

ADOPTED BUDGET

FISCAL YEAR 2022 - 23



**SAN JUAN WATER
DISTRICT**
GRANITE BAY, CALIFORNIA

Cover Photo: Hinkle Reservoir , photo by Tony Barela, Director of Operations

Hinkle Reservoir is a 62 million gallon Hypalon lined and covered earthen reservoir. 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 and production. 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. Construction was originally planned to commence in FY 2021-22; however, due to the low level of water in Folsom Lake this project was pushed to FY 2022-23.

GFOA Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**San Juan Water District
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morill

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, 2020. 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.

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San Juan Water District

Fiscal Year 2022-23 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

Kenneth H. Miller, President/Director
Dan Rich, Vice-President/Director
Edward J. "Ted" Costa, Director
Pamela Tobin, Director
Manuel Zamorano, Director

Appointed Officials

Paul Helliker, General Manager

Management Team

Tony Barela, Director of Operations
Andrew Pierson, Director of Engineering Services
Donna Silva, Director of Finance/Treasurer
Devon Barrett, Customer Services Manager
Adam Larsen, Field Services Manager
Greg Turner, Water Treatment Plant Manager
Chris von Collenberg, Information Technology Manager
Greg Zlotnick, Water Resources Manager

San Juan Water District

Fiscal Year 2022-23 Budget

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June 27, 2022

Board of Directors
Citizens of the San Juan Water District

Directors
Edward J. "Ted" Costa
Kenneth H. Miller
Dan Rich
Pamela Tobin
Manuel Zamorano
General Manager
Paul Helliker

On behalf of the San Juan Water District and its staff, I am pleased to present the Budget for Fiscal Year 2022-23. 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 2022-23, 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 2022-23, including, but not limited to the following:

- Addressing the challenges of a third dry year and potential impacts on our supply reliability
- 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
- Implementation of the Groundwater Sustainability Plan and further development and implementation of the Sacramento regional groundwater bank
- Development by the State of water loss standards for drinking water systems
- Updating the District's master plan for 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 planning for the replacement of the cover and liner of Kokila Reservoir and replacing the Hinkle Reservoir cover and liner
- Successfully achieving distribution system maintenance goals, identifying and prioritizing repairs and replacements, and implementing the top priority projects
- 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 financial plan it adopted in 2017 and the new retail financial plan, adopted in early 2022. 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
General Manager

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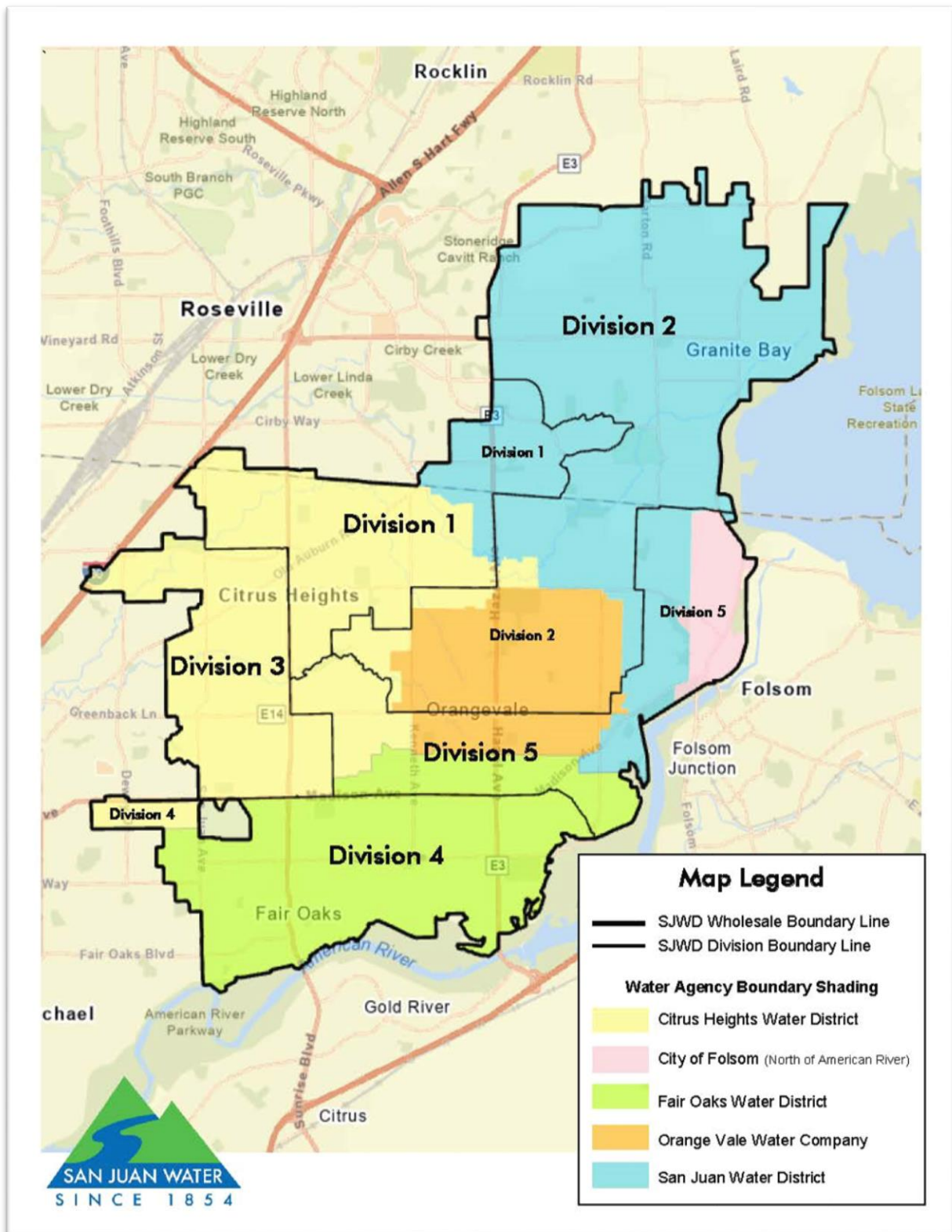
DISTRICT PROFILE

