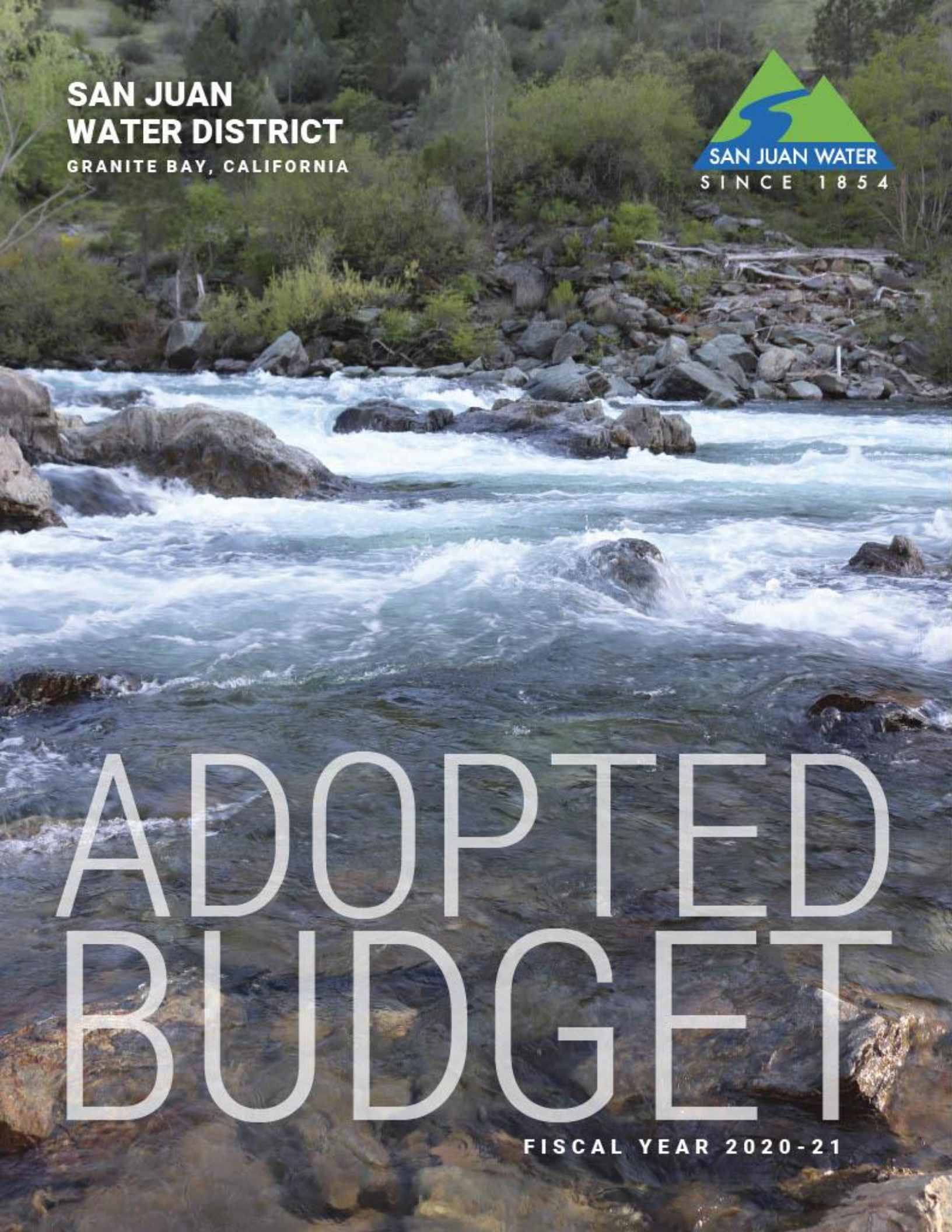

SAN JUAN
WATER DISTRICT
GRANITE BAY, CALIFORNIA

SAN JUAN WATER
SINCE 1854

ADOPTED BUDGET

FISCAL YEAR 2020-21

Cover Photo: Middle Fork American River – this is your water! The District has pre and post 1914 water rights for 33,000 acre feet of water from the American River. The water flows from the Sierra Nevada Mountain Range through the American River in to Folsom Lake where the water is diverted to the Sidney N. Peterson Water Treatment Plant.

San Juan Water District

Fiscal Year 2020-21 Budget

Prepared by the Finance Department under Direction of
the General Manager

Mission Statement:

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

Vision Statement:

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

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

Elected Officials

Edward J. “Ted” Costa, President/Director

Pamela Tobin, Vice-President/Director

Martin Hanneman, President/Director

Dan Rich, President/Director

Kenneth H. Miller, Director

Appointed Officials

Paul Helliker, General Manager

Management Team

Tony Barela, Operations Manager

Lisa Brown, Customer Services Manager

Adam Larsen, Field Services Manager

Andrew Pierson, Engineering Services Manager

Donna Silva, Director of Finance/Treasurer

Greg Turner, Water Treatment Plant Manager

Chris von Collenberg, Information Technology Manager

Greg Zlotnick, Water Resources Manager

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P.O. Box 2157 | 9935 Auburn Folsom Road | Granite Bay, CA 95746 | 916-791-0115 | sjwd.org

SAN JUAN WATER
SINCE 1854

June 24, 2020

Board of Directors
Citizens of the San Juan Water District

On behalf of the San Juan Water District and its staff, I am pleased to present the Budget for Fiscal Year 2020-21. The Budget has been developed to be fiscally responsible in support of the District's Mission Statement:

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

Adoption and implementation of this budget will allow the District to accomplish major priorities in Fiscal Year 2020-21, detailed throughout this document.

The District continues to focus on implementing the Strategic Plan that it adopted in March of 2018. The plan can be found at the following link on the District's website:

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

The District's strategic goals are:

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

These strategic goals will guide our actions to respond to the following significant issues and priorities that we will face during fiscal year 2020-21, including, but not limited to the following:

- Development and adoption by the State of a new regulatory structure to implement water efficiency targets, pursuant to SB 606 and AB 1668
- Development of an update to the Water Quality Control Plan for the Sacramento/San Joaquin Delta, and a possible voluntary settlement agreement by the District and neighboring agencies in the American River Basin
- Further deliberations on a Delta Conveyance project

- Development and implementation of the Sacramento regional groundwater bank
- Development by the State of water loss standards for drinking water systems
- Consideration of greater collaboration with and potential integration of San Juan's programs with those of neighboring water agencies, to improve services to our customers and save them money
- Working with our Wholesale Customer Agencies to update our Water Supply Contract
- Updating the District's master plans for retail and wholesale facilities and updating capital improvement plans for portions of the District's supply, treatment and distribution systems
- Planning and executing significant infrastructure repair and replacement projects, including preparation for the replacement of the cover and liner of Hinkle Reservoir and developing a plan for replacement of retail service area meters
- Successfully achieving distribution system maintenance goals, identifying and prioritizing repairs and replacements, and implementing the top priority projects
- Continuing to refine and develop enterprise software systems, such a billing and customer service, maintenance management, supervisory control and data acquisition, etc., to improve service and efficiency
- Meeting current and evolving regulatory requirements for water quality, system operations, health and safety, human resources management, etc.

The District works hard to ensure that ratepayer dollars are used in the most cost-effective manner to provide reliable, clean water supplies to its customers. The District continues to implement the wholesale and retail financial plans it adopted in 2017. In preparing this budget, staff have reviewed the projections in the financial plans and have proposed a budget that is consistent with those plans.

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

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

Respectfully submitted,

Paul Helliker

Paul Helliker
General Manager

SAN JUAN WATER
SINCE
1854

DISTRICT PROFILE

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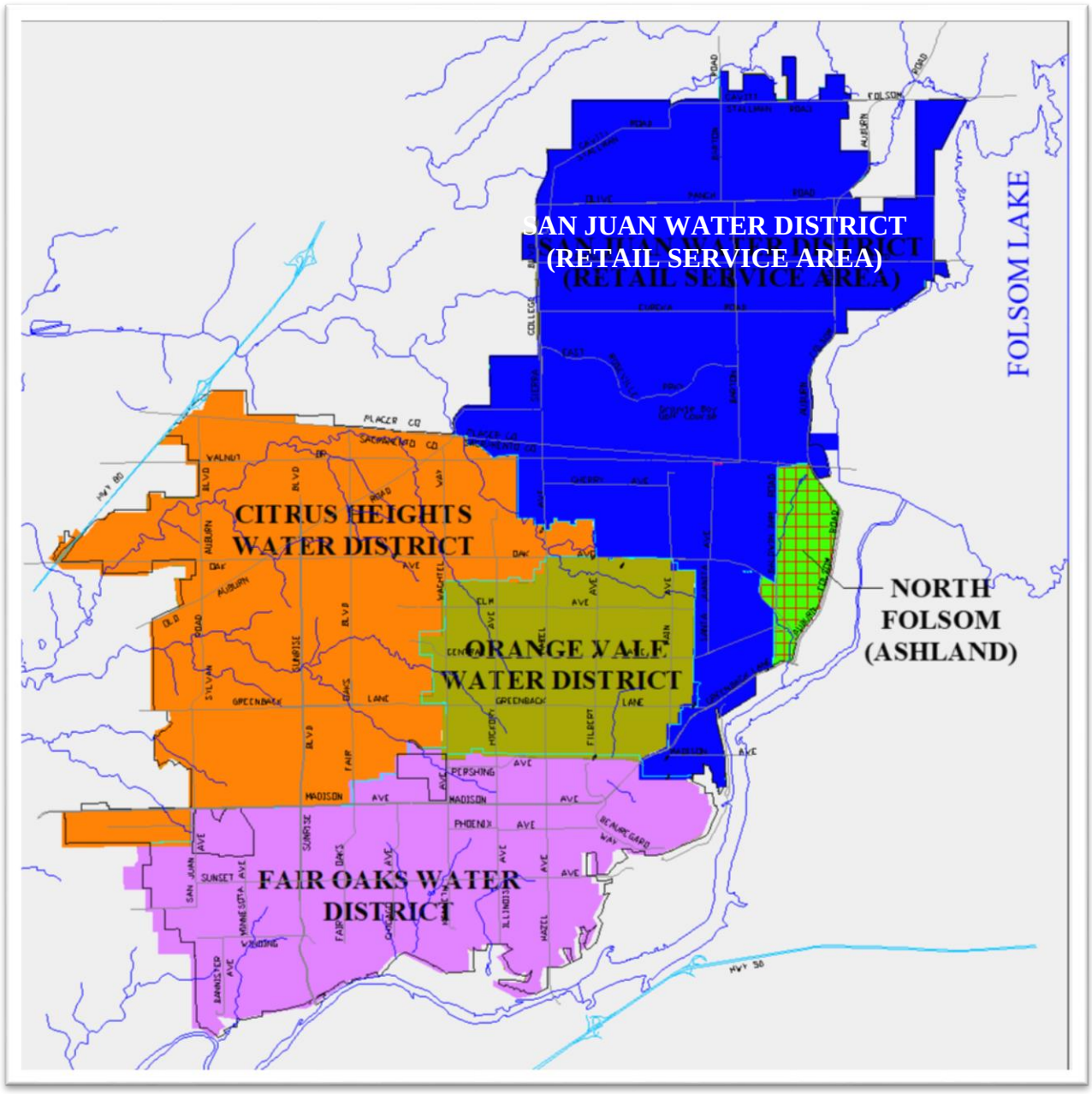
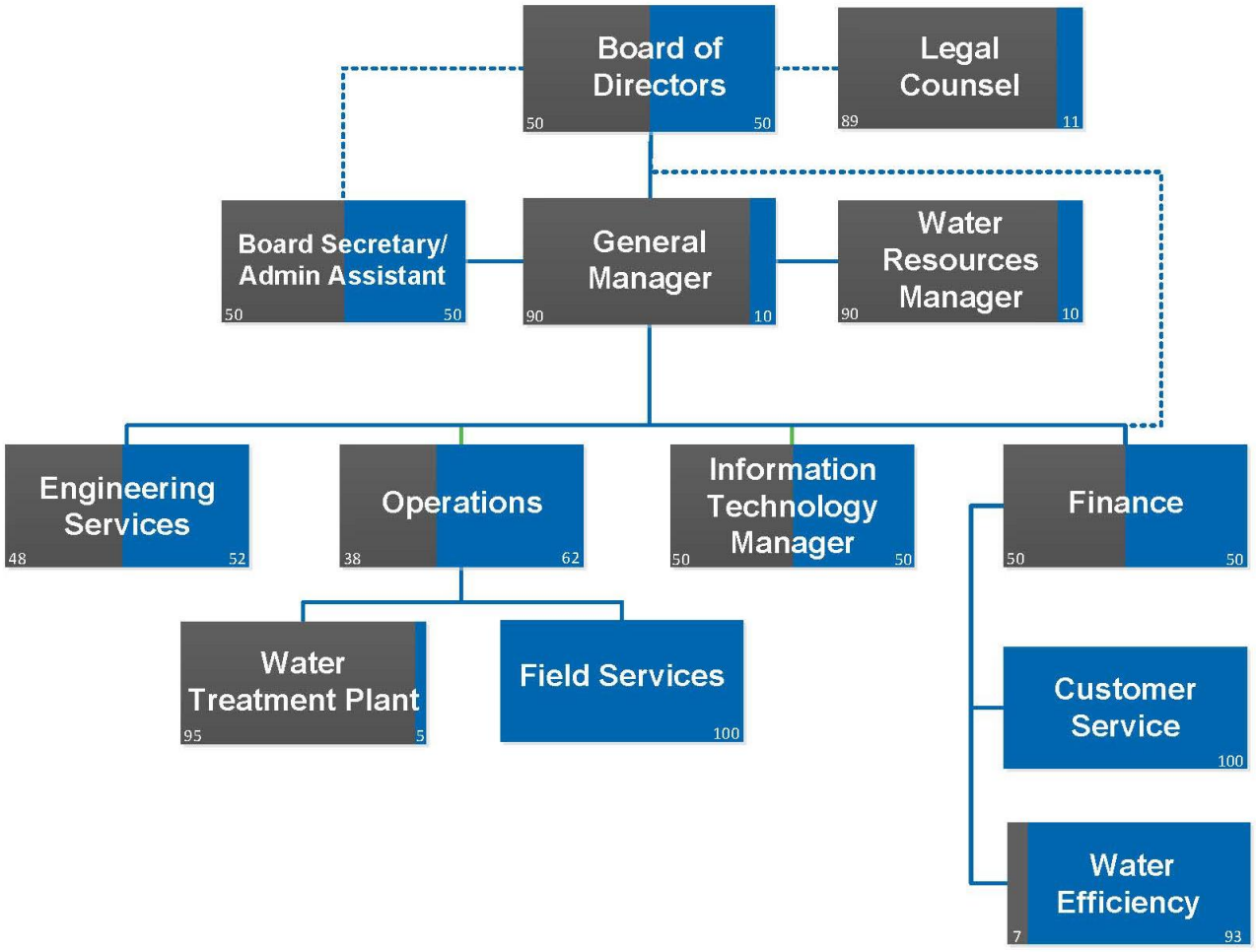
Wholesale Service Area Map

(SJWD Retail Service Area – in blue)

