inferrera Construction Management Group, Inc.						Payable Count: (1) 38,212.85
<u>1615</u>	Oct Floc Sed Basin Construction Management	10/31/2016	38,212.85	-	-	-	38,212.85
Vendor: 03105	JJMS Enterprises Inc						Payable Count: (1) 1,400.00
<u>35305</u>	Asset ID#00348- AMCO Hydraulic Auto Lift Removal	10/28/2016	1,400.00	-	-	-	1,400.00
Vendor: 01895	Joseph G Pollard Co, Inc						Payable Count: (1) 118.29
<u>0057887</u>	Tools - 2 Magnetic Pipe Locator and holders	10/20/2016	95.80	-	15.30	7.19	118.29
Vendor: 03074	Kirby's Pump & Mechanical Inc						Payable Count: (1) 434.38
<u>3571</u>	BW Hood - Pump Moto Thread Pump Shaft	10/26/2016	434.38	-	-	-	434.38
Vendor: 03411	Labor Ready Southwest, Inc.						Payable Count: (2) 2,586.93
<u>21532113</u>	Field Srvc Temp Week Ending10/21-Mcdonald&Nisbett	10/22/2016	986.70	-	-	-	986.70
<u>21555669</u>	Field Srvc Temp Week Ending10/28-Mcdonald&Nisbett	10/28/2016	1,600.23	-	-	-	1,600.23