By The Numbers – Summary of District Information

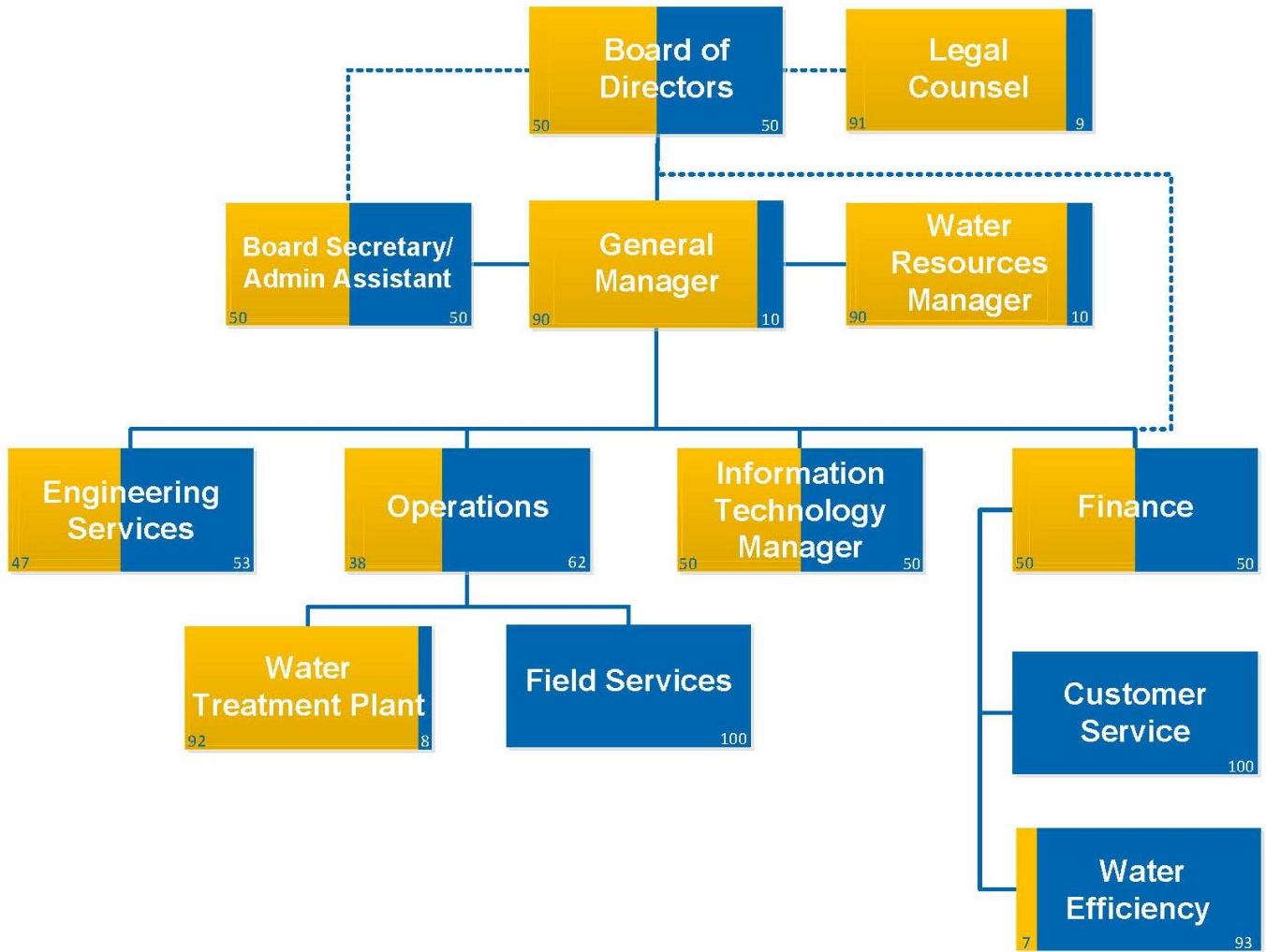
Water System	
Total Water Supply Available	82,200 acre-feet
Treatment Plants	1
Treatment Plant Capacity	150 MGD
Reservoirs	2
Miles of Water Main	222
Storage Tanks	2
Booster Stations	9
Number of Booster Pumps	38
Number of Control Valve Stations	15
Number of Solar Facilities	1
Number of Pressure Zones – 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 2020-21 ACFR)	151,903
Population of Retail Service Area Only (per FY 2020-21 ACFR)	29,712
Number of Active Employees	49
Number of Debt Issues Outstanding	2
Wholesale Operating Budget	\$ 10,269,800
Wholesale Capital Budget	\$ 25,431,900
Retail Operating Budget	\$ 13,589,700
Retail Capital Budget	\$ 13,682,100

Wholesale Service Area Map



Organization Chart by Functional Area



Allocation of Costs

Wholesale	%
Retail	%



ABOUT THE DISTRICT

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 to the plant for the 2020-2021 fiscal year was 44,371 acre-feet (excluding pass through deliveries for SSWD) and is anticipated to be 35,166 acre-feet for Fiscal Year (FY) 2021-22 (inclusive of SJWD water sold to SSWD), and 42,625 for FY 2022-23 (excluding pass through deliveries for SSWD).

In response to the last drought and in preparation of future drought conditions, the District 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

San Juan Water District

Fiscal Year 2022-23 Budget

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. California Government Code section 61110(c)(2)(f) requires the adoption of the final budget on or before September 1st of each year, however, the District strives to have an adopted budget by June 30th. 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 generally 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 generally held in June after which the Board of Directors votes on budget adoption. This year, due to unusually high staff turnover, the budget workshop is being (or was) held in June, with the public hearing and budget adoption at the July 2022 Board meeting. The budget calendar specific to the preparation of the FY 2022-23 budget is presented below:

Important Dates for Adoption and Review of FY 2022-23 Budget

DATE	FORUM	TOPIC/ACTION
May 31, 2022	Board Meeting	Discussion of assumptions to use in budget preparation.
June 22, 2022	Board Meeting	Review and discuss Draft FY 2022-23 Operating and Capital Budgets

San Juan Water District

Fiscal Year 2022-23 Budget

August 3, 2022	Public Hearing	Receive public input on proposed budget
August 3, 2022	Board Meeting	Consider adoption of proposed budget.
March 22, 2023	Board Meeting	FY 2022-23 Mid-Year Budget Review

Important Dates for Adoption and Review of FY 2023-24 Budget (preliminary)

DATE	FORUM	TOPIC/ACTION
April 26, 2023	Board Meeting	Discussion of assumptions to use in budget preparation
May 24, 2023	Board Meeting	Review and discuss Draft FY 2023-24 Operating and Capital Budgets
June 28, 2023	Public Hearing	Receive public input on proposed budget
June 28, 2023	Board Meeting	Consider adoption of proposed budget
March 27, 2024	Board Meeting	FY 2023-24 Mid-Year Budget Review

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. Beginning in February of each year, staff performs a mid-year budget review. The mid-year budget review process is an in depth analysis of year to date budget to actual data, combined with a projection of financial activity through the end of the year. That is then compared to the adopted budget. If expenses, in total, are projected to be greater than the adopted budget, the board considers a budget amendment, or staff recommends budget cuts in order to ensure adherence to the adopted budget. The mid-year budget review is usually presented at the March Board meeting. 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, retiree medical expenses in accordance with GASB 74/75, compensated absences expense accrual and the amortization of premium or discount on debt issuances, but does include an expenditure for debt principal and a revenue for any new debt issued. Therefore, the budget is not prepared in the same manner as the Comprehensive Annual Financial Report (ACFR). 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

San Juan Water District

Fiscal Year 2022-23 Budget

(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's last Wholesale Financial Plan and Rate study, resulted in a five year rate plan. The last rate increase from that plan went into effect on January 1, 2021. In FY 2021-22 the District worked on updating the Wholesale Master Plan which will produce the next 10-Year Capital Improvement Program. With that in hand the District intends to conduct an Wholesale Financial Plan and Rate Study this fiscal year. The goal is to determine if further rate increases are needed over the next three years and if so, in what amount. The District is required to provide wholesale customers a 150-day notice of proposed rate changes so it is unlikely that rates will change in the current year, however, a rate increase commencing on March 1, 2023 is possible.

The District completed a Retail Financial Plan and Rate Study in Fiscal Year 2021-22, resulting in a 3-Year Rate Schedule. The new Retail Rate Schedule went into effect on February 1, 2022 and resulted three successive 8% effective rate increases. In the previous five year rate schedule, all rate increases were applied to the fixed base rate only, to bring stability to the rate structure and provide reliable funding to cover fixed operating costs. In the new rate schedule, this approach is taken for the first rate increase but the final two rate increases will apply to both the fixed and the volumetric rate as the District feels it has achieved equilibrium between rates and costs, to the greatest extent possible.