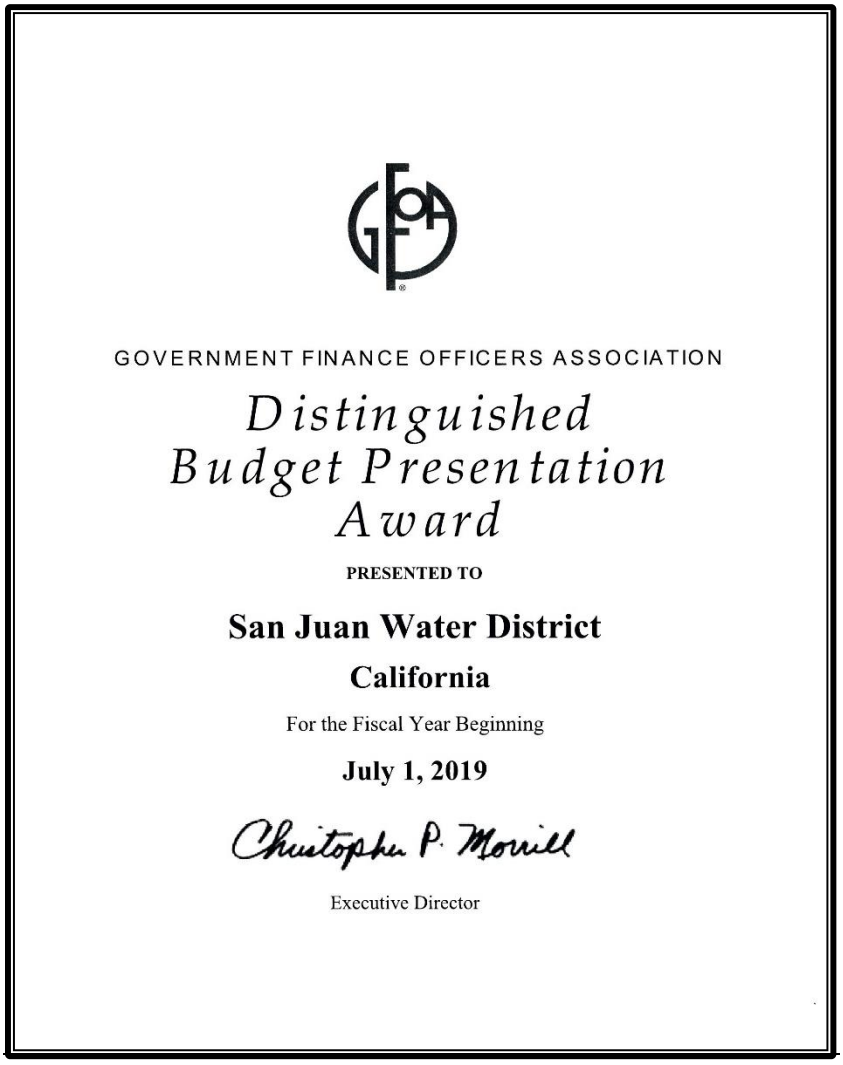


Organization Chart by Functional Area



Allocation of Costs	
Wholesale	%
Retail	%

GFOA Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

San Juan Water District

California

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to San Juan Water District for its annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

By The Numbers – Summary of District Information

Water System	
Total Water Supply Available	82,200 acre-feet
Treatment Plants	1
Treatment Plant Capacity	150 MGD
Reservoirs	2
Miles of Water Main	222
Storage Tanks	2
Booster Stations	9
Number of Booster Pumps	38
Number of Control Valve Stations	15
Number of Solar Facilities	1
Number of Pressure Zones – Retail Service Area	8
Number of Active Service Connections – Retail Service Area	10,700

Miscellaneous Statistical Information	
Size of Service Area	46 square miles
Size of Retail Service Area Only	17 square miles
Population of Service Area (per FY 2018-19 CAFR)	155,865
Population of Retail Service Area Only (per FY 2018-19 CAFR)	29,957
Number of Active Employees	47
Number of Bond Issues Outstanding	2
Wholesale Operating Budget	$ 8,754,800
Wholesale Capital Budget	$ 6,079,000
Retail Operating Budget	$ 12,626,700
Retail Capital Budget	$ 5,467,300

SAN JUAN WATER
SINCE
1854

ABOUT THE DISTRICT

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ABOUT THE DISTRICT

The San Juan Water District (District) initially began as the North Fork Ditch Company dating back to 1854 providing water to the area. The District, as in existence today, was formed as the result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company and a group of homeowners in South Placer County. An election was then held within the boundaries of the sponsoring districts including the District's current Placer County service area on February 10, 1954. At this election, voters approved the formation of the San Juan Water District by nearly a two-thirds majority and elected five Directors. The District is a Community Services District formed under Section 60000 et seq., Title 5, Division 3 of the California Government Code.

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

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

The District's retail operations consist of operating and maintaining storage, pumping, transmission and distribution facilities, which deliver water to approximately 10,700 retail service connections located in a portion of Northeast Sacramento County and the Granite Bay area of South Placer County, and providing the administrative, customer service, water efficiency, and engineering support necessary to successfully carry out those functions.

The District's existing water supply consists of three separate raw water contracts. The first source of water comes from a settlement contract with the U.S. Bureau of Reclamation (Reclamation) whereby it is required to deliver the District's pre-1914 and post-1914 water rights water from the American River, totaling 33,000 acre-feet, in perpetuity. The second source is a water repayment contract with Reclamation for 24,200 acre-feet of Central Valley Project water, also in perpetuity, subject to standard shortage policies. The third water source is a contract with Placer County Water Agency (PCWA) for up to 25,000 acre-feet of water.

All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant. Total raw water delivery for the 2018-2019 fiscal year was 34,109.73 acre-feet and is anticipated to be 37,280 acre-feet for Fiscal Year (FY) 2019-20, and 33,550 for FY 2020-21 excluding pass through deliveries for SSWD.

In response to the recent drought and in preparation of future drought conditions, the District recently partnered with two nearby water districts, PCWA and SSWD, to construct inter-ties

to allow water supplies to be shared and transferred if normally available supplies are reduced and/or inadequate to meet immediate demands for either district.

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

The District's water efficiency programs include:

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

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

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

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

Budget Purpose, Process and Control

The District operates on a fiscal year that runs from July 1 through June 30. The District adopts an annual operating budget and an annual capital improvement budget to ensure the adequacy of resources to meet District needs and to accomplish the District's mission. As required by certain debt covenants, the annual operating budget is evaluated, to ensure that net revenues, as defined by the various debt covenants, are equal to or exceed a minimum of 115 percent of the anticipated debt service for the budget year.

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

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

Budget Format

The budget is prepared on a modified accrual basis wherein revenues and expenses are reported when earned and incurred, respectively. The budget does not include amounts for depreciation, pension expense in accordance with GASB 68, or retiree medical expenses in accordance with GASB 74/75 but does include an expenditure for debt principal. Therefore, the budget is not prepared in the same manner as the Comprehensive Annual Financial Report (CAFR). The program budget format is used versus a line item detail format to provide the most valuable information to the reader on all of the District's major areas of service (Administration, Customer Service, Distribution, Engineering, Water Efficiency, and

Water Treatment Plant). Expenditure data is also presented in a functional format (Salaries & Benefits, Materials & Supplies, etc.) to provide readers with an alternate view.

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

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

The District completed a Financial Plan and Rate Study, resulting in a 5-Year Rate Schedule. The Wholesale Rate Schedule went into effect on January 1, 2017, and resulted in an effective increase of 16%. Wholesale rates are authorized to increase by 9% per year through January 2020 and by 5% in January of 2021. The Retail Rate Schedule went into effect on May 1, 2017, and resulted in an effective increase of 8%. Retail rates are authorized to increase by 9% on January 2018 and 8% on January 1, 2019 and 2020, with a 6% increase approved for January 1, 2021. In an effort to bring rates into alignment with the District's fixed versus variable expenses, all rate increases are applied to the fixed portion of the rate with the volumetric portion of the rate unchanged. This will bring stability to the rate structure and provide reliable funding to cover fixed operating costs regardless of water demand.

Financial Policies

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

Reserve Policy

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

WHOLESALE RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	Established in 1998 to provide working capital for operations and unexpected needs.	20% of operating expenses
Capital Improvement Program	Established in 1998 to fund capital replacements, rehabilitation, upgrades and improvements.	Determined annually by Board of Directors. Budget includes revenues and transfers in at least equal to annual depreciation.

RETAIL RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	To provide working capital for retail operations, as wells as readily available capital for unexpected needs and modest variations between expected and actual water demands.	20% of annual operating expenditures
Capital Improvement Program	To fund capital replacements, rehabilitation, upgrades and improvements.	Determined annually by Board of Directors. Budget includes revenues and transfers in at least equal to annual depreciation.

Debt Policy

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

Investment Policy

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

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

Procurement Policy

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

Accounting System and Controls

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

Fund Structure and Descriptions

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

Enterprise Funds:

- Wholesale Operating Fund
- Retail Operating Fund

Capital Outlay Funds:

- Wholesale Capital Outlay Fund
- Retail Capital Outlay Fund

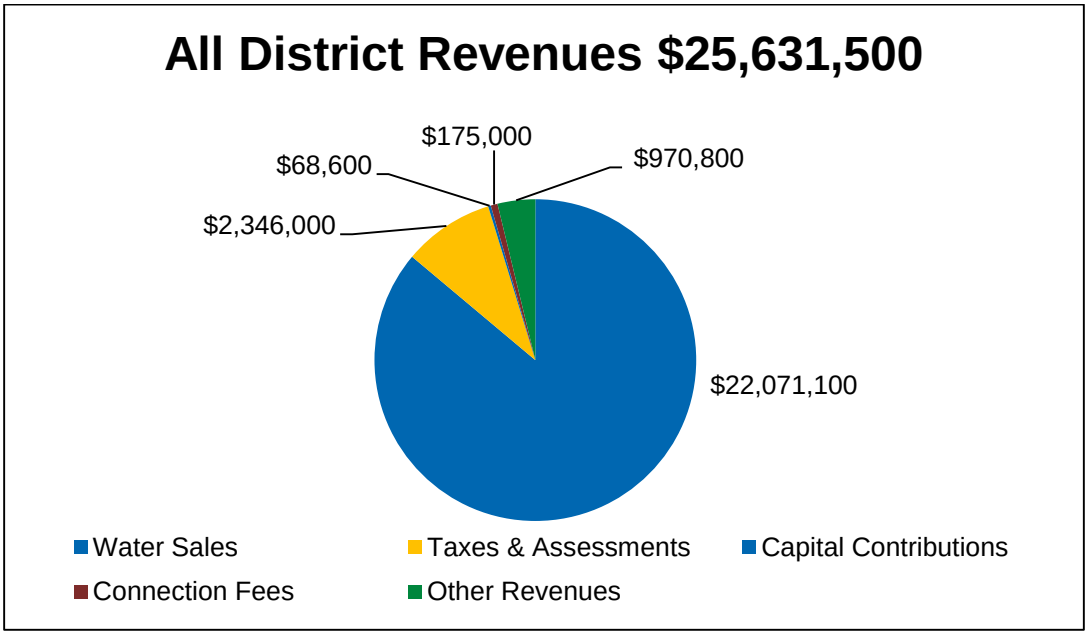
The funds are combined for purposes of formal financial reporting (audited financial statements). Budgets and descriptions for these funds can be found starting on page 37.

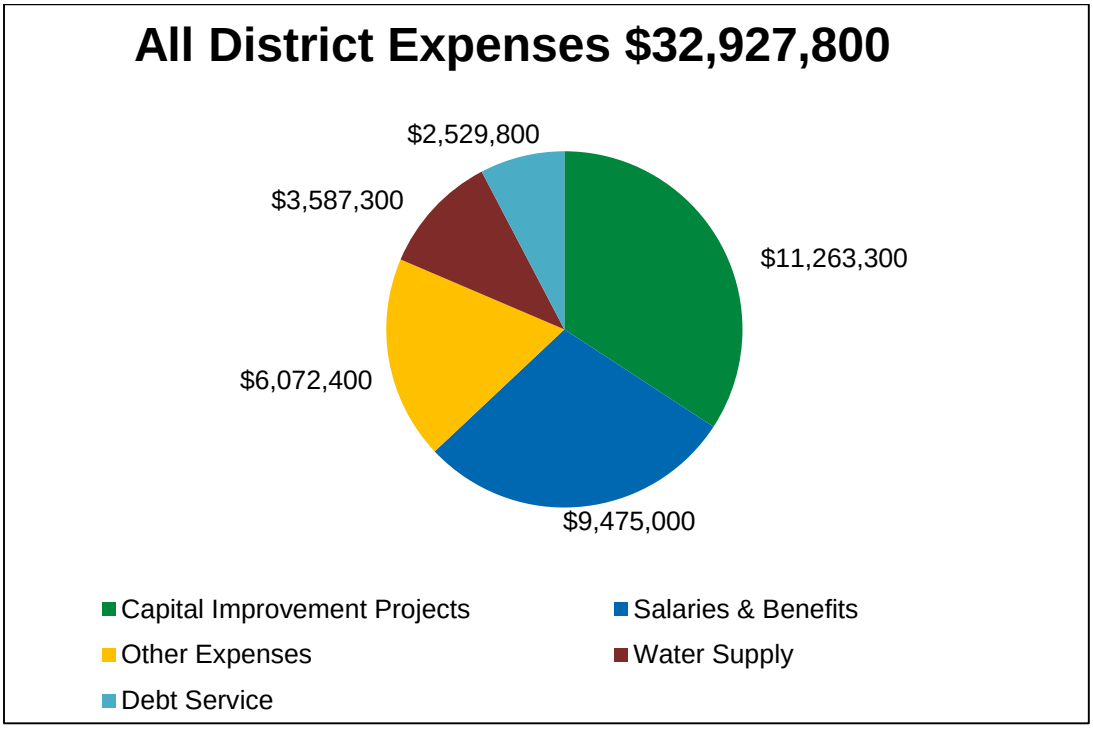
Budget Assumptions

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

- Water rates from Board adopted 5-Year Rate Schedule.
- 2019 Debt Service Charge – per rate schedule to be charged effective January 2020. However, amount and timing of future debt issuance has changed so this rate will not be assessed in FY 2020-21.
- 10% decline in wholesale and retail water deliveries, to account for possible ramifications from the COVID-19 pandemic.
- No water being treated for the Sacramento Suburban Water District (SSWD).
- Property taxes increase 2% (potential effects from COVD-19 will not be seen until FY 2021-22).
- 40% decline in investment income due to the COVID-19 pandemic.
- Late Fee charges resume in August 2020.
- No market based groundwater substitution water transfers.
- No Central Valley Project water to be purchased.
- Final payment of $495,400 per year to Citrus Heights and Fair Oaks Water Districts for prior year groundwater purchase made in FY 2019-20.
- Cost of elections for District Board of Directors $126,500.
- 15% increase in health care insurance costs.
- $35,000 added to Wholesale budget for temporary office trailer or other equipment or building modifications needed to provide adequate spacing for staff in relation to the COVID-19 pandemic. $10,000 added to Retail budget for same.
- Salary budget was prepared in accordance with the Board of Directors Compensation Policy which requires the District utilize the CalPERS assumed salary increases. Any COLA's, adjustments from the Compensation Study or merit increases will be constrained by the Salary budget.
- Incentive Award Program funded.
- Budget includes additional payment to CalPERS of $200,000 to reduce unfunded pension liability.