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Vendor: 01028	Larsen, Adam						Payable Count: (1) 125.00
<u>2016 Service Award</u>	2016 Service Award - 10 Year - A Larsen	09/30/2016	125.00	-	-	-	125.00
Vendor: 01959	Les Schwab Tire Centers of California Inc						Payable Count: (2) 611.48
<u>63300112085</u>	E#09 Left Front Tire Flat Repair	10/14/2016	132.00	-	-	-	132.00
<u>63300112946</u>	V#6 Tire inspection& Complimentary Tire Inspection	10/25/2016	479.48	-	-	-	479.48
Vendor: 02432	Lorance, Shauna						Payable Count: (2) 450.00
<u>2016 Service Award</u>	2016 Service Award - 20 year - S Lorance	09/30/2016	200.00	-	-	-	200.00
<u>Retirement Award 20</u>	Retirement Award - 20 year - S Lorance	09/30/2016	250.00	-	-	-	250.00
Vendor: 02027	Mcmaster-Carr Supply Company						Payable Count: (6) 1,196.11
<u>82674515</u>	Safety Grating Over Thickenr #3 Screw for Metal	10/06/2016	13.88	-	6.13	1.04	21.05
<u>83652412</u>	Fastners Needed for Arc Flash Project	10/12/2016	610.99	-	15.71	45.85	672.55
<u>83861270</u>	Lime Feed System Smart Bob - Washdown Hold Plug	10/13/2016	83.31	-	6.13	6.25	95.69
<u>85279197</u>	Incidentals-Standard Ring Terminal Nylon Insulated	10/24/2016	30.99	-	6.13	2.32	39.44
<u>85915408</u>	Thickener #2 & Shop Stock Supplies	10/27/2016	316.31	-	9.18	23.72	349.21
<u>85933266</u>	Thickener #2 Supplies - Drill Bits	10/27/2016	11.20	-	6.13	0.84	18.17
Vendor: 03450	Mouser Electronics, Inc.						Payable Count: (1) 1,720.53
<u>42222758</u>	Electrical Parts WTP Projects	10/17/2016	1,600.49	-	-	120.04	1,720.53
Vendor: 02079	MWH Americas, Inc.						Payable Count: (1) 31,021.64
<u>1725826</u>	Sept Wholesale Water Management Reliability Study	09/30/2016	31,021.64	-	-	-	31,021.64
Vendor: 03386	Myers & Sons Construction, LP						Payable Count: (2) 493,849.94
<u>0115-06</u>	Oct FLOC SED BASIN IMPROVEMENT - WTP	10/28/2016	519,842.05	-	-	-	519,842.05
<u>0115-06 CM-RET</u>	Oct Retention WTP Floc Sed Basin Improvements	10/28/2016	(25,992.11)	-	-	-	(25,992.11)
Vendor: 02087	N C C Enterprises, Inc.						Payable Count: (1) 2,700.00
<u>035680</u>	Arc Flash Project - Concrete Cutting	10/27/2016	2,700.00	-	-	-	2,700.00
Vendor: 02121	Northern Tool & Equipment Co. Inc.						Payable Count: (1) 999.00
<u>36289883</u>	V#21 Tool Replacement - Honda EU200 Gen Carb	10/04/2016	999.00	-	-	-	999.00
Vendor: 02320	Nush, Robert						Payable Count: (1) 200.00
<u>2016 Service Award</u>	2016 Service Award - 20 year - R Nush	09/30/2016	200.00	-	-	-	200.00
Vendor: 02129	Occu-Med Ltd.						Payable Count: (1) 316.00
<u>0916702</u>	Distribution Operator I/II New Hire Testing	09/30/2016	316.00	-	-	-	316.00
Vendor: 02131	Office Depot, Inc.						Payable Count: (14) 2,467.93
<u>868262698001</u>	Admin and Field Services Office Supplies	09/26/2016	272.48	-	-	13.07	285.55
<u>868770299001</u>	Admin Office Supplies - Pens, Dry Markers & Tea	10/03/2016	58.48	-	-	-	58.48
<u>869346208001</u>	Admin Office Supplies - Laserjet Cartridge	10/04/2016	193.99	-	-	14.55	208.54
<u>869448836001</u>	Executive Office Furniture-Return Chair for Greg Z	10/06/2016	(325.00)	-	-	(24.38)	(349.38)
<u>870295060001</u>	Admin, Field Services & Finance Office Supplies	10/07/2016	99.43	-	-	7.46	106.89
<u>870640178001</u>	Admin & Customer Srvcs Office Supplies	10/10/2016	138.63	-	-	10.39	149.02
<u>871438741001</u>	Admin, Field Srvc, WTP Office Supplies	10/13/2016	1,262.67	-	-	81.49	1,344.16
<u>871438986001</u>	WTP Office Supplies - Napkins	10/13/2016	8.38	-	-	0.63	9.01
<u>871763157001</u>	Admin & Customer Service Office Supplies	10/14/2016	248.72	-	-	8.59	257.31
<u>871438741002</u>	WTP Office Supplies - Cups	10/17/2016	11.98	-	-	0.90	12.88
<u>872545183001</u>	Finance Office Supplies - Toner	10/18/2016	65.90	-	-	4.94	70.84
<u>873049271001</u>	Admin Office Supplies - Spoons & Labels	10/19/2016	57.98	-	-	4.34	62.32
<u>873601360001</u>	Finance Office Supplies - Toner	10/21/2016	102.22	-	-	7.67	109.89
<u>874672624001</u>	Admin Office Supplies - Cartidge	10/26/2016	132.48	-	-	9.94	142.42
Vendor: 02150	Pace Supply Corp						Payable Count: (13) 5,045.33
<u>063468066</u>	Inventory Supply - PJ comp nut w/gasket pep 1"	09/27/2016	341.04	-	-	25.58	366.62
<u>063508583</u>	Inventory Supply - Tapping Sleeve Items	09/27/2016	239.00	-	-	17.93	256.93
<u>063519174 & CM063</u>	Inventory Material Replenishment	10/05/2016	1,806.50	-	-	135.49	1,941.99
<u>063519174-1</u>	Inventory Material Replenishment	10/05/2016	116.00	-	-	8.70	124.70
<u>063520314</u>	Pressure Gauges LF Bushing Brass	10/05/2016	43.08	-	-	3.23	46.31