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.

Note: the District recently executed a loan agreement with the California State Water Resources Control Board through their Drinking Water State Revolving Loan fund (SRF). The District intends to draw down on that loan during this fiscal year to pay for the rehabilitation of the Hinkle Reservoir. The loan document requires the establishment of reserve equal to one year’s debt service. This reserve will be established and reported on once the final loan amount is known and borrowed.

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.

Note: In February 2022 the Board approved new Capital Facility Fees. These fees were established in part to advance fund certain expansionary capital projects. The District is required to determine the amount of capital facility fees received in advance of project construction and hold them in a reserve fund. The analysis and creation of that reserve fund was not done at the time of budget preparation, but will be created and reported on during the Fiscal Year 2022-23.

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 an ACFR 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

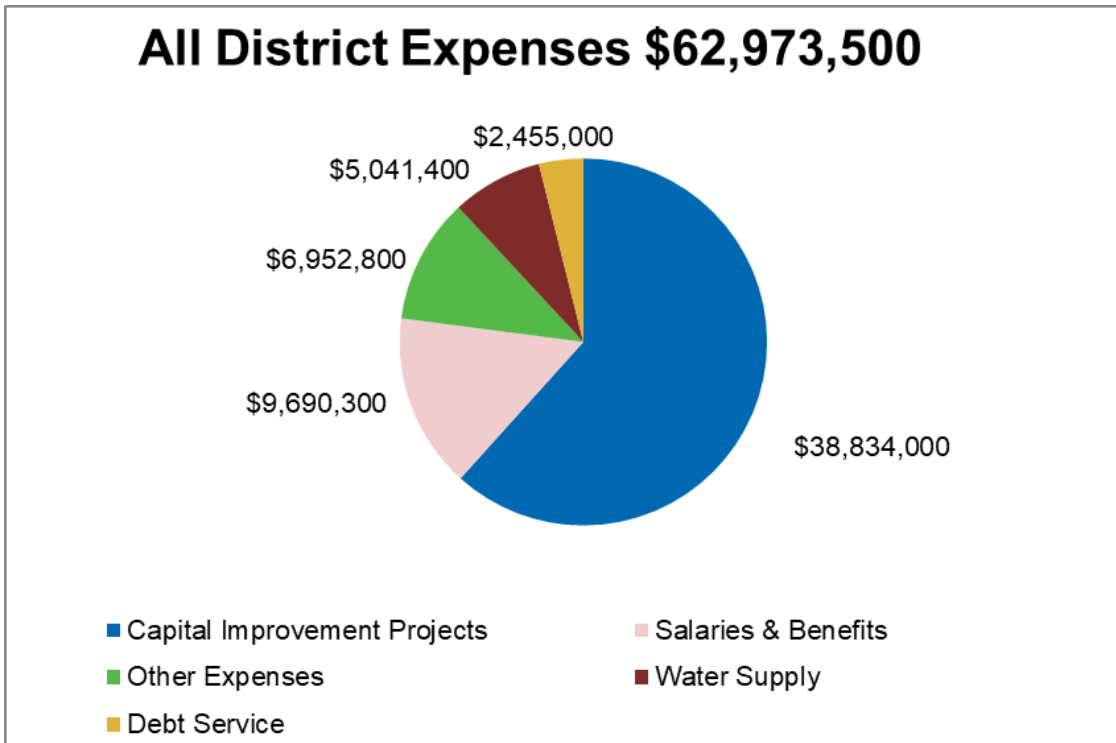
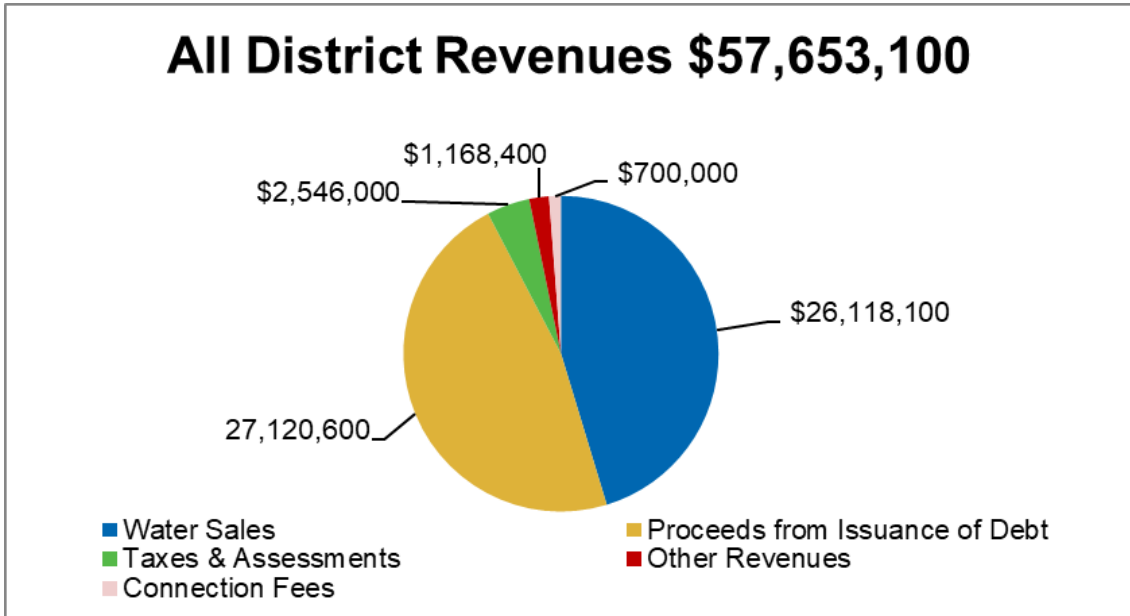
The funds are combined for purposes of formal financial reporting (audited financial statements). Budgets and descriptions for these funds can be found starting on page 49.

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:

- No increase to wholesale water rates
- Retail rate increase effective January 1, 2023 (7.6% increase on the volumetric rate and 8% increase on the fixed base rate)
- Overall wholesale water demand 17% greater than estimate for FY 2021-22. Comprised of:
 - 4.4% increase in sales to regular wholesale customers, specifically Citrus Heights Water District and Fair Oaks Water District
 - 2,994 acre feet sold outside of service area in a market rate groundwater substitution transfer (80% of maximum sale)
 - 2,600 acre feet sold to Sacramento Suburban Water District as part of the operations plan for the rehabilitation of the Hinkle Reservoir
 - 5% decline in retail water demand due to voluntary conservation messaging
- Property taxes increase 2%
- 5% increase in health care insurance costs
- Salary budget was prepared utilizing a new compensation schedule created with a market target of 5% above market median on a cash basis. Salary budget includes a 3.8% COLA, representing the average COLA awarded by the labor market as of June 22, 2022, since the compensation study was prepared
- Incentive Award Program funded at \$60,000 total
- No additional payment to unfunded pension liability as District expects to be fully funded with next valuation report
- Property Insurance increase of 33.5% due to California wildfires
- Liability insurance expected to increase by 55% due to claims experience and general industry cost increases