Estimated Revenues and Expenditures of Funds – Summary





Estimated Revenues and Expenditures of Funds – Summary

	Wholesale Operations	Wholesale Capital Outlay	Retail Operations	Retail Capital Outlay	Total
Est. Beginning Available Reserves July 1, 2020	$ 1,743,261	$ 15,838,810	$ 2,313,281	$ 6,728,940	$ 26,624,292
Revenues					
Water Sales	9,264,600	-	12,806,500	-	22,071,100
Taxes & Assessments	-	1,173,000	-	1,173,000	2,346,000
Capital Contributions	-	68,600	-	-	68,600
Connection Fees	-	75,000	-	100,000	175,000
Other Revenues	115,500	178,000	624,700	52,600	970,800
Total Revenues	$ 9,380,100	$ 1,494,600	$ 13,431,200	$ 1,325,600	$ 25,631,500
Expenses					
Capital Improvement Projects	$ -	$ 5,829,000	$ -	$ 5,434,300	$ 11,263,300
Salaries & Benefits	4,071,700	-	5,403,300	-	9,475,000
Water Supply	552,600	-	3,034,700	-	3,587,300
Debt Service - Interest	896,200	-	498,600	-	1,394,800
Debt Service - Principal	730,700	-	404,300	-	1,135,000
Other Expenses	2,503,600	250,000	3,285,800	33,000	6,072,400
Total Expenses	$ 8,754,800	$ 6,079,000	$ 12,626,700	$ 5,467,300	$ 32,927,800
Net Income	$ 625,300	$ (4,584,400)	$ 804,501	$ (4,141,700)	$ (7,296,298)
Transfer In/(Out)	(617,500)	617,500	(592,400)	592,400	-
Ending Available Reserves Est.	$ 1,751,062	$ 11,871,910	$ 2,525,383	$ 3,179,640	$ 19,327,993

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MAJOR REVENUES AND EXPENDITURES

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MAJOR REVENUES AND EXPENDITURES

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

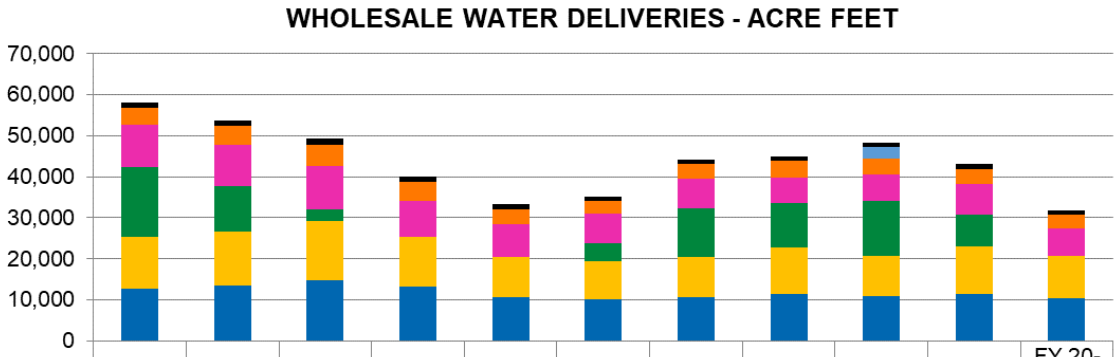
Water Sales

Revenue from the sale of water accounts for 86% of all District revenues. Water revenues are driven by two primary factors, the amount of water sold and the rate per unit. The Board of Directors considers and adopts rates through separate processes for wholesale and retail. Wholesale customers are presented with a rate study and are given 150 days to provide comments to the Board of Directors on proposed rate changes. After the 150 day comment period, the Board of Directors review the comments and make a decision on rates for the upcoming calendar year.

Retail rate setting is subject to the provision of Proposition 218 wherein customers are provided information on proposed rate changes, and are invited to attend a public hearing on the proposed changes. Proposed rate changes can be denied if a majority of ratepayers submit votes opposing them. If a majority of rate payers do not vote "no", the Board of Directors vote on the proposed rate increase and set the effective date for any proposed and approved changes.

The District completed a Financial Plan and adopted a 5-Year Rate Schedule for both wholesale and retail water rates in early 2017.

Chart 1 and 2 show water deliveries and water revenues from FY 2010-11 to current.



	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20 Est.	FY 20-21 Budget
City of Folsom	1,308	1,469	1,507	1,299	1,187	963	1,062	1,132	1,080	1,152	1,035
Other (Transfer Customers)	-	-	-	-	-	-	-	-	2,808	-	-
Orangevale Water Company	4,215	4,506	5,023	4,586	3,671	3,190	3,473	3,950	3,822	3,667	3,330
Fair Oaks Water District	10,307	10,122	10,740	8,766	7,787	7,137	7,288	6,400	6,394	7,501	6,750
SSWD	16,978	11,016	2,673	-	-	4,468	11,808	10,769	13,605	7,811	-
Citrus Heights Water District	12,684	13,091	14,526	12,160	10,016	9,134	9,775	11,202	9,734	11,411	10,260
San Juan Retail Service Area	12,700	13,569	14,743	13,142	10,552	10,213	10,752	11,520	10,864	11,522	10,350

Chart 1

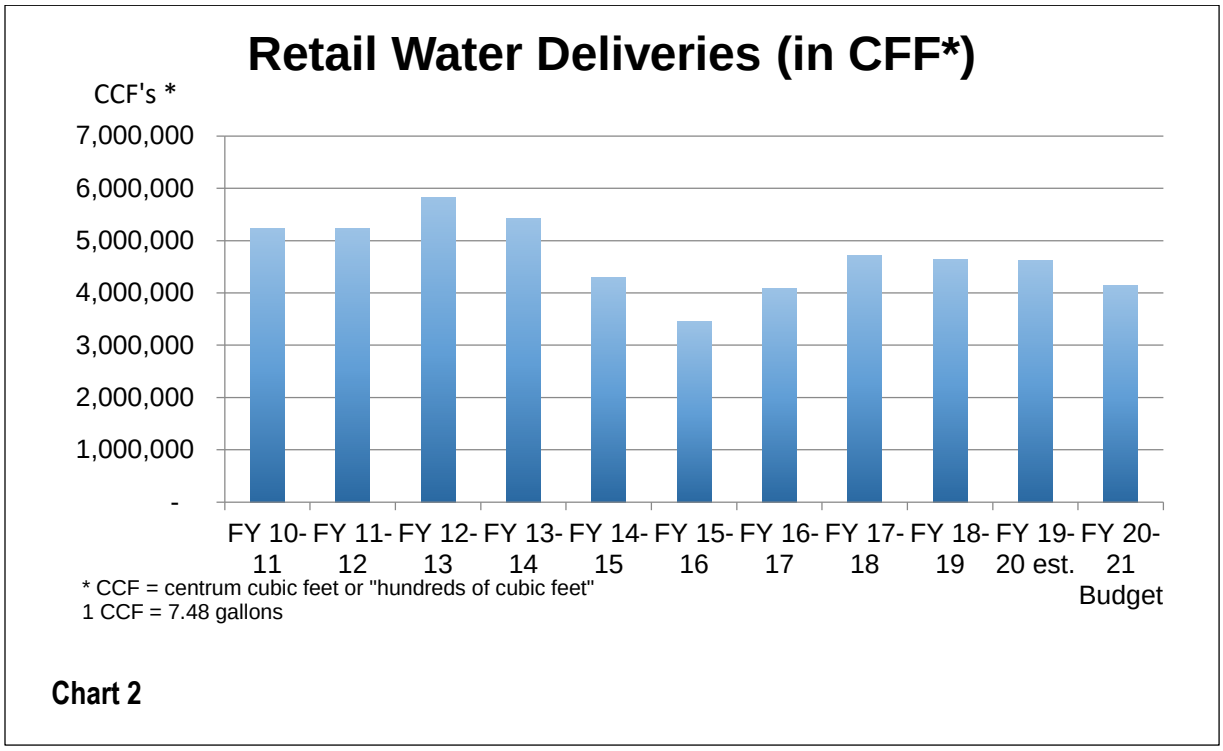


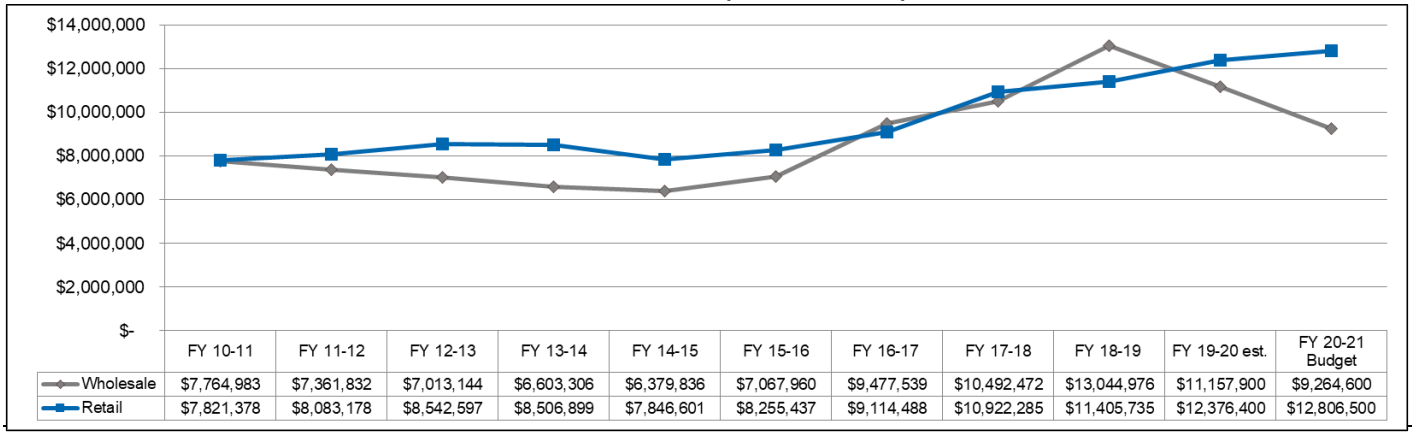
Chart 2

The most recent drought resulted in a significant decline in water deliveries. Wholesale water deliveries began a steady decline in FY 2011-12, followed by retail two years later. Wholesale water deliveries reached their low in FY 2014-15 and retail reached its low in FY 2015-16. With the drought "officially" over, the District experienced an uptick in wholesale water demand in FY 2015-16 totaling 35,105 acre-feet. However, this increase was primarily attributed to 4,468 acre-feet of water treated for SSWD. SSWD has an agreement to periodically purchase raw water from PCWA (based upon water supply conditions). They have an agreement with the District to treat and deliver the water that they purchase from PCWA.

Absent the water treated for SSWD, wholesale demand did not begin to increase until FY 2016-17. Demand from the District's regular wholesale customers slowly increased through FY 2019-20 but is expected to decrease by approximately 10% in FY 2020-21 with a total of 31,725 acre-feet anticipated to be sold in this budget year to the regular wholesale customers. It is uncertain how water use will be affected through the COVID-19 pandemic. To be conservative, the District is anticipating a 10% decline in water demand.

The end of the drought resulted in increased water demand in the retail service area. There was an 18% increase in FY 2016-17 retail water deliveries and a 15% increase in FY 2017-18. Water demand stabilized in FY 18-19 with a minor 2% decline. The District expects to see a 1% decline in water use in the current year. Given so many people are out of work due to the COVID-19 pandemic and the timing of re-opening the economy is uncertain, the District is anticipating increased conservation to reduce water bills. The FY 2020-21 Budget anticipates a 10% decline in water use.

Water Sale Revenues (in millions$)



	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20 est.	FY 20-21 Budget
Wholesale	$7,764,983	$7,361,832	$7,013,144	$6,603,306	$6,379,836	$7,067,960	$9,477,539	$10,492,472	$13,044,976	$11,157,900	$9,264,600
Retail	$7,821,378	$8,083,178	$8,542,597	$8,506,899	$7,846,601	$8,255,437	$9,114,488	$10,922,285	$11,405,735	$12,376,400	$12,806,500

Chart 3

Wholesale water sale revenues declined steadily from FY 2010-11 through FY 2014-15. Revenues increased steadily from FY 2015-16 through FY 2018-19 for a number of reasons:

- Increased demand from wholesale customers. Demand from the wholesale customers was a low 33,213 acre-feet in FY 2014-15 and is estimated to peak at 35,173 acre-feet in FY 2018-19.
- Treatment of SSWD water. When certain hydrology conditions are met, SSWD is able to purchase surface water from PCWA to augment their groundwater supplies. SSWD pays the District to treat this surface water on their behalf. After not taking surface water for two years, SSWD began taking this supply in FY 2015-16, causing a spike in District revenues. The budget includes treating 7,786 acre-feet of water for SSWD in FY 2019-20.
- Increased rates. On January 11, 2017, the Board of Directors approved a 5-Year Rate Schedule, which allows for a 9% effective increase to go into effect on January 1, 2020. However, this budget includes a reduction to the Debt Service Charge, reflecting the savings from a refunding of the 2009A COP's in 2017.

Wholesale water sale revenue is expected to decline in FY 2019-20, in spite of the rate increase due to SSWD taking less surface water. In addition, wholesale water rates were reduced on July 1, 2019 to reflect savings incurred by refinancing a debt issuance in 2017. Wholesale water sale revenues are also expected to decline in FY 2020-21, in spite of a planned 5% effective rate increase on January 1, 2021. Two factors contribute to the expected decline. First, due to the relatively dry rainy season, SSWD will not be taking their PCWA water this year so the District will not have revenues associated with treating their PCWA water. Second, the District is anticipating a 10% decline in water demand due to the effects of the COVID-19 pandemic.

On the retail side, FY 2011-12 retail water use was relatively constant from the prior year, but due to a 2% rate increase, effective the prior January, revenues were slightly up.

In FY 2012-13, water use increased 11% and while there was no rate increase in the prior year, there was an inflation adjustment of 2% mid-way through the year, resulting in an increase in revenues.

In FY 2013-14, water use began a multi-year decline, but a mid-year 2% rate increase, combined with the prior year 2% increase resulted in revenues that were just slightly lower than the prior year.

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

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

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

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

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

The District expects to see an 8.51% increase in FY 2019-20 revenues, due to the 8% effective rate increase on January 1, 2020 and relatively stable consumption (0.56% decline expected).

The last rate increase from the 5-year rate plan goes into effect on January 1, 2021. This 6% effective increase is expected to be partially offset by a 10% decline in consumption, as a result of the COVID-19 pandemic, resulting in a revenue increase of 3.48%.

Property Tax

Representing approximately 9% of total District revenues, the Property Tax is the second largest revenue source. Property Tax revenue is shared evenly between wholesale and retail and has been designated by the Board of Directors to be spent on capital projects, not operations.