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063523373	Inventory Material Replenishment	10/05/2016	16.00	-	-	1.20	17.20
063489760	Tools for Chlorine Solution-Pip Hog Kit & Guildes	10/07/2016	338.00	-	19.58	25.35	382.93
063525207	Floc Sed Proj - Bolt Set Blue Coated	10/07/2016	36.48	-	-	2.74	39.22
063519174-2	Inventory Material Replenishment	10/14/2016	174.00	-	-	13.05	187.05
063519174-3	Inventory Material Replenishment	10/18/2016	110.00	-	-	8.25	118.25
063550257	Chlorine for Reservoirs - 80 gallons	10/21/2016	736.00	-	-	55.20	791.20
063553215	Pipe wrap tape for AC pipe disposal	10/25/2016	299.93	-	-	-	299.93
063563500	Material Replenishment	10/31/2016	440.00	-	-	33.00	473.00
Vendor: 02154	Pacific EcoRisk, Inc						Payable Count: (1) 586.63
12605	Aquatic Toxicity Testing Services- Collected 09/27	10/25/2016	586.63	-	-	-	586.63
Vendor: 03188	Pacific Material Handling Systems						Payable Count: (1) 1,465.38
650321	E#18 Forklift - Flat Tire Repair	10/17/2016	1,465.38	-	-	-	1,465.38
Vendor: 02163	Pape' Machinery, Inc.						Payable Count: (1) 371.05
1150247	E#86 - Alternator Wiring Repair	10/25/2016	371.05	-	-	-	371.05
Vendor: 03026	PFM Asset Management						Payable Count: (2) 1,789.86
69606	Aug Fiscal Agent Fee	08/31/2016	909.04	-	-	-	909.04
70502	Sept Fiscal Agent Fee	09/30/2016	880.82	-	-	-	880.82
Vendor: 03234	Pierson, Andrew						Payable Count: (1) 147.00
Expense Reimb 10/20	Expense Reimbursement 10/2016	10/31/2016	147.00	-	-	-	147.00
Vendor: 03457	Raney, Cidnie						Payable Count: (1) 225.00
Water Heater Flush R	Reimbursement to Flush Water Heater Due to Leak	11/04/2016	225.00	-	-	-	225.00
Vendor: 02283	Recology Auburn Placer						Payable Count: (1) 640.70
53759080	Oct Garbage Disposal Services	10/31/2016	640.70	-	-	-	640.70
Vendor: 02223	Rexel Inc (Platt - Rancho Cordova)						Payable Count: (3) 391.30
K454250	U Bent Led Lamps	10/05/2016	136.50	-	-	10.24	146.74
K467774	U Bent LED Lamps	10/05/2016	45.50	-	-	3.41	48.91
K602012	Building Lighting - U-Bend Lmaps	10/21/2016	182.00	-	-	13.65	195.65
Vendor: 02293	RFI Enterprises, Inc						Payable Count: (1) 48.40
549474	Nov Burg Monitoring	10/05/2016	48.40	-	-	-	48.40
Vendor: 02302	Riebes Auto Parts, LLC						Payable Count: (4) 57.54
529695	E#172-16Gaskets for HighPressureWand on VermeerVac	10/07/2016	9.90	-	-	0.79	10.69
532718	V#24 CLR Lights	10/17/2016	2.69	-	-	0.22	2.91
535435	V#16 - Wiper Blades	10/25/2016	19.95	-	-	1.60	21.55
537347	V#24 - Clevis Slip Hook-Bulk	10/31/2016	20.73	-	-	1.66	22.39
Vendor: 02328	Rocklin Windustrial Co						Payable Count: (8) 1,222.47
202177 00	TW1 Chlorine Solution Piping - PVC SCH80	09/28/2016	127.20	-	-	9.54	136.74
202116 00	North & South Basin Floc Sed Basin Proj Supplies	10/05/2016	552.12	-	-	41.41	593.53
202387 00	Floc Sed Proj - Van Stone PVC80 Soc Flg	10/07/2016	15.84	-	-	1.19	17.03
202437 00	WTP Safety Showers Galv MI 150 Hex Bush	10/12/2016	26.40	-	-	1.98	28.38
202471 00	Settling Tube Cleaning WTP Process Supplies	10/12/2016	193.07	-	-	14.48	207.55
202570 00	North Sed Basin Sludge Removal from Settling Tubes	10/17/2016	177.56	-	-	13.32	190.88
202584 00	North Sed Basin Sludge Removal from Settling Tubes	10/19/2016	32.61	-	-	2.45	35.06
202640 00	Operations - Chemical Room Polymer Transfer	10/19/2016	12.37	-	-	0.93	13.30
Vendor: 03413	Ron DuPratt Ford, Inc.						Payable Count: (1) 850.00
5570	Cancellation Fee - Pool Vehicle 2017 Ford Escape	10/12/2016	850.00	-	-	-	850.00
Vendor: 03385	S.J. Electro Systems, Inc						Payable Count: (1) 6,110.00
2002063	Oct Scada Engineering Services - Software Upgrades	10/31/2016	6,110.00	-	-	-	6,110.00
Vendor: 02369	Sacramento County						Payable Count: (1) 12.58
16413754	Baldwin Dam Rd Property Tax	10/14/2016	12.58	-	-	-	12.58