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, 2022	\$ 1,780,021	\$ 17,849,130	\$ 2,524,798	\$ 14,817,697	\$ 36,971,646
Revenues					
Proceeds from Issuance of Debt	\$ -	\$ 23,120,600	\$ -	\$ 4,000,000	\$ 27,120,600
Water Sales	11,003,900	-	15,114,200	-	26,118,100
Taxes & Assessments	-	1,273,000	-	1,273,000	2,546,000
Other Revenues	113,100	126,000	780,500	148,800	1,168,400
Connection Fees	-	200,000	-	500,000	700,000
Total Revenues	\$ 11,117,000	\$ 24,719,600	\$ 15,894,700	\$ 5,921,800	\$ 57,653,100
Expenses					
Capital Improvement Projects	\$ -	\$ 25,361,900	\$ -	\$ 13,472,100	\$ 38,834,000
Salaries & Benefits	3,959,700	-	5,730,600	-	9,690,300
Water Supply	1,906,600	-	3,134,800	-	5,041,400
Debt Service - Principal	851,300	-	510,900	-	1,362,200
Debt Service - Interest	686,300	-	406,500	-	1,092,800
Other Expenses	2,865,900	70,000	3,806,900	210,000	6,952,800
Total Expenses	\$ 10,269,800	\$ 25,431,900	\$ 13,589,700	\$ 13,682,100	\$ 62,973,500
Net Income	\$ 847,200	\$ (712,300)	\$ 2,305,000	\$ (7,760,300)	\$ (5,320,400)
Transfer In/(Out)	(573,200)	573,200	(2,111,800)	2,111,800	-
Ending Available Reserves Est.	\$ 2,054,021	\$ 17,710,030	\$ 2,717,998	\$ 9,169,197	\$ 31,651,246

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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 85% of all District revenues, excluding the proceeds from the issuance of debt. 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 3-Year Schedule for retail water rates in January 2022. A new rate study is will be undertaken this fiscal year for the wholesale division after completion of the Wholesale Master Plan.

Charts 1 and 2 show water deliveries and water revenues from FY 2011-12 to current.

WHOLESALE WATER DELIVERIES - ACRE FEET

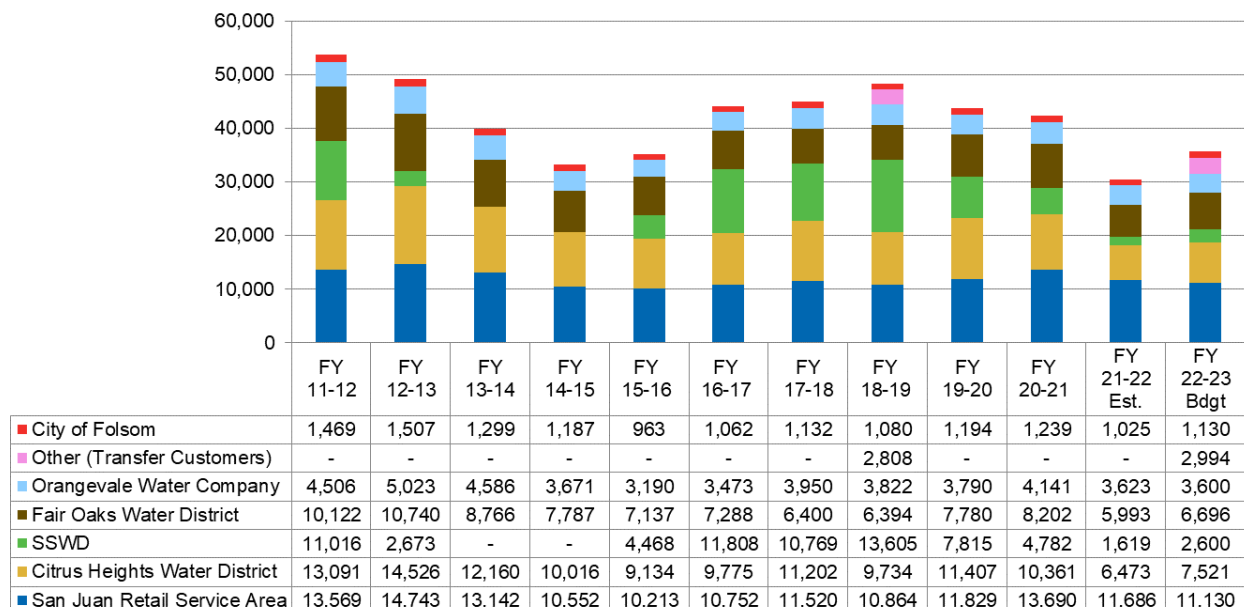


Chart 1

San Juan Water District

Fiscal Year 2022-23 Budget

The 2012-2016 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. In FY 2020-21 SSWD was unable to purchase raw water from PCWA. However, they entered into an agreement with the District wherein the District sold its own treated water to SSWD.

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 2018-19 but has been declining ever since, reaching an expected low of 30,419 acre feet in FY 2021-22. It is expected to increase by 17.2% this budget year due to increased surface water purchases from Citrus Heights Water District and Fair Oaks Water District, combined with a market based groundwater substitution transfer.