Property Tax Revenues

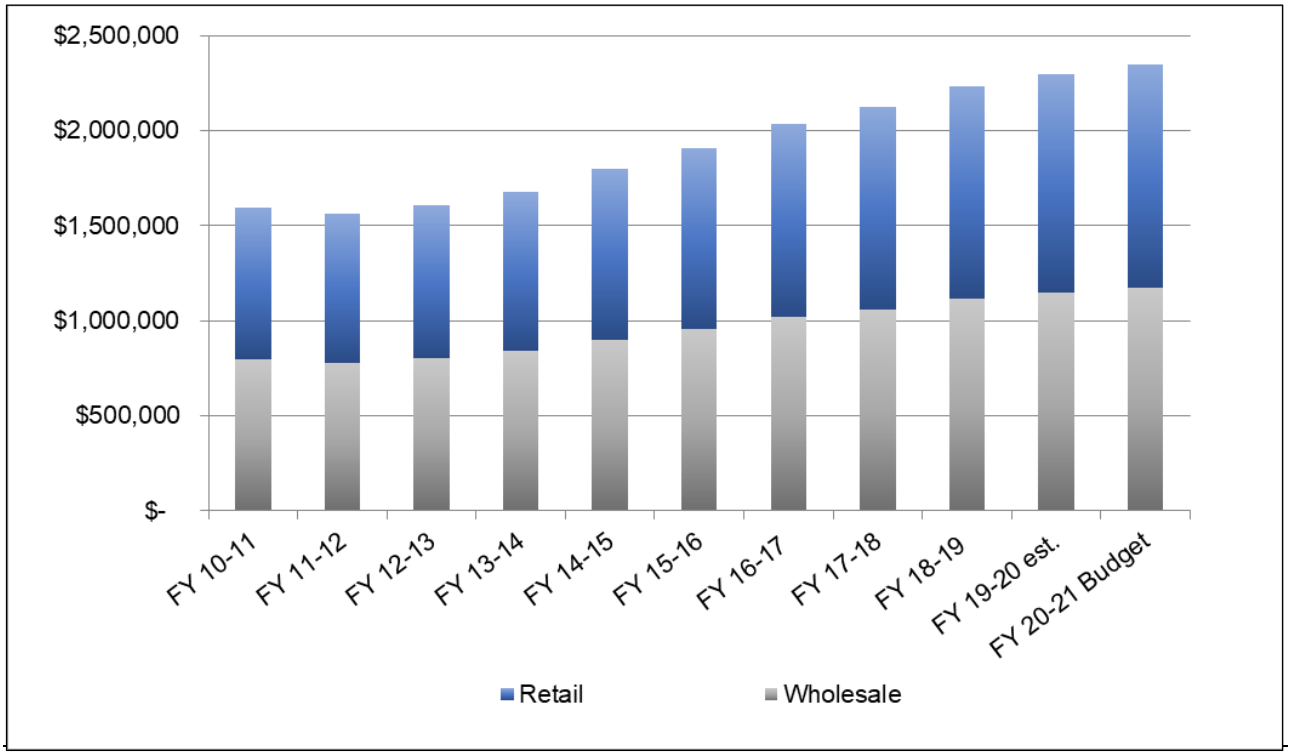


Chart 4

Property Tax revenues have been steadily increasing over the past eight years, a result of the rebound in the housing market after the Great Recession (see Chart 4). This budget anticipates a 2% increase in Property Tax revenues. Property taxes are set in January for the upcoming fiscal year, based on January property values. As such, any effects to property values from the COVID-19 pandemic will not be seen until the FY 2021-22 year.

Salaries and Benefits

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

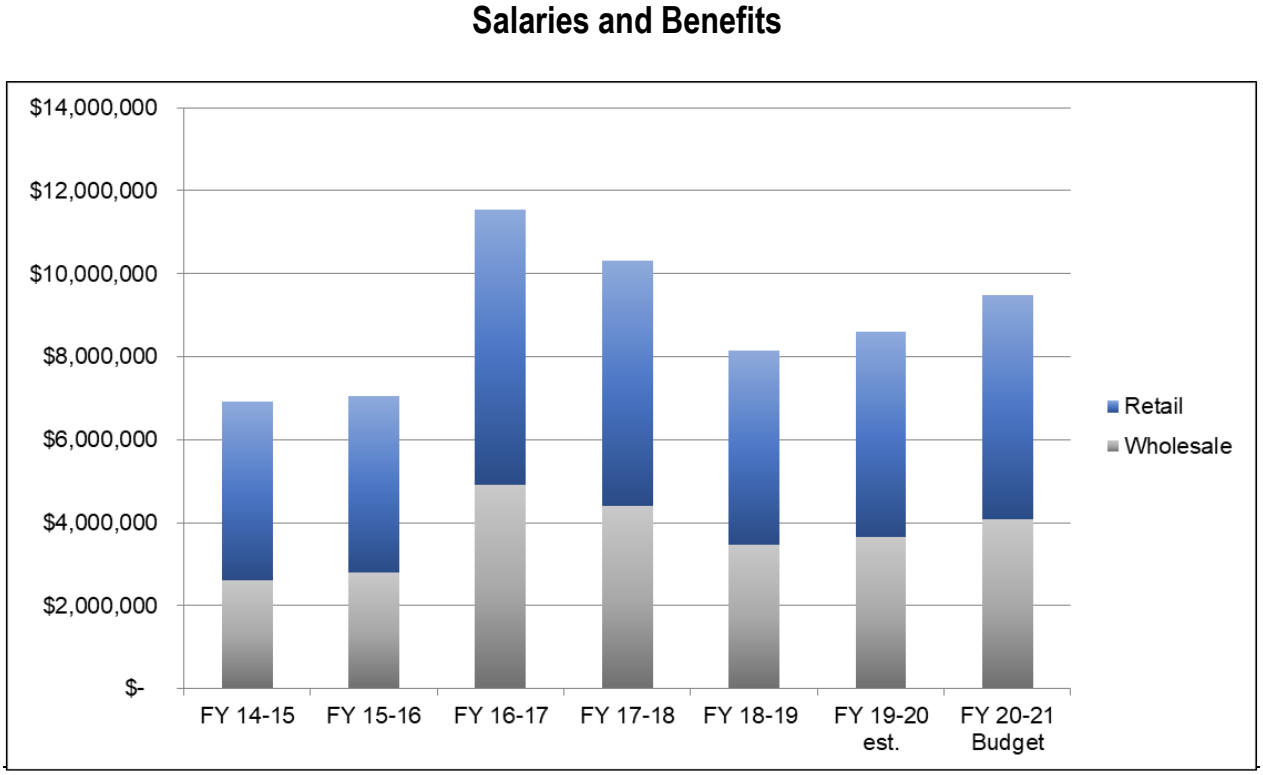


Chart 5

Chart 5 depicts a spike in Salary and Benefit costs in FY 2016-17 then a decline through FY 2018-19 with increases in FY 2019-20 and FY 2020-21. The spike is due to the Board of Director's decision to pay down the District's unfunded pension liability. The District paid $4,112,000 towards this liability in FY 2016-17 and remitted an additional $2,787,800 in FY 2017-18, which is expected to materially eliminate the liability. Paying down the unfunded liability will save the District approximately $8.8 million over the next 30 years.

Salaries and Benefits are expected to increase by 10% or $875,300 due to the following factors:

- A 4.4% increase in salaries. Per the Board of Directors Compensation Policy the salary budget is calculated using the California Public Employees Retirement System (CalPERS) assumptions for salary increases, so that salaries increases are constrained and do not increase more than the CalPERS assumed increase. This methodology controls future pension costs by ensuring a reasonable cap on the combination of cost of living adjustments and merit pay increases.

- The addition of incentive awards, which were not included in the prior year's budget. With more than half of the District's salaries frozen, due to the Board's decision to adjust total compensation to market median, down from 10% above market average, the Incentive Award Program provides a way for exceptional performance to be rewarded. The one-time bonus provides employees incentive and reward, without affecting future pay or pension costs. A total of $60,000, plus taxes, has been included in the budget for this purpose.
- Decrease of 18% to Workers Compensation costs due to a decrease in claims.
- Increase of 15% in health benefits based on current estimates stemming from impacts to the health care industry from the COVID-19 pandemic.
- Inclusion of $200,000 to be paid to CalPERS to further reduce the District's unfunded pension liability.

The level of District staffing (number of employees) had remained relatively unchanged for many years, in spite of significant increases in regulatory compliance work and an aging infrastructure. In FY 2016-17, the Board of Directors approved the addition of one Water Treatment Plant Operator, in FY 2017-18, the Board of Directors approved the addition of a Safety/Regulatory Compliance Coordinator, and in FY 2018-19, the Board of Directors approved the additional of a Customer Service Technician to improve internal controls and better serve our customers. The District now has 48 Full Time Equivalent (FTE) positions.

The Compensation Policy, amended by the Board of Directors in September of 2017, requires a compensation study be performed at least once every four years. The purpose of the study is to ensure the District is offering a fair and competitive compensation package to its employees. The District completed its most recent Compensation Study in the Spring of 2019. The Board of Directors changed their target market position for total compensation from "10% above market average", to "market median". As a result, the District has two compensation schedules. Compensation Schedule A reflects the salary ranges in effect prior to the change. Compensation Schedule B reflects the salary ranges in accordance with market median. Compensation Schedule A is frozen. Employees remain in Schedule A until Schedule B is greater than Schedule A. The result is that employees on Schedule A have a reduced ability to get merit pay increases and cost of living adjustments.

Water Supply Costs

The District's existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of water rights on the American River. The second source is a contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with PCWA for up to 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant. Total water deliveries for FY 2018-19 were 34,942 acre-feet and are anticipated to be 35,509 acre-feet for FY 2019-20, and 31,950 for FY 2020-21, excluding pass through deliveries for SSWD.

Wholesale Water Supply Cost

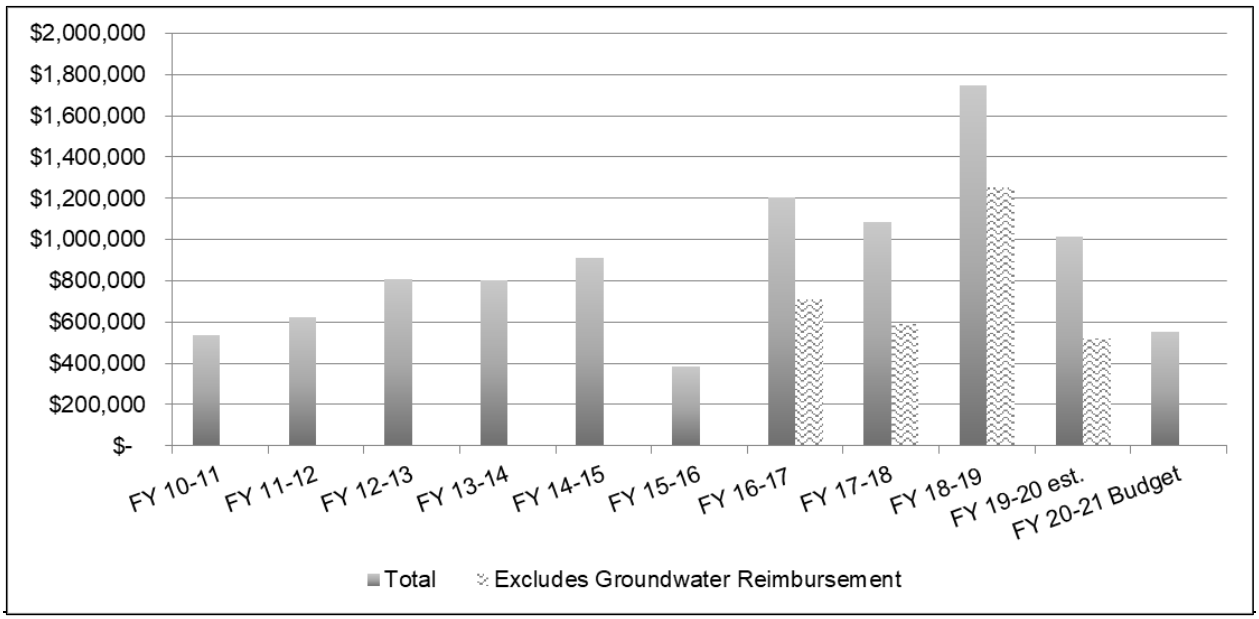


Chart 6

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

The FY 2016-17 costs increased for two primary reasons. First, in 2008 a surface water shortage and reimbursement agreement to provide groundwater supplies during times of surface water shortage was prepared, and referenced in the signed 2008 Wholesale Water Supply Agreements. The District, in its capacity as the wholesale supplier, determined that there was a potential need for groundwater pumping between 2009 and 2013, and asked both the Citrus Heights Water District and Fair Oaks Water District to maintain their readiness to supply groundwater. In 2014, due to a potential shortage in surface water supplies caused by a third year of drought, the District requested groundwater to be pumped. From 2009 to 2014, both districts maintained their readiness to supply groundwater, as requested, but did not submit invoices for the incremental cost

until the District asked them to actually pump groundwater in 2014. At that time, the District was provided with a bill in the approximate amount of $4 million. The District disputed the amount, and the cost was settled in FY 2016-17 at $1,981,440, to be repaid over a 4-year period ending in FY 2019-20. The light grey bar on Chart 6 shows water supply costs for fiscal years 2016-17 through 2019-20 without the payment towards the groundwater reimbursement.

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

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

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

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

Water Supply costs for FY 2020-21 are lower than the prior four years for two reasons:

- The groundwater reimbursement payments to Citrus Heights and Fair Oaks Water Districts were completed in FY 2019-20, reducing annual costs by $495,400.
- No groundwater substitution transfers planned.

Capital Spending

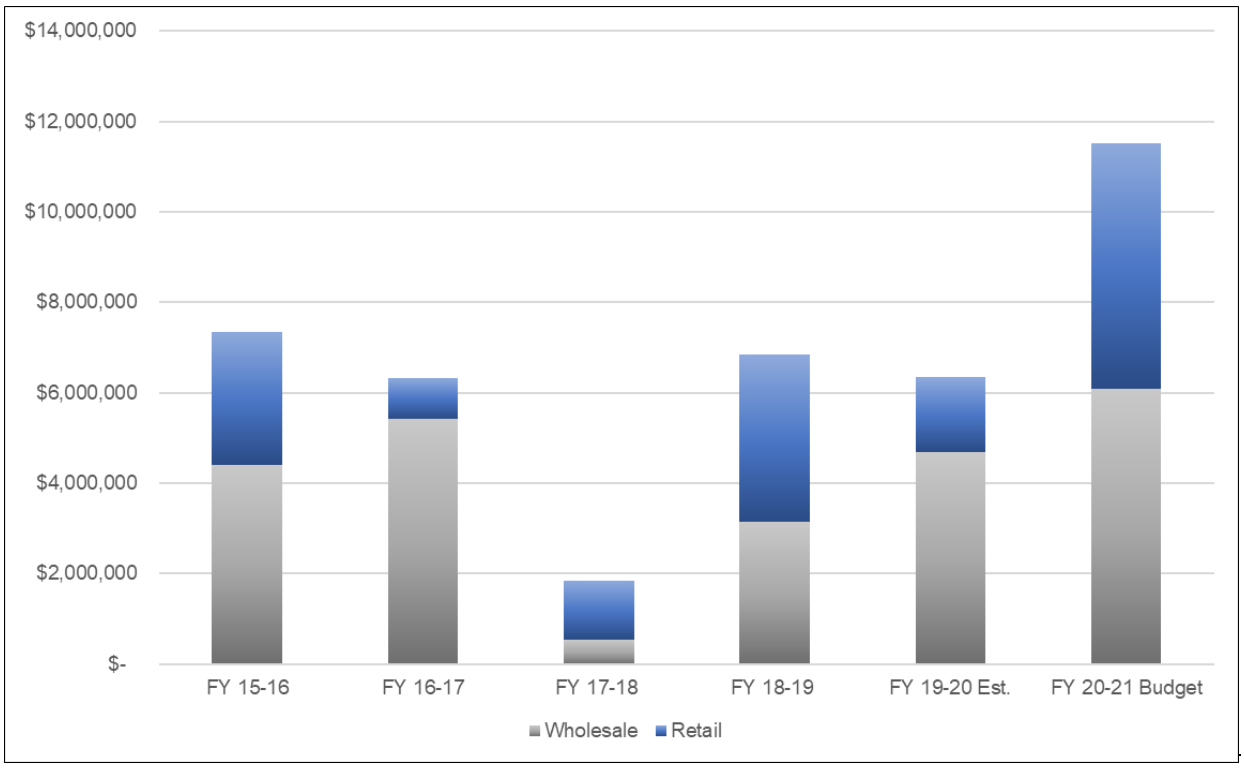


Chart 7

Capital spending has fluctuated from $7.3 million in FY 2015-16 to a low of $1.8 million in FY 2017-18 then increasing to a five year planned high of $11.5 million.

On the wholesale side the District is planning to spend $6.079 million in FY 2020-21 on capital projects, mostly on Water Treatment Plant and Reservoir improvements.