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Vendor: 02363 <u>FY 2016-17 Invoice</u>	Sacramento Local Agency Formation Commission FY 2016-17 Special District Assessment	09/16/2016	3,321.00	-	-	-	3,321.00
							Payable Count: (1)
Vendor: 02381 <u>1617-12-01521</u>	Sacramento Metropolitan Air Quality Management District FY17 Stand by Generator Operating Permit Renewal Fee	10/07/2016	5,546.00	-	-	-	5,546.00
							Payable Count: (1)
Vendor: 02446 <u>SLS 10039995</u> <u>SLS 10040539</u>	Sierra Chemical Co 6-Chlorine 2000LB Ton Tank & Mill Assessment Fee 6-Chlor 2000LB Ton Tank & Mill Assessment Fee	10/05/2016 10/20/2016	3,664.57 3,664.57	- -	- -	- -	3,664.57 3,664.57
							Payable Count: (2)
Vendor: 03086 <u>161185</u> <u>161186</u> <u>162917</u> <u>162918</u>	Sierra Saw Power Equipment Center E#139 Inspect and Replace Carburator E#105 Steam Clean Unit, Air Filter, Spark Plugs E#43 Inspection, Clean & Rebuild Carb, Oil Change E#94 Inspect Unit & Clean/Rebuild Carb, Oil Change	10/13/2016 10/13/2016 10/13/2016 11/01/2016	102.81 118.98 61.09 61.09	- - - -	- - - -	- - - -	102.81 118.98 61.09 61.09
							Payable Count: (4)
Vendor: 03309 <u>9581</u>	Sorum, Mark Eureka - Auburn Folsom cut down tress & haul away	10/24/2016	5,500.00	-	-	-	5,500.00
							Payable Count: (1)
Vendor: 03421 <u>Oct Refund</u> <u>Refund 8810 Woodgr</u>	Standard Pacific Homes Refund Woodgrove Cir IRR, Granite Bay Refund 8810 Woodgrove Cir	10/14/2016 10/28/2016	830.09 92.68	- -	- -	- -	830.09 92.68
							Payable Count: (2)
Vendor: 02514 <u>LW-1007719</u>	State Water Resources Control Board - SWRCB Large Water Systems Fees for 07/01/15 - 06/30/16	10/19/2016	8,891.51	-	-	-	8,891.51
							Payable Count: (1)
Vendor: 01958 <u>01 129064</u>	Stommel Inc V#34 Conservation - Purchase & Install Light Bar	10/11/2016	1,783.97	-	-	-	1,783.97
							Payable Count: (1)
Vendor: 03454 <u>6861 Boardwalk Driv</u>	Stymeist, Kathy 6861 Boardwalk Drive	10/27/2016	168.76	-	-	-	168.76
							Payable Count: (1)
Vendor: 01411 <u>916-791-0135/0 10-2</u>	SureWest Telephone Phone Services 10/25/16 - 11/24/16	10/25/2016	1,601.41	-	-	-	1,601.41
							Payable Count: (1)
Vendor: 02540 <u>27001930 10-27-16</u>	Sutter Medical Foundation Sept & Oct DOT Exams- 09/27 RN, 10/06 GM, 10/17 SD	10/27/2016	330.00	-	-	-	330.00
							Payable Count: (1)
Vendor: 03403 <u>087136</u>	TESSCO Technologies, Incorporated GBU & Kokila Radio Antenna Materials	07/12/2016	348.74	-	16.37	27.39	392.50
							Payable Count: (1)
Vendor: 02580 <u>1741-A (revised)</u> <u>1742</u>	The Eidam Corporation Wholesale Oct Public Outreach FY 2016-2017 Retail Oct Public Outreach FY 2016-2017	10/22/2016 10/22/2016	3,497.50 2,390.25	- -	- -	- -	3,497.50 2,390.25
							Payable Count: (2)
Vendor: 02592 <u>1640</u>	The Reed Group, Inc. Oct Wholesale/Retail Financial Plan Rate Study	10/31/2016	9,190.02	-	-	-	9,190.02
							Payable Count: (1)
Vendor: 02162 <u>Mileage Reimb. 10-20</u>	Tobin, Pamela Mileage Reimbursement 10/2016	10/31/2016	98.28	-	-	-	98.28
							Payable Count: (1)
Vendor: 02651 <u>00003E2E70406</u> <u>00003E2E70416</u> <u>00003E2E70436</u> <u>00003E2E70446</u>	United Parcel Service Inc Weekly Service Charge & 9/22, 9/29, 9/30 Shippings Weekly Service Charge & 09/25, 10/05 Shippings Weekly Service Charge & 10/17 Shipping Weekly Service Charge & 10/24, 10/26 Shippings	09/30/2016 10/08/2016 10/22/2016 10/29/2016	464.76 102.13 81.48 105.34	- - - -	- - - -	- - - -	464.76 102.13 81.48 105.34
							Payable Count: (4)
Vendor: 03452 <u>47880</u>	Universal Pump & Supply, Inc. Motor Steady Bearing for SE BW Pump	10/13/2016	280.00	-	12.48	22.40	314.88
							Payable Count: (1)
Vendor: 02674 <u>125243</u>	Utility Services Associates, LLC Oct Proactive Leak Detection Program	10/25/2016	2,410.00	-	-	-	2,410.00
							Payable Count: (1)
Vendor: 03284 <u>0128552-IN</u>	Vavrinek, Trine, Day & Co, LLP Sept Accounting Services	09/30/2016	2,925.00	-	-	-	2,925.00
							Payable Count: (1)