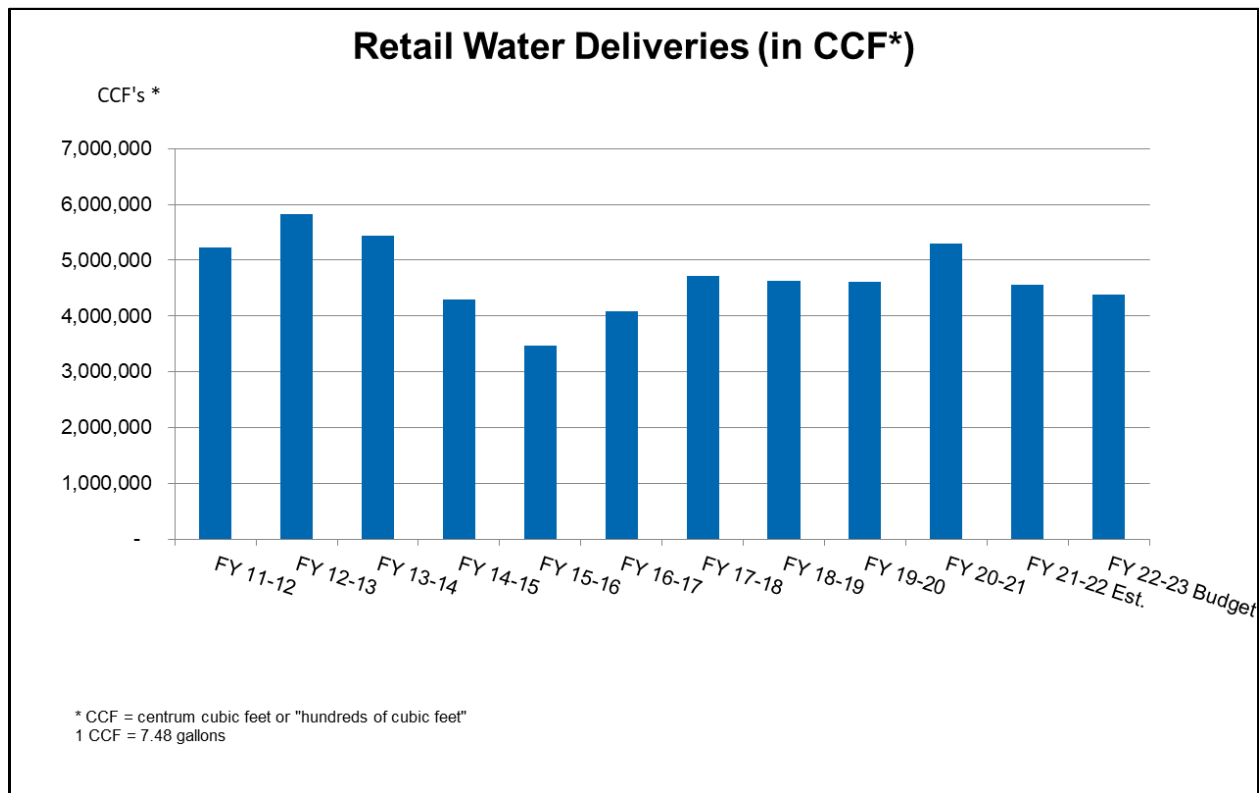


Chart 2

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. It remained stable in FY 2019-20 with just a ½ percent decline from the prior year. While the District planned for decreased water demand during the pandemic, the opposite occurred, with FY 2020-21 demand exceeding the prior year by 15%. The District is anticipating a 14% decline in FY 2021-22 due to weather patterns and conservation messaging. Demand is expected to increase by approximately 4% for the 2022-23 Fiscal Year, based on the historical 5 year water use.

Water Sale Revenues (in millions\$)

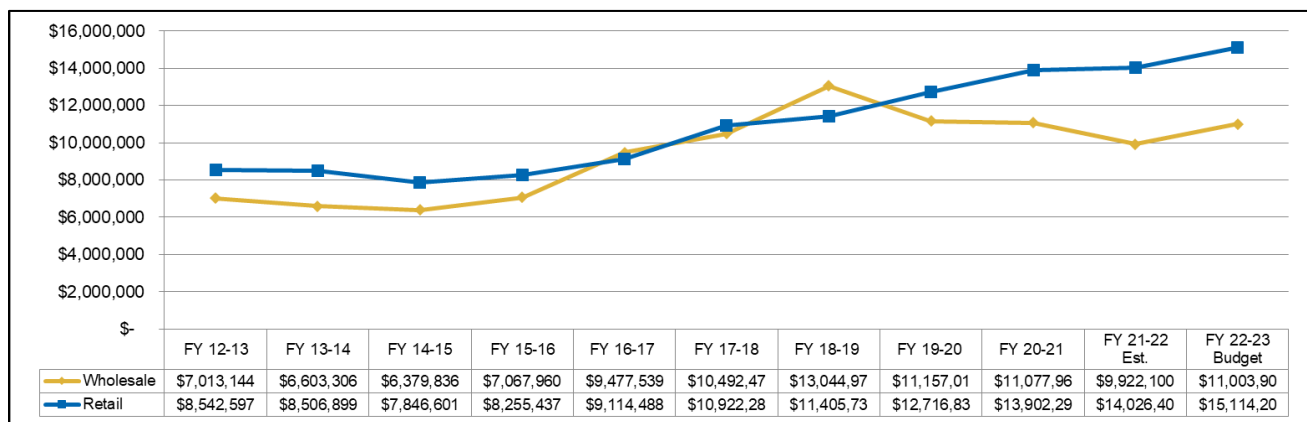


Chart 3

Wholesale water sale revenues declined steadily from FY 2011-1 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 peaked at 34,703 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.
- Increased rates. On January 11, 2017, the Board of Directors approved a 5-Year Rate Schedule, which allows for a 16% effective increase to go into effect on January 1, 2017, 9% per year for January 2018 through January 2020 and 5% in January 2021.

Wholesale water sale revenue declined in FY 2019-20, in spite of the rate increase and increased sales to the wholesale customer agencies, due to SSWD taking less PCWA 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 held steady in FY 2020-21, in spite of a planned 5% effective rate increase on January 1, 2021.

San Juan Water District

Fiscal Year 2022-23 Budget

Due to hydrologic conditions, SSWD was not able to take its PCWA water. However, the two water districts entered into an agreement wherein SSWD is purchasing treated water directly from the District. While the District earns more money by selling its own water to the SSWD, as opposed to simply treating their PCWA water, the amount sold was 2,340 acre-feet less than what was treated in the prior year, resulting in a decline in revenues. Wholesale water sale revenues are expected to fall in Fiscal Year 2021-22 due a general decline in demand, most notably from Citrus Heights Water District and Fair Oaks Water District. However, that decline in demand is expected to reverse for the 2022-23 fiscal year. Even though rates are expected to remain unchanged, due to increased demand projections from the wholesale customer agencies, and a planned groundwater substitution transfer, wholesale water sale revenues are expected to increase by 10% over the prior year.

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%.

Water sale revenues increased 11.5% in FY 2019-20 due to the 8% effective rate increases on January 1, 2019 and 2020, and stable consumption (0.55% decline).

The last rate increase from the 5-year rate plan went into effect on January 1, 2021. This 6% effective increase was 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%. However, the pandemic resulted in an increase, not a decrease in water sales and the FY 2020-21 retail water sales revenues increased by 9% from the prior year.

Retail water sales revenues are expected to hold relatively constant for fiscal year 2021-22, in spite of the February 2022 rate increase, due to lower than expected demand.

For the FY 2022-23 budget, the District assumes revenues will increase by 7.8% due to an approximate 4% increase in demand, combined with an 8% rate increase scheduled for January 2023.

Property Tax

Representing about 8% of total District revenues, excluding the proceeds from the issuance of debt, Property Taxes are usually 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