The retail division plans to spend $5.467 million on capital projects in FY 2020-21, mostly on pipeline replacements and pump stations improvements.

A complete list of projects planned for FY 2020-21 can be found on pages 46 and 53 of this document.

Reserve Summary

Wholesale and Retail Operating and Capital Reserves Combined

Chart 8

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

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

- *Paid off Unfunded Pension Liability:* The Board authorized two large payments intended to pay off the District's unfunded pension liability. The District was paying 7.5% interest on this liability, but only earning approximately 1.5% on its reserves. In May 2017, the District remitted $4,112,000, and in April 2018 the District paid $2,787,800. By drawing down reserves to pay down this debt, the District will save approximately $8.8 million through FY 2036-37, with annual savings of approximately $350,000. These savings can be used to fund critical infrastructure needs which will help reduce upward pressure on rates. Through these efforts the District has been able to achieve a funded rate of approximately 95%, one of the highest funded rates in the State of California. While this status is fluid, changing annually based on the performance of the CalPERS portfolio and subject to changing assumptions about future interest and mortality rates, it still signifies strong financial stewardship by the Board of Directors. This budget includes an additional $200,000 to be paid towards the remaining unfunded liability, which will likely be increasing due to the volatility of the stock market in response to the COVID-19 pandemic.

- *Debt Refinanced*: In May of 2017, the Board of Directors approved an advance refunding of the District's Series 2009A Certificates of Participation. This refinancing will save the District approximately $11.2 million through FY 2038-39.

- *Renegotiated contract with PCWA*: In December of 2017, the District negotiated an amendment to its contract with PCWA wherein the take or pay amount was reduced from 25,000 acre-feet to 12,500 acre-feet. The District still has the option to take up to 25,000 acre-feet, but is only required to pay for 12,500 acre-feet regardless of whether it takes the water or not. This cut the PCWA water supply cost in half, providing savings of approximately $275,000 per year, starting in FY 2018-19.

- *Renegotiated contracts with City of Roseville (City)*: Under two separate contracts, the District is obligated to provide up to 4,000 acre-feet annually to the City from the District's PCWA take or pay contract. The amendments require the City to compensate the District for maintaining the availability of 4,000 acre-feet per year water supply for the City. This will generate annual revenues of approximately $90,000 beginning in FY 2018-19.

- *5-Year Rate Schedule*: The District completed a Five Year Financial Plan and implemented a five year rate structure in 2017 that was designed to replenish reserves while ensuring that the District can continue its mission to deliver a reliable water supply of the highest quality at reasonable and equitable costs.

- *Completion of the first groundwater substitution transfer:* The District has been working for many years to create a legal path for the sale of excess water supplies. Selling excess water supplies benefits all customers of the District as it generates additional revenues that can be used to maintain and/or improve infrastructure, reduce or eliminate the need for future debt which will reduce future upward pressure on water rates. The first groundwater transfer was completed in FY 2018-19 paving the way for more transfers in the future.

- *Salary Schedule Reduction*: The District has historically chosen to maintain salaries schedules that, when combined with benefits, put the District's total compensation at 10% above average amongst the selected comparator agencies. In FY 2019-20 the Board of Directors reduced this target down to market median. Current employees were not subject to pay decreases, but their ability to receive future pay increases is substantially reduced. All new hires will be hired into the new Compensation Schedule, which can be found on the District's website. Existing employees remain on their original pay scale until such time as the new schedule is greater than their existing scale. The old pay scale is not able to receive cost of living adjustments, as it is frozen until all employees migrate to the new pay scale, at which time it will obsolete.

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OPERATING FUNDS

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OPERATING FUNDS

The Wholesale and Retail Operating Funds account for the operations of the District. Department operating costs are shared and split between wholesale and retail based upon the proportionate benefit received by each, which can differ from person to person, department to department and expense to expense. The major projects for the budget years are discussed in detail in the Operations Plan, which can be found on page 62.

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

Administration and General

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

Customer Service

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

Distribution (Field Services)

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

Engineering Services

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

Water Efficiency

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

Water Treatment

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

Wholesale Operating Fund

The Wholesale Operating Fund is used to account for the operating revenues and expenses of the wholesale division. This includes the acquisition of raw water, operation and maintenance of the Plant, and the related administrative support to conduct wholesale water activities. This fund holds and is used to report on all wholesale operating reserves. Details on projects funded for the year can be found in the District's Operations Plan, located at page 62.

FISCAL YEAR 2020-21 BUDGET

	Wholesale Operations	
Est. Beginning Available Reserves July 1, 2020	**$**	**1,743,261**
Revenues		
Water Sales		9,264,600
Other Revenues		115,500
Total Revenues	$	9,380,100
Expenses		
Salaries & Benefits		4,071,700
Water Supply		552,600
Other Expenses		2,503,600
Debt Service - Interest		896,200
Debt Service - Principal		730,700
Total Expenses	$	8,754,800
Net Income	$	625,300
Transfer In/(Out)		(617,500)
Est. Ending Available Reserves June 30, 2021	**$**	**1,751,062**

WHOLESALE OPERATING FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Estimated	FY 2020-21 Budget
Est. Beginning Available Reserves	**$ 3,859,913**	**$ 2,175,888**	**$ 2,390,365**	**$ 1,784,360**	**$ 1,743,261**
Revenues					
Water Sales	9,477,539	10,492,472	13,044,976	11,157,900	9,264,600
Other Revenues	98,347	561,569	356,641	154,800	115,500
Total Revenues	$ 9,575,886	$ 11,054,041	$ 13,401,617	$ 11,312,700	$ 9,380,100
Expenses					
Administration and General					
Salaries & Benefits	$ 1,414,760	$ 1,226,834	$ 1,297,958	$ 1,355,000	$ 1,501,800
Professional Services	653,816	523,750	544,709	415,300	406,500
Maintenance and Repair	78,370	95,217	10,268	23,200	13,400
Materials and Supplies	25,597	11,189	28,136	52,300	27,900
Other Expenses	327,444	248,887	335,696	438,500	489,000
Total Administration and General	2,499,986	2,105,877	2,216,767	2,284,300	2,438,600
Water Treatment Plant					
Salaries & Benefits	1,423,323	1,670,157	1,827,697	1,920,200	2,047,400
Professional Services	16,275	47,374	69,133	105,400	86,800
Maintenance and Repair	239,509	308,050	251,209	351,600	247,600
Materials and Supplies	497,093	467,194	499,656	576,700	587,200
Other Expenses	137,594	159,648	219,673	253,500	287,600
Total Water Treatment Plant	2,313,794	2,652,424	2,867,367	3,207,400	3,256,600
Water Supply					
Placer County Water Agency	562,728	451,198	403,495	377,200	368,400
Purchase of Treated Water (Groundwater)	495,360	495,360	1,197,360	495,400	-
Pumping to Treatment Plant	104,679	92,267	95,556	95,000	83,000
Pre - 1914 Water Rights Water	20,337	21,252	22,527	26,300	30,000
Central Valley Project Water	3,477	-	2,661	-	-
Other	18,803	23,756	27,977	20,900	71,200
Total Water Supply	1,205,385	1,083,833	1,749,576	1,014,800	552,600
Engineering					
Salaries & Benefits	297,070	323,952	340,166	370,100	401,700
Professional Services	10,280	4,091	48,489	167,000	314,000
Maintenance and Repair	2,176	907	2,317	900	1,600
Materials and Supplies	1,257	2,375	1,083	2,900	5,300
Other Expenses	5,952	15,688	4,893	8,500	10,600
Total Engineering	316,736	347,013	396,948	549,400	733,200
Water Efficiency					
Salaries & Benefits	6,439	-	-	-	35,800
Professional Services	700	600-	250	4,000	7,000
Maintenance and Repair	15,808	11,548	15,179	20,000	17,000
Materials and Supplies	9,504	32-	-	-	600
Other Expenses	3,415	3,376	3,829	8,000	-
Total Water Efficiency	35,866	15,556	19,259	32,000	60,400
Non-Departmental					
Debt Service - Principal	607,471	906,167	675,929	698,500	730,700
Debt Service - Interest	1,321,229	917,950	893,979	928,000	896,200
Addl. Pymt. Towards Unfunded Pension Liability	1,768,160	1,175,000	-	-	85,000
Other	189,083	1,903	1,474	1,400	1,500
Total Non-Departmental	3,885,942	3,001,020	1,571,381	1,627,900	1,713,400
Total Expenses	$ 10,257,709	$ 9,205,723	$ 8,821,298	$ 8,715,800	$ 8,754,800
Transfers (To)/From:					
Capital Outlay Fund for Pension Liability Payment	1,311,067	-	-		
Year End Transfer (To)/From Capital Outlay Fund	(2,313,269)	(1,633,841)	(5,186,325)	(2,638,000)	(617,500)
Est. Ending Available Reserves	**$ 2,175,888**	**$ 2,390,365**	**$ 1,784,360**	**$ 1,743,261**	**$ 1,751,062**

Retail Operating Fund

The Retail Operating Fund is used to account for the operating revenues and expenses of the retail service area. This includes the payment to the wholesale fund for the cost of treated water, as well as the distribution of the treated water to all customers in the District's retail service area, including related administrative support. This fund holds and is used to report on all retail operating reserves. Details on projects funded for the year can be found in the District's Operations Plan, located on page 62.

FISCAL YEAR 2020-21 BUDGET

		Retail Operations
Est. Beginning Available Reserves July 1, 2019	**$**	**2,313,281**
Revenues		
Water Sales		12,806,500
Other Revenues		624,700
Total Revenues	$	13,431,200
Expenses		
Salaries & Benefits		5,403,300
Treated Water		3,034,700
Other Expenses		3,285,800
Debt Service - Interest		498,600
Debt Service - Principal		404,300
Total Expenses	$	12,626,700
Net Income	$	804,501
Transfer In/(Out)		(592,400)
Est. Ending Available Reserves June 30, 2020	**$**	**2,525,383**

RETAIL OPERATING FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Esimated	FY 2020-21 Budget
Est. Beginning Available Reserves	**$ 3,228,016**	**$ 3,160,923**	**$ 1,973,484**	**$ 2,358,680**	**$ 2,313,282**
Revenues					
Water Sales	9,114,488	10,922,285	11,405,735	12,376,400	12,806,500
Other Revenues	510,445	420,874	521,986	500,600	624,700
Total Revenues	$ 9,624,933	$ 11,343,159	$ 11,927,721	$ 12,877,000	$ 13,431,200
Expenses					
Administration and General					
Salaries & Benefits	$ 1,204,557	$ 988,595	$ 1,039,897	$ 1,126,100	$ 1,263,500
Professional Services	193,849	162,958	278,762	188,000	235,100
Maintenance and Repair	117,581	99,790	10,624	21,300	13,600
Materials and Supplies	18,269	11,193	30,943	54,500	17,300
Other Expenses	223,214	165,222	223,311	278,300	395,200
Total Administration and General	1,757,470	1,427,757	1,583,536	1,668,200	1,924,700
Distribution System					
Salaries & Benefits	1,974,364	2,191,941	2,423,557	2,467,300	2,597,400
Professional Services	57,868	49,471	88,195	180,300	225,000
Maintenance and Repair	427,874	432,393	391,218	565,300	778,500
Materials and Supplies	199,386	199,884	350,814	394,700	404,800
Other Expenses	307,889	367,126	397,977	435,000	480,200
Total Distribution System	2,967,381	3,240,815	3,651,761	4,042,600	4,485,900
Water Supply					
Purchase Water from Wholesale	2,754,619	3,336,366	3,027,505	3,128,000	3,034,700
Total Water Supply	2,754,619	3,336,366	3,027,505	3,128,000	3,034,700
Engineering					
Salaries & Benefits	312,434	332,954	378,133	407,900	433,400
Professional Services	2,019	11,253	75,246	50,000	312,600
Maintenance and Repair	2,824	907	2,402	1,500	2,000
Materials and Supplies	3,512	9,212	1,455	3,800	5,600
Other Expenses	6,120	5,773	6,358	84,200	86,900
Total Engineering	326,910	360,099	463,594	547,400	840,500
Water Efficiency					
Salaries & Benefits	401,153	331,014	373,540	391,100	441,500
Professional Services	64,958	458	7,981	2,600	3,000
Maintenance and Repair	3,288	139	1,779	1,500	1,500
Materials and Supplies	272	6,773	1,570	2,900	7,100
Other Expenses	40,331	41,169	37,637	54,000	53,600
Total Water Efficiency	510,001	379,554	422,506	452,100	506,700
Customer Service					
Salaries & Benefits	405,328	416,338	464,958	562,000	552,500
Professional Services	86,922	153,176	105,723	100,000	93,000
Maintenance and Repair	1,498	4,751	4,178	3,000	4,500
Materials and Supplies	30,882	34,384	30,214	37,200	36,500
Other Expenses	52,872	68,142	90,057	121,400	128,300
Total Customer Service	577,501	676,790	695,131	823,600	814,800
Non-Departmental					
Debt Service - Principal	320,355	503,834	374,072	386,600	404,300
Debt Service - Interest	769,559	545,299	531,093	516,200	498,600
Addl. Pymt. Towards Unfunded Pension Liability	2,343,840	1,670,064	-	-	115,000
Other	74,848	(32,608)	(31,949)	1,500	1,500
Total Non-Departmental	3,508,602	2,686,588	873,215	904,300	1,019,400
Total Expenses	$ 12,402,484	$ 12,107,970	$ 10,717,248	$ 11,566,200	$ 12,626,700
Transfers (To)/From:					
Establish Capital Reserve Fund	-	-	-		
Capital Outlay Fund for Pension Liability Payment	1,976,828	-	-		
Year End Transfer (To)/From Capital Outlay Fund	733,630	(422,628)	(825,277)	(1,356,200)	(592,400)
Est. Ending Available Reserves	**$ 3,160,923**	**$ 1,973,484**	**$ 2,358,680**	**$ 2,313,282**	**$ 2,525,383**

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CAPITAL FUNDS

Wholesale Capital Outlay Fund

This fund was created in FY 2015-16 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for wholesale capital expenditures and to account for the acquisition of wholesale capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all wholesale capital reserves. Details on the capital projects can be found on page 46.