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Vendor: 02700 <u>5081318</u>	Viking Shred LLC MMM Shredding Services	10/20/2016	50.00	-	-	-	50.00
Vendor: 01687 <u>9239050033</u>	W. W. Grainger, Inc. Fuses for WTP Equipment - 4A & 20A Fuses	09/29/2016	337.50	-	-	25.31	362.81
<u>9246808498</u>	Tools - Ratchet Cable Cutter & Cordless Knockout	10/07/2016	2,131.80	-	-	159.89	2,291.69
<u>9254184675</u>	WTP Shop - Pre Moistened Towelettes	10/17/2016	7.33	-	-	0.55	7.88
<u>9257887225</u>	Lab Turb Relocation Supplies - Braided Tubing	10/20/2016	77.44	-	-	5.81	83.25
Vendor: 02710 <u>125AI0494339</u>	WageWorks, Inc Sept FSA Admin Fee & AFLAC Flex Compliance Fee	09/30/2016	98.00	-	-	-	98.00
Vendor: 02311 <u>2016 Service Award</u>	Watson, Rob 2016 Service Award - 10 Year - R Watson	09/30/2016	125.00	-	-	-	125.00
Vendor: 02730 <u>EO&M000841116</u>	Western Area Power Admin Oct CVP O&M Program Funding FY2018 - 1st Billing	10/20/2016	2,615.75	-	-	-	2,615.75
Vendor: 03455 <u>8405 Hidden Lakes D</u>	Wright, Nancy 8405 Hidden Lakes Dr. W	10/28/2016	109.00	-	-	-	109.00
Vendor: 03445 <u>Mileage Reimb 10-20</u>	Zlotnick, Greg Mileage & Parking Reimbursement 10/2016	10/28/2016	214.80	-	-	-	214.80
			Payable Account 999-20200		Payable Count: (231)	Total:	904,474.07

Payable Account Summary

Account	Count	Amount
999-20200 - Accounts Payable	231	904,474.07
Report Total:	231	904,474.07

Payable Fund Summary

Fund	Count	Amount
999 - INTERCOMPANY	231	904,474.07
Report Total:	231	904,474.07

AGENDA ITEM VIII.2

DRAFT

**Legal Affairs Committee Meeting
November 1, 2016
1:00 p.m.**

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

District Staff: Shauna Lorange, General Manager
Greg Zlotnick, Water Resources Specialist
Josh Horowitz, Legal Counsel

Topics: Sacramento County Utility Paving Requirements-Legal Opinion (W & R)
Other Legal Affairs Matters
Public Comment

1. Sacramento County Utility Paving Requirements – Legal Opinion

The committee discussed the current status of the Sacramento County proposed utility paving requirements. The committee decided on the following approach:

1. District legal counsel will work with legal counsels of other agencies in the region to develop a joint opinion regarding the legality of the current proposed utility paving requirements.
2. The committee will review the joint opinion. Based on the legal opinion's conclusions about the legality of Sacramento County's proposed paving requirements, the committee will recommend one of the following actions (or a combination of the two)
 - a. Provide a copy to Sacramento County's County Counsel for her review and response.
 - b. Ask a legislator to request that Legislative Counsel or the Attorney General prepare an opinion on the legality of the proposed utility paving requirements.

2. Other Legal Affairs Matters (W & R)
There were no other matters discussed.

3. Public Comment
There were no public comments.

The meeting was adjourned at 2:00 p.m.