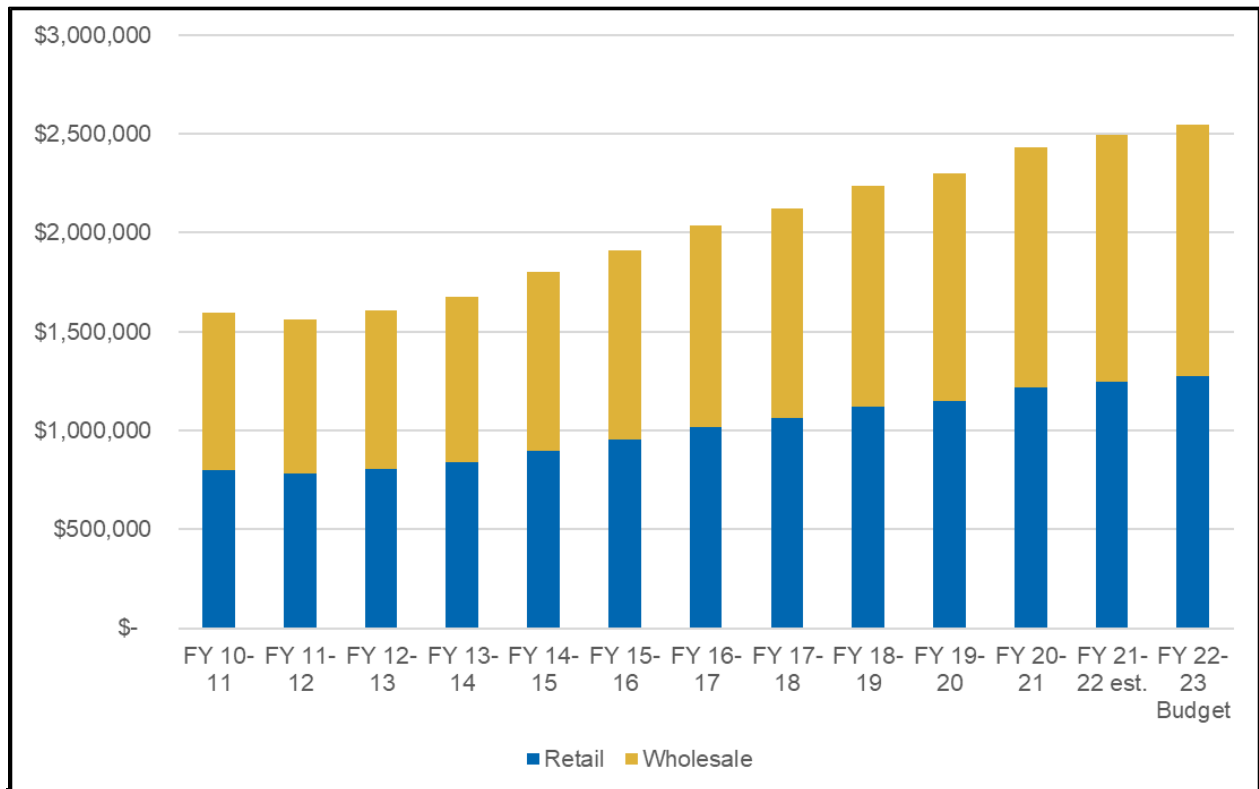


Chart 4

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. The pandemic does not appear to have had a negative effect on property values.

Proceeds from the Issuance of New Debt

The San Juan Water District strives to be on a pay as you go basis for funding the capital program. This means the District needs to build up significant reserves so that cash is on hand when infrastructure needs to be replaced. The majority of the capital replacement program is funded with accumulated reserves. The existing reserves of the District are not currently sufficient to fund two large infrastructure projects:

Project	Total Project Cost	FY 2022-23 Debt Financing
Replacement of the Hinkle Reservoir Cover and Liner	\$ 24,331,100	\$ 23,120,600
Replacement of the transmission pipeline in Eureka Road, between Barton and Auburn Folsom Roads	\$ 4,000,000	\$ 4,000,000

Both projects will utilize the State of California’s Drinking Water Revolving Loan Fund, which offers project financing at lower than market rate. The District secured a loan agreement at 1.2% interest and a repayment period of 30 years for the Hinkle Reservoir project. The loan application for the Eureka Road project is in progress.

The District may not take the full loan proceeds for the Hinkle Reservoir project as the Wholesale capital fund has strong reserves. How much debt to take will be analyzed in the upcoming Wholesale Financial Plan.

Salaries and Benefits

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

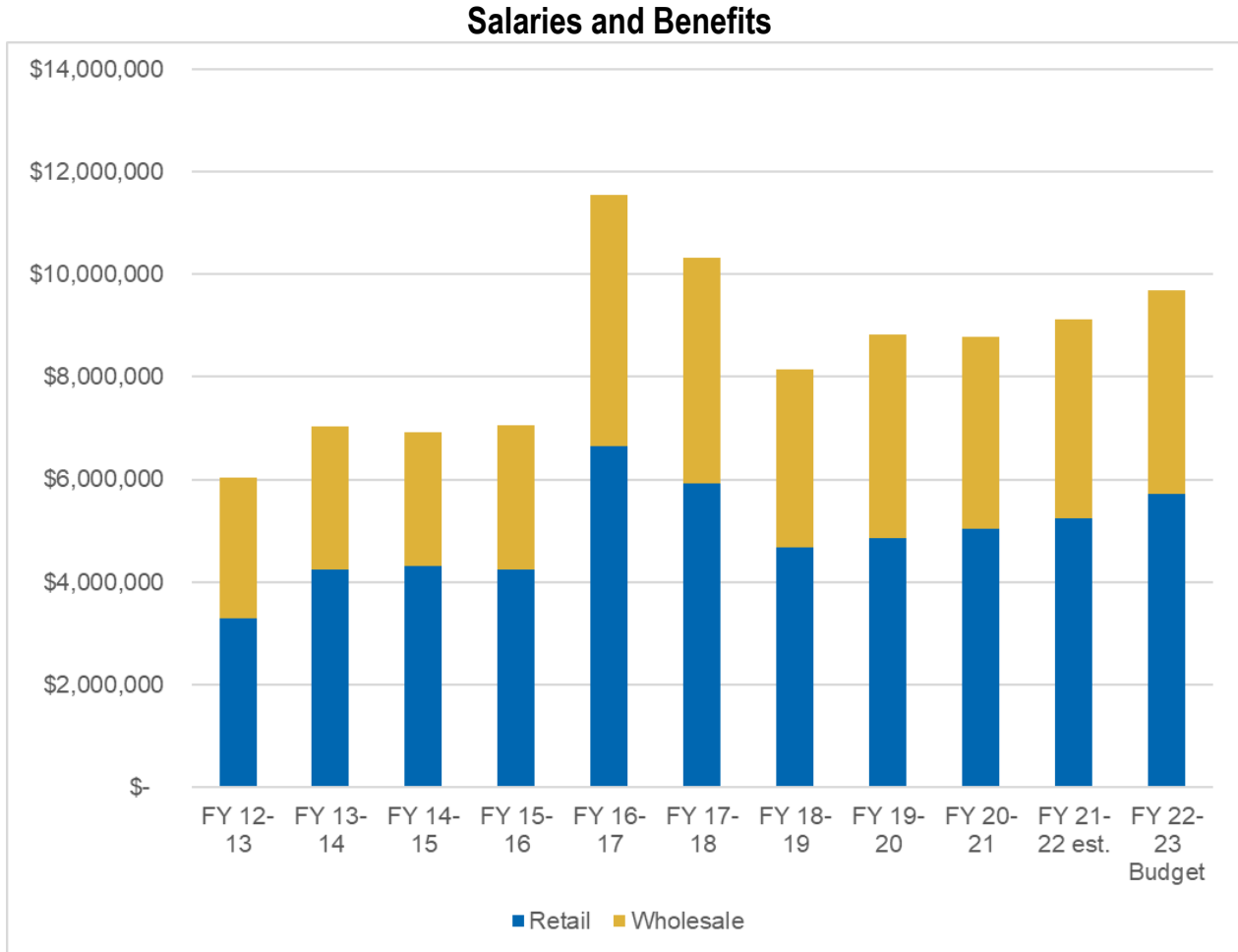


Chart 5

Chart 5 depicts a spike in Salary and Benefit costs in FY 2016-17, followed by a decline through FY 2018-19, then a jagged overall increase through FY 2021-22. 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 10.2% in FY 2022-23 or \$928,700 due to the following factors:

- One new position. 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. In FY 2021-22 the Board approved the addition of a Meter Maintenance Technician to assist in the newly created meter replacement program. The district's meters were originally between 1997 and 2004. With an expected life cycle of 20-25 years the time has come for the District to implement a meter replacement program. This program will replace approximately 515 meters annual, resulting in a 20 year replacement cycle. The District now has 49 Full Time Equivalent (FTE) positions.
- Revised salary schedule. 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. During the 2019 Compensation Study process the Board of Directors changed their target market position for total compensation from "10% above market average", to "market median". As a result, the majority of District employees pay was frozen. The District completed another compensation study in the spring of 2022 and the Board decided to adjust the market target to 5% above market median total cash. This will result in 20 employees getting a pay increase to bring them to the bottom of the new range and will "unfreeze" pay for all employees that were still on the previously frozen salary schedule.
- Cost of Living Adjustment: the District's practice is to award a cost of living adjustment each July, based on the previous March over March Consumer Price Index for West Cities B. The March index showed a 9% increase. However, the compensation study referenced above included market data as of April 2022 so utilizing the March of March CPI is not appropriate. Instead, the Board directed staff to include a 3.8% COLA in this budget, representing the average COLA awarded by the District's labor market, subsequent to April 2022, (comparator agencies in the compensation study) as of June 22, 2022.
- Increase of 5% in health benefit costs.