FISCAL YEAR 2020-21 BUDGET

	Wholesale Capital Outlay	
Est. Beginning Available Reserves July 1, 2020	**$**	**15,838,810**
Revenues		
Capital Contributions		68,600
Taxes & Assessments		1,173,000
Connection Fees		75,000
Other Revenues		178,000
Total Revenues	$	1,494,600
Expenses		
Capital Improvement Projects		5,829,000
Professional Services		250,000
Total Expenses	$	6,079,000
Net Income	$	(4,584,400)
Transfer In/(Out)		617,500
Est. Ending Available Reserves June 30, 2021	**$**	**11,871,910**

WHOLESALE CAPITAL OUTLAY FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Estimated	FY 2020-21 Budget
Est. Beginning Available Reserves	**$ 9,162,739**	**$ 6,708,354**	**$ 10,012,861**	**$ 16,168,310**	**$ 15,838,810**
Revenues					
Taxes & Assessments	1,018,486	1,061,598	1,118,187	1,150,000	1,173,000
Capital Contributions	651,202	950,048	2,601,290	210,200	68,600
Rebates	180,878	-	-	-	-
Connection Fees	36,066	152,351	124,971	67,000	75,000
Other Revenues	54,577	46,021	272,000	290,900	178,000
Total Revenues	$ 1,941,208	$ 2,210,018	$ 4,116,448	$ 1,718,100	$ 1,494,600
Expenses					
Water Treatment Plant Improvements	5,897,498	228,980	49,872	2,723,900	3,058,000
Reservoirs & Improvements	-	35,932	67,719	1,232,900	2,005,000
Land Improvements	-	-	10,674	6,100	320,000
Equipment and Furniture	8,644	25,802	38,229	81,900	270,000
Professional Services	-	-	-	-	250,000
Vehicles	1,070	-	-	-	113,000
Land Acquisition	-	-	-	-	50,000
Buildings & Improvements	8,771	-	10,734	7,900	-
Mains/Pipelines & Improvements	55,853	7,306	2,922,588	104,300	-
Software	5,606	19,677	53,125	77,200	13,000
Maintenance	172,414	245,132	32,701	451,400	-
Contributions to Others	(719,985)	(23,477)	(38,318)	-	-
Total Expenses	$ 5,429,871	$ 539,352	$ 3,147,324	$ 4,685,600	$ 6,079,000
Net Income	$ (3,488,663)	$ 1,670,666	$ 969,124	$ (2,967,500)	$ (4,584,400)
Transfer In	2,345,345	1,633,841	5,186,325	2,638,000	617,500
Transfer Out	(1,311,067)	-	-	-	
Est. Ending Available Reserves	**$ 6,708,354**	**$ 10,012,861**	**$ 16,168,310**	**$ 15,838,810**	**$ 11,871,910**

WHOLESALE CAPITAL PROJECTS FY 2020-21

Water Treatment Plant Improvements

Design & Construction of Filter Floor Repairs & Media/Nozzle Replacement in North and South Basins

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 2,500,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 2,328,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 4,828,000

This project will significantly rehabilitate the North and South basins at the Water Treatment Plant. It includes cleaning, repair and resurfacing of the basin walls and spalled floors, replacement of the filter media, media support plates, and nozzles. Maintaining this asset in good condition extends its useful life and reduces future maintenance and operating costs.

Design and Construction of Residual Area Stormwater Lift Station

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 97,040
Start Date:	FY 2018-19	**Budgeted Spending FY 2020-21:**	$ 500,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 597,040

The water treatment process results in the accumulation of sludge that is removed from the water. This project designs and constructs both a collection area and a lift station which will capture the water from the removed sludge and direct it back into the treatment plant for re-processing.

Rehabilitation of Two Backwash Hoods

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 100,000
Estimated Completion:	FY 2023-24	**Projected Future Spending:**	$ 480,000
		Total Project Cost:	$ 580,000

This project will completely rehabilitate two original backwash hood assemblies including removal by crane rewiring, structural rehab, painting, etc. The project was originally intended to be completed in Fiscal Year 2019-20 but has now been delayed. The District intends to further evaluate the existing condition of the two hoods in FY 2020-21, design the rehabilitation of both hoods in FY 2021-22 and begin the work in FY 2022-23 and complete it in FY 2023-24. This project will reduce near term repair costs related to the backwash hoods.

Lab Particle Counter Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 30,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 30,000

The particle counter is a lab instrument that measures particle sizes in water. The District's existing lab particle counter is used at least twice daily to test water during the treatment process. It is obsolete and no longer serviceable if it breaks. The District intends to purchase a new particle counter in FY 2020-21 to ensure continuous availability of this important lab instrument. There will be no effect on future operation costs.

Replace and Relocate Panel C Transformer

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 17,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 17,000

The Panel C Transformer supplies all 208/110v power to the Water Treatment Plant operations building and flocculation/sedimentation systems. The project will consist of replacing the existing transformer that is at the end of its life cycle and installing the new transformer in a new safety compliant location.

Backwash Hoods Electric Breaker Replacements (4)

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 25,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 25,000

The District is completely rehabilitating two backwash hoods this year. This project will replace 4 electrical breakers on the hoods that are not being completely rehabilitated. This will increase safety as it will give staff the ability to disconnect the power to the hoods for maintenance.

Filter Gallery Electric Panel and Wiring Replacements

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 20,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 20,000

The filter gallery houses various electrical and mechanical instrumentation necessary for the operation of the filter basins. This project, part of a multi-year effort, will replace electric panels and related wiring in the filer gallery. It will improve safety and operations and reduce future maintenance and repair costs.

Replace Water Treatment Plant Main Gate

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 25,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 25,000

Because it is a critical asset, the Water Treatment Plant is secured with perimeter fencing and a security gate at the main entrance. The existing gate is old and frequently in need of repair. Replacing the gate will reduce maintenance and repair costs and will continue to ensure the security of the treatment plant.

Sludge Feed Pump Procurement

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 13,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 13,000

The sludge pump is an integral piece of equipment in the sludge removal process. The sludge pump, pushes sludge out of the clarifiers into the sludge press where the liquids are removed from the sludge. The removed water is sent back into the treatment plant and the solids are disposed. Procurement of this pump will ensure consistent operations of the sludge removal process.

Reservoirs and Improvements

Hinkle Reservoir Cover & Lining Replacement

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 1,275,705
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 80,000
Estimated Completion:	FY 2021-22	**Projected Future Spending FY 2021-22:**	$17,069,295
		Total Project Cost:	$18,425,000

Hinkle Reservoir is a 62 million gallon earthen reservoir which is Hypaon lined and covered. The water treatment plant is operated at a constant flowrate and the Hinkle Reservoir is used to store excess treated water, with the water level rising and falling with changes in demand production. The cover and liner are past their estimated life. Regular maintenance has extended its life however it is now in need of replacement. This project will rehabilitate the inlet and outlet structures, repair ancillaries as needed, and replace the approximate 11 acres of cover, liner and interior baffle wall material. The project is still in the design phase. Construction is expected to commence and complete in FY 2021-22.

Hinkle Reservoir: Temporary Purchase and Installation of Water Storage Tanks, Piping, & Electrical Improvements

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 1,625,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 1,625,000

The District is preparing for the replacement of the liner and cover of the Hinkle Reservoir in FY 2021-22. In order to take the reservoir out of use for the replacement, the District needs alternative clean water storage capacity. The District will attempt to sell them when the project is complete.

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

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 2,500,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 300,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 2,800,000

The Hinkle Reservoir will be removed from service in FY 2021-22 in order to replace the cover and liner. The District is installing temporary storage tanks to buffer the difference between plant production and customer demand. The tanks will hold much less water than the reservoir. As such there will be an increased need to handle overflow of the tanks. Because the existing channel is unlined, the force of the overflow would likely cause disruptive erosion to the overflow channel. This project will line the channel to minimize environmental disruption.

Land Improvements

Solar Site Access Culvert Replacement

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 3,300
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 320,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 323,300

Replace aged culvert on Baldwin Reservoir ditch for solar site access road. This project will reduce maintenance efforts and increase safety.

Professional Services - Capital Related

Wholesale Master Plan Update

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 250,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 250,000

The Wholesale Master Plan seeks to assess the District's storage and transmission needs based upon analysis of foreseeable water demand, normal operations, and any additional required facilities. The District last completed a Master Plan in 2007.

Equipment and Furniture

SCADA System Improvements/Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 100,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 100,000

The District is working to complete a SCADA Master Plan this year. The plan will be recommending specific improvements to the SCADA system. Those projects will not be identified until the study is complete. The improvements will likely be conducted over a two year period. This funding will be for the first year of improvements.

Thickener Access Ladders (3)

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 90,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 90,000

The District is in the process of re-coating the interior of the Clarifier Tanks. Once done, the Clarifier Tank's access ladders will be replaced. This project funds the replacement of the 3 ladders.

SCADA Radio Replacements- South Phase

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 1,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 56,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 57,000

Replacement of obsolete SCADA radios with new current and supported radios.

Solar Facility Inverter Replacement

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 3,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 20,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 23,000

Replacement of aged inverter equipment at the end of its expected useful life.

Chicken Switch Actuator

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 7,500
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 4,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 11,500

A chicken switch is a piece of equipment that allows a person to turn electricity off to an electric panel from a remote location, reducing the risk of life threatening electric shock. The District ordered two chicken switches and remote operator unit in FY 2019-20. One of the chicken switches will not be received until FY 2020-21.

Vehicles

Vehicle #8 (2005 Ford F-450)

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 80,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 80,000

The District generally replaces vehicles every 10 years or 100,000 miles. This vehicle is 15 years old with approximately 92,000 miles. The District plans to replace this vehicle with a new model to contain future maintenance and repair costs. The existing vehicle will be sold at auction.

Vehicle #29 Dodge Dakota Replacement

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 33,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 33,000

The Water Treatment Plant (WTP) has a GEM electric car used at the facility to transport people and supplies. The GEM is nearing the end of its useful life. While currently operational, future repairs are not cost efficient. The WTP also has a Dodge Dakota that it uses for general transportation both at the plant and throughout the District service area as needed. The Dodge Dakota has approximately 60,000 miles on it. The District is purchasing a 2020 Dodge Ram Promaster 2500, a commercial cargo van, primarily for the Electrical & Instrumentation Technician. The van is on order but delivery has been delayed due to COVID-19. The Dodge Dakota will be used to replace the GEM when it next is in need of repair.

Land

Land Acquisition - Property Boundary adjustment south of Hinkle Reservoir

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 50,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 50,000

A small strip of land bordering the south side of Hinkle Reservoir is currently owned by US Bureau of Reclamation. The District is working with the Bureau to either purchase or enter into a long term lease for the land.

Software

Tyler Content Management and Output Director

Project Status:	Under Consideration	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 10,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 10,000

The District uses a software called Tyler Technologies for its financial and utility billing processes. The purchase of this module would enhance reporting capabilities and functionality of the system. The specific benefits are currently under analysis and will determine the decision to purchase or not. While it ultimately may not be purchased it is being included in the budget to provide funding in case it is deemed advantageous to operations.

GIS Imagery Data Implementation

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 3,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 3,000

The District has been working on creating and implementing a Graphic Information System (GIS). This element of the project will create geometrically correct images, allowing the images to be used to measure true distances of features within the photograph.

Retail Capital Outlay Fund

This fund was created in FY 2015-16 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for retail capital expenditures and to account for the acquisition of retail capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all retail capital reserves. Details on the projects can be found on page 53.

FISCAL YEAR 2020-21 BUDGET

		Retail Capital Outlay
Est. Beginning Available Reserves July 1, 2020	**$**	**6,728,940**
Revenues		
Taxes & Assessments		1,173,000
Connection Fees		100,000
Other Revenues		52,600
Total Revenues	$	1,325,600
Expenses		
Capital Improvement Projects		5,434,300
Professional Services		33,000
Total Expenses	$	5,467,300
Net Income	$	(4,141,700)
Transfer In/(Out)		592,400
Est. Ending Available Reserves June 30, 2021	**$**	**3,179,640**

RETAIL CAPITAL OUTLAY FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Estimate	FY 2020-21 Budget
Est. Beginning Available Reserves	**$ 8,618,431**	**$ 6,444,253**	**$ 6,921,927**	**$ 5,419,940**	**$ 6,728,940**
Revenues					
Taxes & Assessments	1,018,486	1,061,598	1,118,187	1,150,000	1,173,000
Connection Fees	363,637	245,318	82,549	300,000	100,000
Other Revenues	53,286	50,650	161,996	153,000	52,600
Total Revenues	$ 1,435,408	$ 1,357,565	$ 1,362,732	$ 1,603,000	$ 1,325,600
Expenses					
Mains/Pipelines & Improvements	$ 148,568	$ 705,085	$ 3,004,752	$ 526,900	$ 2,325,000
Professional Services	2,399	897	-	275,000	33,000
Pump Stations & Improvements	35,065	346,549	194,811	436,800	1,814,100
Software	8,409	107,995	159,375	243,200	18,000
Buildings & Improvements	-	933	271,185	7,600	-
Equipment and Furniture	164,593	24,684	59,872	73,400	215,200
Land Improvements	-	8,086-	-	2,800-	20,000
Reservoirs & Improvements	443,331	-	-	-	795,000
Vehicles	96,455	64,789	-	84,500-	247,000
Maintenance	309	43,502	0	0	-
Total Expenses	$ 899,129	$ 1,302,520	$ 3,689,996	$ 1,650,200	$ 5,467,300
Net Income	$ 536,279	$ 55,045	$ (2,327,264)	$ (47,200)	$ (4,141,700)
Transfer In	-	422,628	825,277	1,356,200	592,400
Transfer Out	(2,710,457)	-	-	-	-
Est. Ending Available Reserves	**$ 6,444,253**	**$ 6,921,926**	**$ 5,419,940**	**$ 6,728,940**	**$ 3,179,640**

RETAIL CAPITAL PROJECTS FY 2020-21

Mains/Pipelines and Improvements

Water Main Installation - Spahn Ranch Road

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 27,415
Start Date:	FY 2018-19	**Budgeted Spending FY 2020-21:**	$ 598,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 625,415

Currently the water services for the customers on Spahn Ranch Road come through the properties back yards, from the street behind. This project will install approximately 2,980 linear feet of water main in Spahn Ranch Road as well as new service lines, connection saddles, and water meters to 10 customers. The new water main will also eliminate two existing dead-ends in the District's distribution system. Dead-end pipes require regular flushing to maintain water quality. The elimination of these two dead-ends will reduce operating costs as they will no longer require regular flushing. The design was started in FY 2019-20, and construction is scheduled to be completed in FY 2020-21.

Install 12" Distribution Line in Cavitt Stallman between Mystery Creek and Oak Pines with a Pressure Reducing Station

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 29,956
Start Date:	FY 2017-18	**Budgeted Spending FY 2020-21:**	$ 441,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 470,956

This project includes the installation of approximately 360 linear feet of water main in Cavitt Stallman Road between Mystery Creek and Oak Pines, and includes the installation of a pressure reducing station. This project will eliminate two dead ends in the distribution system that require regular flushing to maintain water quality. The elimination of the two dead-ends will reduce operating costs as they will no longer require regular flushing. This installation of the pressure reducing station will provide system redundancy between the Bacon and Lower Granite Bay pressure zones. The design was started in FY 2019-20, and construction is scheduled to be completed in FY 2020-21.

Service Replacements on Woodminster Circle

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 266,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 266,000

This project involves replacing 18 residential services and 2 commercial services on Woodminster Circle. A "service" is a pipeline, typically 1-inch to 1.5 inch, that runs from the distribution main to each residence or business. Replacing a service includes replacement of the 1-inch or 1.5-inch service line from the water main to the meter, as well as replacement of the brass saddle and other ancillaries that connect the service line to the water main. The District has repaired many leaks in this area and concluded that they are due to aged service connections.

Kokila SJWD-PCWA Intertie

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 5,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 231,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 236,000

This project will construct an intertie between the District's water distribution system and the Placer County Water Agency. The intertie will provide the District with ability to receive up to 2 million gallons per day from the Placer County Water Agency, when and if needed. Major components of the project include approximately 800 linear feet of 12-inch diameter ductile iron pipe, a pressure reducing control valve station, a 12-inch magnetic-type flowmeter, 2 12-inch turnouts and related electrical and SCADA communication improvements. The project is partially funded with federal grant.

6-Inch Main Extension Replacement 7975 - 8005 Auburn Folsom Road

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 25,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 193,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 218,000

During a service line replacement project, it was discovered that material of the main is failing and in need of replacement. This project replaces approximately 250 linear feet of 6-inch water main on Auburn Folsom Road approximately between addresses 7975 to 8005 and includes replacement of all services coming off the line. Replacing a service includes replacement of the 1 or 1.5 inch pipe from the water main to the customers meter, and replacement of the brass saddled and other ancillaries that connect the service line to the water main.

Replace Steel Transmission Line in Eureka Road from Barton to Auburn Folsom Road

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 174,000
Estimated Completion:	Unknown	**Projected Future Spending:**	$ 2,951,000
		Total Project Cost:	$ 3,125,000

This project will replace 3,925 linear feet of aged steel transmission pipeline in Eureka Road from Barton Road to Auburn Folsom Road. This aged pipeline replacement will ensure system redundancy by improving the backbone intertie between the Bacon and Lower Granite Bay Zones, allowing either zone to supply the other in the event of a pump station loss. The design will be completed in FY 20-21. In order to reduce paving costs, and cause the least disruption to traffic, the project will be completed in conjunction with a road widening and resurfacing project being undertaken at the same location by Placer County. Therefore, the timing of the construction will be driven by Placer County.

Fire Hydrant Replacements

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 115,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 115,000

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

Replace 8 Services on Margo Drive

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 112,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 112,000

This project involves replacing 8 residential services on Margo Drive. A "service" is a pipeline, typically 1-inch to 1.5 inch, that runs from the distribution main to each residence or business. Replacing a service includes replacement of the 1-inch or 1.5-inch service line from the water main to the meter, as well as the brass saddle and other ancillaries that connect the service line to the water main. The District has repaired many leaks in this area and concluded that they are due to aged service connections.

Water Main Installation Underneath the North Glenn Bridge

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 75,000
Estimated Completion:	Unknown	**Total Project Cost:**	$ 75,000

This project involves the replacement of approximately 100-LF of previously existing 6-inch pipe with new 8-inch pipe. In June of 2015 Placer County requested that the District remove the old water main running under the existing storm drainage channel to facilitate removal of the old Northglen Pedestrian Bridge. When the bridge washed out in 2015 the 6-inch pipeline was damaged. The District's only option at that time was to cut and remove the damaged section of pipe and then cap the water main on opposite sides of the drainage channel at this location. The County has plans to replace the bridge, and at that time the District can replace the currently disconnected pipeline. This project will involve designing the replacement water main that will be installed under the new bridge on the downstream side. Construction timing is dependent upon the County's project schedule, but the District needs to be ready to move forward concurrently with the County's project. This will be a joint project with Placer County, and the County has agreed to allow the District to install the replacement pipeline on or under the County's bridge which will result in a lower cost than replacing the pipeline under the drainage channel.

Air Release Valve Replacements

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ 51,000
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 70,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 121,000

Air release valves (ARV's) function to release air pockets that collect at high points in a pressured pipeline. In FY 2019-20 the District replaced 5 identified failing ARV's and anticipates finding and replacing 5 more in FY 2020-21, for a total of 10 aged ARV replacements. New regulations require the ARV's to be upgraded when they fail. Historically ARV's vented into a vault under the road. The new regulations require that they vent above ground. This change increases the cost of ARV replacements.

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

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 50,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 50,000

This project involves the installation of approximately 50 to 100 linear feet of 8-inch pipe to extend the existing southerly section of the Eckerman pipeline into the new piping that will be installed with the construction of "The Park" Subdivision. The costs are to be reimbursed by the developer of The Park subdivision project. This connection into The Park subdivision is needed to provide adequate supply for fire flow, and to facilitate source of supply redundancy.

Pump Stations and Improvements

Bacon Pump Station Generator Replacement(s)

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2021-22	**Budgeted Spending FY 2020-21:**	$ 900,000
Estimated Completion:	FY 2021-22	**Total Project Cost:**	$ 900,000

The generators at the Bacon Pump Station have reached then end of their life cycle. With PG&E power outages increasing to reduce fire risk, it is critical that the District maintain generators in good working order. The District is currently evaluating the generator needs at the Bacon Pump Station. This project will replace the existing configuration with either one or two new generators.

Upper Granite Bay Pump Station Generator Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 420,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 420,000

The Upper Granite Bay Pump Station generator is old and needs to be replaced. With PG&E power outages increasing to reduce fire risk, it is critical that the District maintain generators in good working order.

Upper and Lower Granite Bay Pump Station Low Flow Pumps Replacement

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 94,000
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 200,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 294,000

These pump stations were originally sized based on actual and projected demands during the District's last master plan, which was done in 2006. Due to ongoing droughts and conservation efforts, water demand has fallen significantly and during the winter months the pumps are oversized for the demand and do not operate efficiently, resulting in added mechanical wear and higher energy use. This project will add low flow pumps to the pump stations, which will reduce operating costs.

American River Canyon Pump Station South - Variable Frequency Drive Replacements

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 120,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 120,000

Variable Frequency Drives (VFD's) are used in an electro-mechanical system to adjust the speed and torque output of an electric motor. The VFD drives an electric motor, in this case the pump motor, by varying the frequency and voltage supplied to the electric motor. In the case of the District's booster pump stations VFD's are used to drive pump motors at the appropriate speed to match the water demand. Use of VFD's in the District's pump stations reduces electricity costs and reduces wear and tear on the pumps, which increases their reliability and life. This project will replace the aged VFD's at this pump station along with the necessary ancillary wiring and components.

Lower Granite Bay - Crown Point Emergency Intertie

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 69,200
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 69,200

This project will create an intertie, or connection between the Lower Granite Bay Pump Station and the Crown Point Pump Station allowing for back-up distribution capabilities to each pressure zone in the event of an emergency in either zone.

Douglas Booster Pump Station Electrical Improvements

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 12,400
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 54,900
Estimated Completion:	FY 2019-20	**Total Project Cost:**	$ 67,300

The Douglas Booster Pump Station provides back-up to the Upper and Lower Granite Bay Pump Stations. This project will upgrade the aged electrical and mechanical systems for the Douglas Booster Pump Station to bring it up to current code, add safety, and provide improved operational efficiency. It will include either one or two variable frequency drives, depending upon the configuration of the pump(s). Variable frequency drives reduce electricity costs and reduce wear and tear on the pumps, which increases their reliability and life.

American River Canyon - North Pump Station - Main Breaker Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 25,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 25,000

This project will replace the main electrical breaker at the American River Canyon - North Pump Station, bringing it up to safety standards.

American River Canyon - South Pump Station - Main Breaker Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 25,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 25,000

This project will replace the main electrical breaker at the American River Canyon - South Pump Station, bringing it up to safety standards.

Reservoirs and Improvements

Kokila Reservoir Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 795,000
Estimated Completion:	FY 2022-23	**Projected Future Spending FY 2022-23:**	$ 7,055,000
		Total Project Cost:	$ 7,850,000

Kokila Reservoir is a 4.56 million gallon earthen reservoir which is lined and covered with Hypalon, a flexible membrane material used to protect the water from contamination. The reservoir serves as an operational and emergency storage facility at a high elevation point within the distribution system. The cover and liner were installed in 1984 and were expected to last 25 years. Proper maintenance has extended its life an additional 10 years. The reservoir is now in need of replacement. The District intends to replace the Hypalon cover and liner with either a pre-stressed fixed-wall or steel plate wall type tank depending on the outcome of the Retail Master Plan. This project will be financed with a low interest rate loan from the State of California's Drinking Water Revolving Loan Fund. The District intends to commence the design phase in FY 2020-21 and complete construction in FY 2022-23.

Vehicles

Purchase Mini-Excavator

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 100,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 100,000

The District intends to purchase a new Mini-Excavator to replace the 2006 Caterpillar 420D Backhoe used in Field Operations. The backhoe, one of two owned by the District, is in excellent condition but isn't being used very often. Instead the District relies heavily on the vacuum truck as it is smaller and can be used in more locations than the backhoe. The District intends to sell the backhoe and purchase a Mini-Excavator which will be able to be used in more situations than the backhoe and will reduce the hours and wear and tear on the Vacuum.

Replace Vehicle #24 2008 F-450 Service Truck

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 90,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 90,000

The District intends to replace the existing 2008 F-450 Service Truck with a new F-450. Both the existing and the new truck have a crane mounted in the truck bed. The crane is needed to service the Cooperative Transmission Pipeline. The District generally replaces vehicles every 10 years or 100,000 miles. The existing truck is 12 years old with 90,000 miles. Purchasing the new truck will increase vehicle reliability and decrease repair costs. The existing truck and crane will be sold at auction.

Replace Vehicle #28 2008 F-450 Service Truck

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 57,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 57,000

The District intends to replace the existing 2008 F-450 Service Truck with a 2020 or 2021 F-450, minus the new truck bed. The District is saving money by transferring the truck bed from the existing truck, to the chassis of the new truck. The District generally replaces vehicles every 10 years or 100,000 miles. This truck is 12 years old with 87,000 miles. Purchasing the new truck will increase vehicles reliability and decrease repair costs. The existing truck will be sold at auction.

Equipment and Furniture

SCADA Radio Replacements- South Phase

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 1,800
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 107,200
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 109,000

Replacement of obsolete SCADA radios with new current and supported radios.

SCADA System Improvements/Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 100,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 100,000

The District is working to complete a SCADA Master Plan this year. The plan will be recommending specific improvements to the SCADA system. Those projects will not be identified until the study is complete. The improvements will likely be conducted over a two year period. This funding will be for the first year of improvements.

Boring Machine Replacement

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 8,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 8,000

A boring machine tunnels underground, allowing staff to replace a service line without having to cut into the existing curb and gutter, or other surface pavement. Curb and gutter replacement costs $1,500 at a minimum. The existing boring machine broke last year and it is not cost effective to repair.

Professional Services - Capital Related

Retail Master Plan

Project Status:	In progress	**Estimated Spending FY 2019-20 & Prior:**	$ 275,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2020-21:**	$ 33,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 308,000

The Retail Master Plan Update is being done to assess the District's storage, distribution, and transmission needs based upon analysis of the existing facilities, foreseeable water demand, normal operations and other operational needs, anticipated regulatory actions. The District last completed a Master Plan in 2006. This Retail Master Plan Update Project will provide a roadmap of recommendations, and estimated costs and a sequenced schedule, for Capital Improvement Projects and operational improvements going into the next five to ten years ahead.

Land Improvements

Bacon Pump Station Perimeter Fencing

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 20,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 20,000

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

Software

Tyler Content Management and Output Director

Project Status:	Under Consideration	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 10,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 10,000

The District uses a software called Tyler Technologies for its financial and utility billing processes. The purchase of this module would enhance reporting capabilities and functionality of the system. The specific benefits are currently under analysis and will determine the decision to purchase or not. While it ultimately may not be purchased it is being included in the budget to provide funding in case it is deemed advantageous to operations.

GIS Imagery Data Implementation

Project Status:	Planned	**Estimated Spending FY 2019-20 & Prior:**	$ -
Start Date:	FY 2020-21	**Budgeted Spending FY 2020-21:**	$ 8,000
Estimated Completion:	FY 2020-21	**Total Project Cost:**	$ 8,000

The District has been working on creating and implementing a Graphic Information System (GIS). This element of the project will create geometrically correct images, allowing the images to be used to measure true distances of features within the photograph.

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OPERATIONS PLAN

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FOREWORD

The following tables compose the Operations Plan for the San Juan Water District for Fiscal Year 2020-21. It defines the major actions that we plan to undertake during this coming fiscal year, to achieve the goals and strategic objectives laid out in the District's Strategic Plan. The Strategic Plan encompasses our mission, vision and values, and outlines the goals and objectives that we will pursue to meet our mission and achieve our vision. The Strategic Plan incorporates the principles of fiscal responsibility, customer service and operational excellence.

The Operations Plan is organized in sections that correspond to the District's different functional groups. The actions are not in priority order, but the Goals and Strategic Objectives in the Strategic Plan that are related to these actions are noted. A target date for accomplishing the action is also listed, and District staff will be reporting regularly on the status of completing each action.

ADMINISTRATION/WATER RESOURCES/IT

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable.	A	5	Ongoing
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought.	A	5	Ongoing
Organize and conduct joint project with neighboring water agencies on collaboration and integration of projects and programs	A	3	1/2021
Monitor and respond to regulatory proposals from the SWRCB and DWR in the "Making Conservation a Way of Life" program (water loss regulations, indoor and outdoor efficiency standards, reporting, etc.); collaborate with ACWA, RWA and others around the state to ensure regulations are reasonable	A C D	1,5 2 5	Ongoing
Develop an agreement with PCWA to provide treatment and conveyance capacity for their West County water supply needs.	A	5	6/2021
Prepare 2020 Urban Water Management Plan, including collaboration with WCAs	A	5	6/2021
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer	A	5	6/2021
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation	A	All	Post-14 > 4/2021 Pre-14 > 6/2021 Reclamation > 3/2021
Provide Monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries	A	All	The 10th of the following month
Complete State SRF application for low interest financing for Hinkle & Kokila project	A	7	Work in Progress
2nd Annual SJWD Employee Kids Day	E	3	8/2021
Complete Board Policy Updates	C	1	6/2021
Facilitate Records Inventory Process	C	1	6/2021

CUSTOMER SERVICE

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover	C	3	6/2021
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	C	2,3	6/2021

DISTRIBUTION (Field Services)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2020 CO-OP Maintenance Program • Inspect and maintain all of the appurtenances on the Cooperative Transmission Mainlines • Exercise all mainline valves on the Cooperative Transmission Mainlines	B	2	6/2021
Complete the 2020 Cross Connection Control Program • Test 100% of the District Backflows • Re-Test 100% of the failed backflows • Repair or replace all failed backflows	B	2	12/2020
Complete the 2020 Leak Detection Program • Complete the next phase of the Districts Leak Detection Program • Repair all leaks found during the inspection in a timely manner	B	2	6/2021
Complete the 2020 Air/Vacuum Relief Valve Program • Inspect and maintain 160 ARVs • Upgrade 20-failed ARVs to the Districts standards	B	2	6/2021
Complete the 2020 Dead End Flushing Program • Inspect, maintain, and flush all of the Districts 501 dead end sites • Repair or replace all broken blow off valves	B	2	6/2021
Complete the 2020 Valve Exercise Program • Inspect, maintain, and exercise 1,000 mainline valves • Repair or replace all broken mainline valves	B	2	6/2021
Complete the 2020 Hydrant Maintenance Program • Inspect, maintain, and exercise 300 fire hydrants. • Repair or upgrade all broken fire hydrants	B	2	6/2021
Complete the 2020 Commercial Meter Program • Test all large commercial meters. • Replace or repair all failed large commercial meters	B	2	6/2021
Complete the 2020 Residential Meter Program • Upgrade a minimum of 120 meters • Test a minimum of 120 meters	B	2	12/2020

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Implement the new GIS/Cityworks Programs for District Operations • Train all staff on use of the new programs • Transfer all current documentation and workflow to the new programs	B	2	12/2020
Complete a meter replacement study in conjunction with the Citrus Heights Water District, with participation of other regional partners	B	1,6	12/2021

ENGINEERING SERVICES

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the construction of the WTP South Filter Basin Rehabilitation Project	B	3	5/2021
Complete construction of the Hinkle Reservoir Outage Temporary Tanks and Civil Site Improvements	B	4	12/2020
Complete the SJWD/PCWA Intertie	B	3	12/2020
Complete the 2020 Arc Flash Hazard Assessment Project	E	1	6/2021
Complete an update of the Wholesale Master Plan	B	1	6/2021
Complete construction of the WTP Residual Area Storm Water Lift Station	B	3	6/2021
Complete installation of “Low Flow” pumps in Castellanos Pump Station and Upper Granite Bay	B E	2	12/2020

FINANCE and HUMAN RESOURCES

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete funding agreement for State Revolving Loan Funds for Hinkle Reservoir Project	D	3 a.	6/2021
Complete funding application for Kokila Reservoir Project	D	3 a.	6/2021
Implement GASB Statement 87 on Accounting for Leases	D	n/a	6/2021
Complete review of District’s Compliance with FLSA	E	1	9/2020
Commence 5-Year Financial Plan and Rate Study	D	1	1/2021