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 2019-20 were 36,292 acre-feet and are anticipated to be 37,229 acre-feet for FY 2020-21, and 34,134 for FY 2021-22, excluding pass through deliveries for SSWD.

Wholesale Water Supply Cost

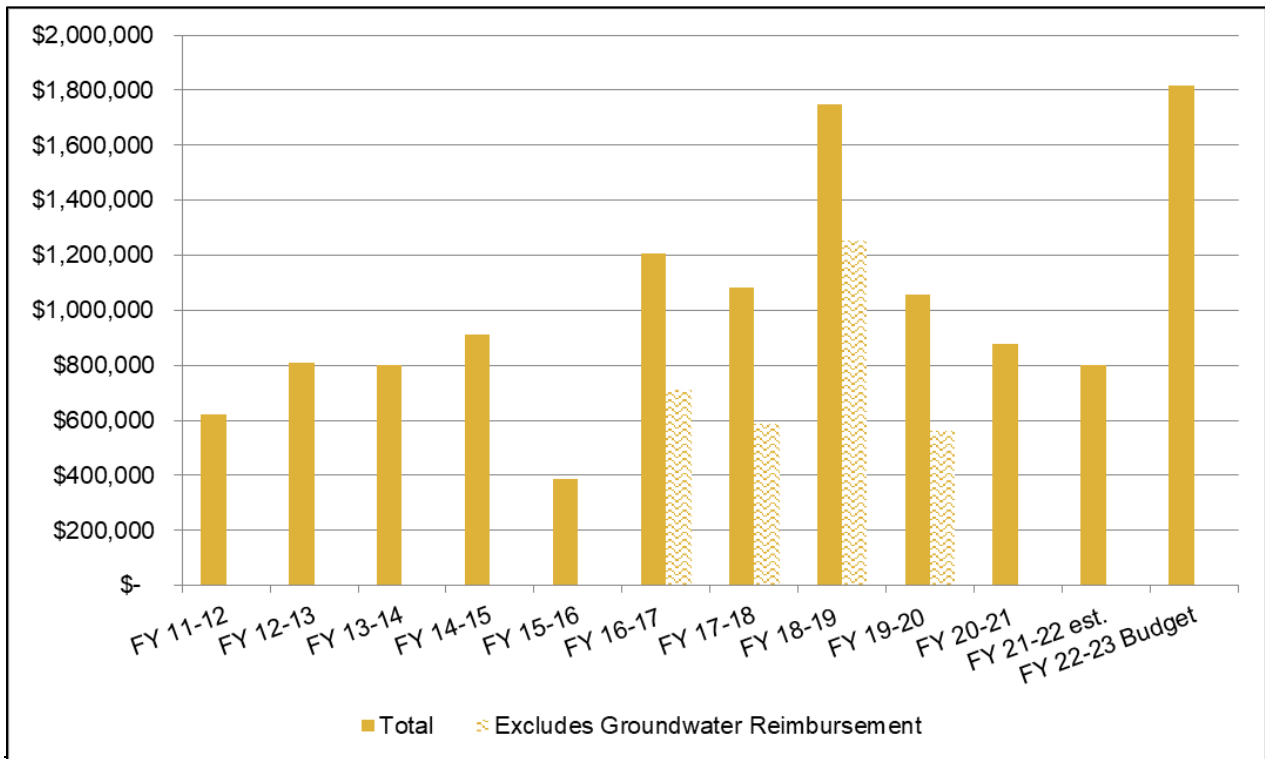


Chart 6

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 were in line with FY 2017-18 with no groundwater substitution transfer and no substantial change in water demand.

San Juan Water District

Fiscal Year 2022-23 Budget

The groundwater reimbursement payments to Citrus Heights and Fair Oaks Water Districts were completed in FY 2019-20, reducing annual costs by \$495,400. Thus, supply costs for FY 2020-201 decreased.

Water Supply costs for FY 2021-22 are expected to be 8% lower than the prior year as the District is purchasing less water from PCWA thereby reducing the wheeling charges.

The District anticipates paying approximately \$1 million in FY 2022-23 pay for the environmental review necessary to renew the District's Warrant Act (or wheeling) agreement with the U.S. Bureau of Reclamation.

Capital Spending

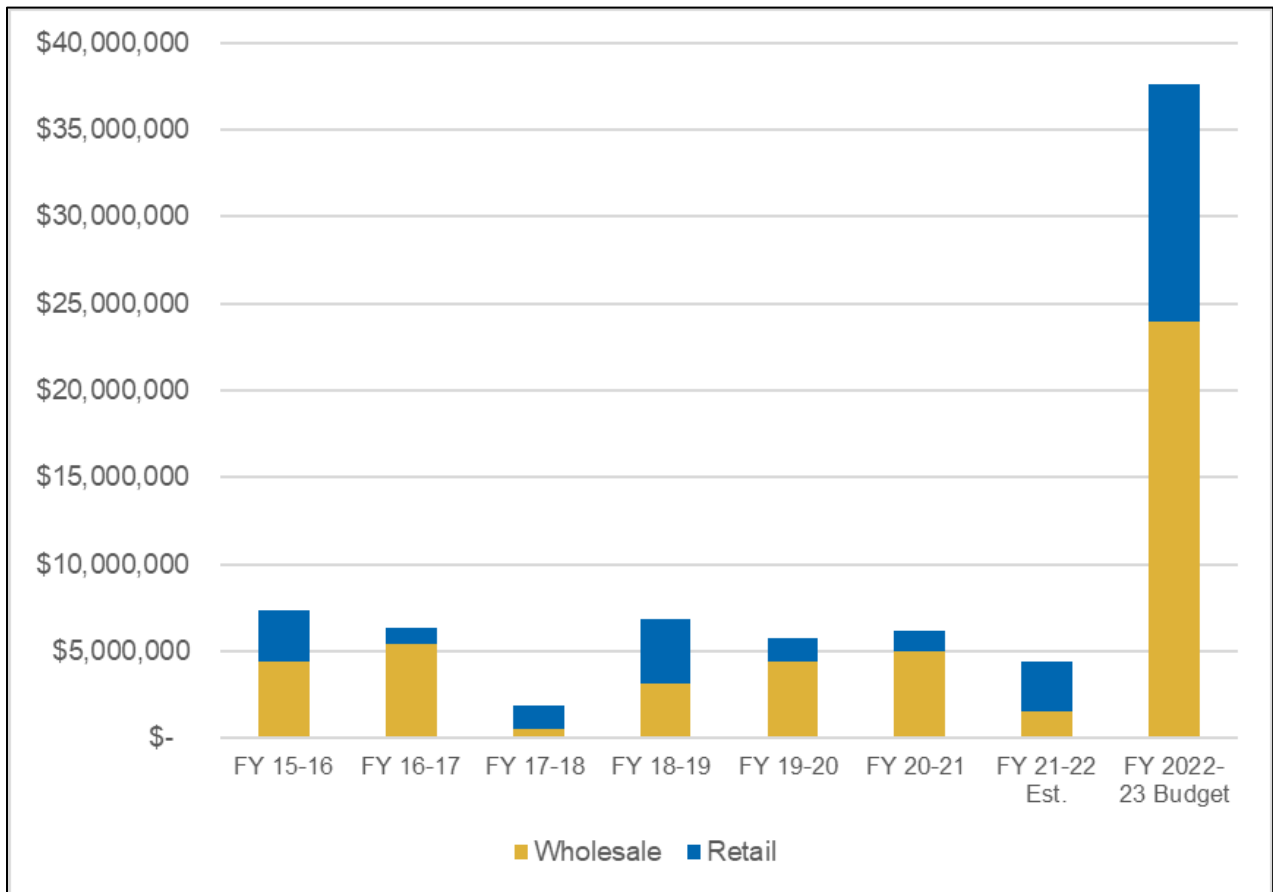


Chart 7

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 an eight year planned high of \$37.6 million.