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete Disaster Preparedness Planning and Documentation for Business Continuity	B	8	12/2020
Complete an overhaul of the Employee Manual, updating District ordinances and policies as necessary	E	3	9/2020
Complete revisions to Treatment Plant Shift Operators MOU	E	1	9/2020

WATER EFFICIENCY

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Rehabilitate outdated sections of the demonstration WEL (Water Efficient Landscape) Garden (wholesale)	C	2,7	6/2021
Provide 4 educational customer workshops (wholesale)	C	2,7	6/2021
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements	C	1,2,5	6/2021
Conduct a student art calendar contest to be distributed to all wholesale agencies	C	2,7	6/2021
Test and replace inoperable radio read units upon failure and send failed meter information to Field Services for replacement	C	3,5	6/2021

WATER TREATMENT

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete Breaker Replacements in Backwash Hoods	B	2	3/2021
Complete 1 Year Phosphorus Study and Effects on Raw Water	B	2	11/2020
Purchase New Lab Top Particle Counter	B	1	8/2020
Install New Operator Work Stations	B	1	4/2021
Develop/Implement Valve Identification System	D	5	6/2021
Evaluate/Study Backwash Water Strategy for Power Optimization	D	5	6/2021
Upgrade Chlorine Building Security Monitoring	B	2	5/2021

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SUPPLEMENTAL INFORMATION

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Transfers In and Transfers Out

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

Transfer In To:			**Transfer Out From:**		
Wholesale Capital Fund	$	617,500	Wholesale Operating Fund	$	617,500
Retail Capital Fund	$	592,400	Retail Operating Fund	$	592,400
Total Transfers In	**$**	**1,209,900**	**Total Transfers Out**	**$**	**1,209,900**

Debt Service Schedules

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

	Principal		Interest		Total		
Fiscal Year	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Combined Debt Service
2021	343,493	186,507	282,885	153,598	626,378	340,105	966,483
2022	359,696	195,305	265,373	144,090	625,068	339,394	964,463
2023	375,898	204,102	247,050	134,141	622,948	338,243	961,192
2024	395,341	214,659	231,145	125,505	626,486	340,164	966,650
2025	408,303	221,697	219,123	118,977	627,426	340,674	968,100
2026	421,265	228,735	202,762	110,094	624,027	338,829	962,856
2027	440,708	239,292	180,220	97,855	620,928	337,147	958,075
2028	463,392	251,609	156,587	85,022	619,979	336,631	956,609
2029	489,316	265,685	131,692	71,505	621,007	337,189	958,197
2030	511,999	278,001	105,507	57,287	617,506	335,288	952,794
2031	541,164	293,837	77,989	42,346	619,152	336,182	955,334
2032	570,328	309,672	48,940	26,573	619,268	336,245	955,513
2033	599,493	325,508	18,359	9,969	617,852	335,476	953,328
Outstanding	$ 5,920,394	$ 3,214,607	$ 2,167,631	$ 1,176,963	$ 8,088,025	$ 4,391,569	$ 12,479,594
Paid 2012-2020	$ 2,909,969	$ 1,580,031	$ 2,740,478	$ 1,488,002	$ 5,650,447	$ 3,068,033	$ 8,718,481
Total	$ 8,830,363	$ 4,794,638	$ 4,908,110	$ 2,664,965	$ 13,738,472	$ 7,459,603	$ 21,198,075
	combined	$ 13,625,000	combined	$ 7,573,075			

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

	Principal		Interest		Total		
Fiscal Year	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Combined Debt Service
2021	387,200	217,800	613,331	344,998	1,000,531	562,798	1,563,329
2022	403,200	226,800	597,576	336,137	1,000,776	562,937	1,563,713
2023	419,200	235,800	582,055	327,406	1,001,255	563,206	1,564,460
2024	435,200	244,800	564,429	317,492	999,629	562,292	1,561,921
2025	454,400	255,600	542,269	305,027	996,669	560,627	1,557,296
2026	476,800	268,200	519,083	291,984	995,883	560,184	1,556,067
2027	502,400	282,600	494,709	278,274	997,109	560,874	1,557,983
2028	528,000	297,000	469,056	263,844	997,056	560,844	1,557,900
2029	553,600	311,400	442,123	248,694	995,723	560,094	1,555,817
2030	585,600	329,400	413,776	232,749	999,376	562,149	1,561,525
2031	611,200	343,800	383,963	215,979	995,163	559,779	1,554,942
2032	643,200	361,800	352,736	198,414	995,936	560,214	1,556,150
2033	675,200	379,800	325,536	183,114	1,000,736	562,914	1,563,650
2034	1,318,400	741,600	291,747	164,107	1,610,147	905,707	2,515,854
2035	1,369,600	770,400	238,157	133,964	1,607,757	904,364	2,512,121
2036	1,424,000	801,000	182,467	102,637	1,606,467	903,637	2,510,104
2037	1,481,600	833,400	129,177	72,662	1,610,777	906,062	2,516,839
2038	1,529,600	860,400	80,375	45,211	1,609,975	905,611	2,515,585
2039	1,580,800	889,200	29,969	16,858	1,610,769	906,058	2,516,827
Outstanding	$ 15,379,200	$ 8,650,800	$ 7,252,533	$ 4,079,550	$ 22,631,733	$ 12,730,350	$ 35,362,082
Paid 2017-2020	$ 1,340,800	$ 754,200	$ 1,948,210	$ 1,095,868	$ 3,289,010	$ 1,850,068	$ 5,139,078
Total	$ 16,720,000	$ 9,405,000	$ 9,200,742	$ 5,175,418	$ 25,920,742	$ 14,580,418	$ 40,501,160
	combined	$ 26,125,000	combined	$ 14,376,160			

Labor Allocation

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

Dept.	Position Title	Budgeted in FY18-19	Budgeted in FY19-20	Budgeted in Fiscal Year 2020-2021 # Budgeted	Wholesale Allocation	Retail Allocation	Wholesale FTE	Retail FTE
Executive								
	General Manager	1.00	1.00	1.00	90%	10%	0.90	0.10
	Water Resources Manager	1.00	1.00	1.00	90%	10%	0.90	0.10
	Information Technology Manager	1.00	1.00	1.00	50%	50%	0.50	0.50
	Board Secretary/Administrative Assistant	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Executive	4.00	4.00	4.00			2.80	1.20
Finance and Administrative Services								
	Director of Finance	1.00	1.00	1.00	50%	50%	0.50	0.50
	Finance and Administrative Services Analyst	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accountant	1.00	1.00	1.00	50%	50%	0.50	0.50
	Purchasing Agent	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accounting Technician II	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Finance and Administrative Services	5.00	5.00	5.00			2.50	2.50
Customer Service								
	Customer Service Manager	0.50	0.50	0.50	0%	100%	-	0.50
	Meter Technician	1.00	1.00	1.00	0%	100%	-	1.00
	Customer Service Technician I - III [1]	2.00	3.00	3.00	0%	100%	-	3.00
	Total Customer Service	3.50	4.50	4.50			-	4.50
Engineering Service								
	Engineering Services Manager	1.00	1.00	1.00	50%	50%	0.50	0.50
	Associate/Senior Engineer	1.00	1.00	1.00	50%	50%	0.50	0.50
	Engineering Technician III	1.00	1.00	1.00	40%	60%	0.40	0.60
	Construction Inspector III	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Engineering Service	4.00	4.00	4.00			1.90	2.10
Field Services (Distribution System)								
	Operations Manager [2]	0.60	0.60	-	0%	100%	-	-
	Safety-Regulatory Compliance Coordinator [2]	0.50	0.50	-	0%	100%	-	-
	Field Services Manager	1.00	1.00	1.00	0%	100%	-	1.00
	Pump Station Lead	1.00	1.00	1.00	0%	100%	-	1.00
	Distribution Lead Worker	2.00	2.00	2.00	0%	100%	-	2.00
	Distribution Operator II - IV [3]	8.00	7.00	7.00	0%	100%	-	7.00
	Pump Station Technician/Mechanic	1.00	1.00	1.00	0%	100%	-	1.00
	CMMS/GIS Coordinator [2,4]	-	0.75	-	0%	100%	-	-
	Utilities Coordinator	1.00	1.00	1.00	0%	100%	-	1.00
	Total Field Services (Distribution System)	15.10	14.85	13.00			-	13.00
Operations								
	Operations Manager [2]	-	-	1.00	40%	60%	0.40	0.60
	Safety-Regulatory Compliance Coordinator [2]	-	-	1.00	50%	50%	0.50	0.50
	CMMS/GIS Coordinator [2,4]	-	-	1.00	25%	75%	0.25	0.75
	Total Water Efficiency	-	-	3.00			1	1.85
Water Efficiency								
	Customer Service Manager	0.50	0.50	0.50	0%	100%	-	0.50
	Water Efficiency Lead	1.00	1.00	1.00	25%	75%	0.25	0.75
	Water Efficiency Technician I - II	2.00	2.00	2.00	0%	100%	-	2.00
	Total Water Efficiency	3.50	3.50	3.50			0.25	3.25
Water Treatment Plant								
	Operations Manager [2]	0.40	0.40	-	100%	0%	-	-
	Safety-Regulatory Compliance Coordinator [2]	0.50	0.50	-	100%	0%	-	-
	Water Treatment Plant Manager	1.00	1.00	1.00	100%	0%	1.00	-
	Maintenance Chief	1.00	1.00	1.00	100%	0%	1.00	-
	Chief Operator	1.00	1.00	1.00	100%	0%	1.00	-
	Water Treatment Plant Operator IV	2.00	2.00	2.00	100%	0%	2.00	-
	Water Treatment Plant Operator III	2.00	2.00	2.00	100%	0%	2.00	-
	Water Treatment Plant Operator II	1.00	1.00	1.00	100%	0%	1.00	-
	Electrical & Instrumentation Technician	1.00	1.00	1.00	70%	30%	0.70	0.30
	CMMS/GIS Coordinator [2,4]	-	0.25	-	100%	0%	-	-
	Facilities Maintenance Worker II	1.00	1.00	1.00	100%	0%	1.00	-
	Facilities Maintenance Help	1.00	1.00	1.00	70%	30%	0.70	0.30
	Total Water Treatment Plant	11.90	12.15	11.00			10.40	0.60
Total Funded Full Time Equivalents (FTE)		**47.00**	**48.00**	**48.00**			**19.00**	**29.00**

[1] Customer Service Technician I - III was approved by the Board for Fiscal Year 2018-2019.

[2] Safety-Regulatory Compliance Coordinator, and CMMS/GIS Coordinator were moved from Field Services and Water Treatment to Operations Department.

[3] Distribution Operator position was replaced by the CMMS/GIS Corrdinator during Fiscal Year 2018-2019.

[4] CMMS/GIS Coordinator is a new position approved by the Board during Fiscal Year 2018-2019.

SAN JUAN WATER DISTRICT
COMPENSATION SCHEDULE - B

EFFECTIVE: August 28, 2019 for all employees hired after August 28, 2019 and those hired prior if maximum pay on this schedule is greater than maximum pay on Schedule A

Non-Exempt Positions	Hourly Rate Range	
	Minimum	Maximum
Accountant	$ 34.02	$ 40.82
Accounting Technician I	$ 24.01	$ 28.81
Accounting Technician II	$ 26.52	$ 31.83
Accounting Technician III	$ 29.30	$ 35.16
Admin. Assistant - Board Secretary	$ 36.47	$ 43.76
CMMS/GIS Coordinator	$ 34.70	$ 41.64
Chief Operator	$ 45.85	$ 55.02
Construction Inspector I	$ 29.30	$ 35.16
Construction Inspector II	$ 32.36	$ 38.84
Construction Inspector III	$ 35.75	$ 42.90
Customer Service Technician I	$ 21.96	$ 26.35
Customer Service Technician II	$ 24.25	$ 29.10
Customer Service Technician III	$ 26.79	$ 32.15
Distribution Lead Worker	$ 38.33	$ 46.00
Distribution Operator I	$ 25.74	$ 30.89
Distribution Operator II	$ 28.44	$ 34.13
Distribution Operator III	$ 31.41	$ 37.70
Distribution Operator IV	$ 34.70	$ 41.64
Electrical & Instrumentation Technician	$ 42.34	$ 50.81
Engineering Technician I	$ 27.33	$ 32.79
Engineering Technician II	$ 30.19	$ 36.22
Engineering Technician III	$ 33.35	$ 40.01
Facilities Maintenance Helper	$ 22.17	$ 26.61
Facilities Maintenance Worker I	$ 27.06	$ 32.47
Facilities Maintenance Worker II	$ 29.89	$ 35.87
Finance & Administrative Services Analyst	$ 41.09	$ 49.31
Information Technology Technician I	$ 26.52	$ 31.83
Information Technology Technician II	$ 29.30	$ 35.16
Maintenance Chief	$ 44.72	$ 53.67
Meter Technician	$ 25.24	$ 30.28
Pump Station Lead	$ 42.34	$ 50.81
Pump Station Technician	$ 38.33	$ 46.00
Purchasing Agent	$ 29.59	$ 35.51
Utilities Coordinator	$ 34.70	$ 41.64
Water Efficiency Helper	$ 21.10	$ 25.32
Water Efficiency Lead Worker	$ 31.41	$ 37.70
Water Efficiency Technician I	$ 25.74	$ 30.89
Water Efficiency Technician II	$ 28.44	$ 34.13
Water Treatment Plant Operator I	$ 25.74	$ 30.89
Water Treatment Plant Operator II	$ 28.44	$ 34.13
Water Treatment Plant Operator III	$ 31.41	$ 37.70
Water Treatment Plant Operator IV	$ 34.70	$ 41.64

Exempt Positions	Annual Rate Range	
(Annual Salaries based on 2080 Hours)	Minimum	Maximum
Associate Engineer	$ 98,259.20	$ 114,894.40
Customer Service Manager	$ 105,331.20	$ 126,401.60
Director of Finance	$ 144,830.40	$ 173,804.80
Engineering Services Manager	$ 136,448.00	$ 163,737.60
Field Services Manager	$ 107,993.60	$ 129,584.00
General Manager (Contract)	$ 191,588.80	$ 191,588.80
Information Technology Manager	$ 105,331.20	$ 126,401.60
Operations Manager	$ 144,830.40	$ 173,804.80
Safety/Regulatory Compliance Specialist	$ 90,729.60	$ 108,888.00
Senior Engineer	$ 108,534.40	$ 130,228.80
Water Resources Manager	$ 105,331.20	$ 126,401.60
Water Treatment Plant Manager	$ 110,718.40	$ 132,849.60

In accordance with Board Compensation Policy HR6.5 the General Manager is authorized to apply a COLA to this Compensation Schedule in an amount not to exceed 2.5% which is the increase in the March 2020 Consumer Price Index for West Cities B.

RESOLUTION NO. 20-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2020-2021

WHEREAS, District staff has prepared a budget for the fiscal year 2020-2021 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2020-2021 budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including contributions to reserves sufficient to return them to prudent levels; and

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

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

1. That certain document referred to as "The San Juan Water District Proposed Budget Fiscal Year 2020-2021," and all schedules, exhibits and policies contained therein, is hereby adopted and the appropriations for the annual budget of the San Juan Water District for the fiscal year beginning on July 1, 2020 and ending on June 30, 2021 are hereby adopted; and

2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and

3. The General Manager is authorized to approve expenditure adjustments within individual accounts and line items so long as the total appropriated is not exceeded.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 24th day of June 2020, by the following vote:

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

EDWARD J. "TED" COSTA
President, Board of Directors
San Juan Water District

ATTEST

TERI GRANT
Secretary, Board of Directors

Glossary of Terms

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

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

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

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

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

Acronyms

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

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