The FY 2022-23 capital spending budget is consists predominately of wholesale’s Hinkle Reservoir Rehabilitation project. Total project costs are in excess of \$24 million. More information on the project can be found on page 57. The retail division plans to spend \$13.7 million on capital projects in FY 2022-23, the largest project being the replacement of transmission pipeline in Eureka Road, between Barton Road and Auburn Folsom Road. This project will also utilize financing from the California State Drinking Water Revolving Loan Fund.

A complete list of projects planned for FY 2022-23 can be found starting on page 57 and 65 of this document.

Reserve Summary

Wholesale and Retail Operating and Capital Reserves Combined

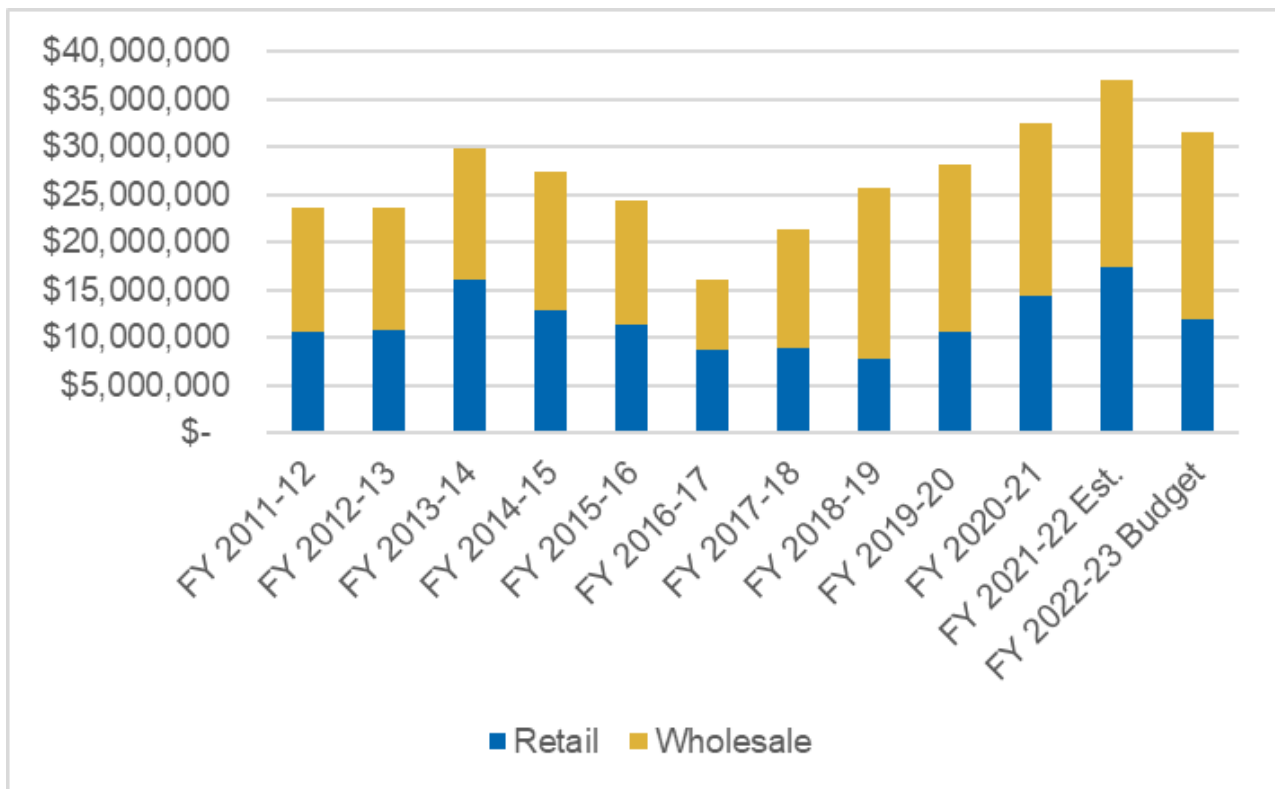


Chart 8

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 was able to achieve a funded rate of approximately 95%, one of the highest funded rates in the State of California. With the pension plans FY 2020-21 investment return of 21.3%, the District anticipates it's next valuation will show that the pension plans are now fully funded. 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.
- *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. The 2012 Refunding Bonds were refunded on February 1, 2022, resulting in total interest savings of approximately \$1.75 million through FY 2032-33.
- *Utilization of California State Water Resources Control Board's revolving loan fund program (SRF).* The SRF grants low interest rate loans for drinking water capital improvement projects. While the process of obtaining the loan is long (up to two years or more), the low interest rate generates significant savings. For example. The District just secured an SRF loan for the Hinkle Reservoir project at 1.2% interest. If the District were to finance this project through a traditional bond issuance, the interest rate would be closer to 4%, increasing debt service costs by at least \$12 million over 30 years. The District intends to utilize the SRF program whenever possible.
- *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.
- *Groundwater Substitution Transfers:* 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. The District is currently negotiating its second groundwater substitution transfer, to occur in FY 2022-23. It is estimated to generate net revenues in excess of \$700,000.
- *Water Transfers:* The Sacramento Suburban Water District (SSWD) has an agreement with PCWA to purchase surface water in years where the unimpaired flow into Folsom Lake exceeds a certain level. The District treats the raw PCWA water diverted from Folsom Lake for the SSWD. While these revenues are not guaranteed on an annual basis, they have significantly contributed to wholesale reserves. In August of 2020, the District entered into a pilot agreement with the Sacramento Suburban Water District (SSWD) in August 2020 to sell them up to 4,000 acre feet of the District's water, in addition to treating any PCWA they may take. This program was successful for both agencies. Another agreement was entered into in February 2021 for the sale of up to 6,000 acre feet of District water to SSWD, from March 1, 2020 through February 2022. The District currently estimates that it will have sold 1,619 acre feet to SSWD, generating additional revenues of \$495,600 for the 2021-22 fiscal year.
- *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 become obsolete. Given a number of factors, particularly the current tight labor market, the Board gave direction to staff to prepare a new salary schedule that is 5% above market median total cash. While this will increase costs, there were significant savings in the three years prior and the District needs the increased salaries for retention and attraction of highly qualified employees.

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OPERATING FUNDS



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 44.

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 valves 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.

Prior Year Report Card & Current Year Operations Plan

The District’s 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. It can be viewed on the District’s website at: <https://www.sjwd.org/strategic-operations-plans>

The following tables comprise both the Operations Plan Report Card for Fiscal Year 2021-22 and the Operations Plan for Fiscal Year 2022-23. They are 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 in the Operations Plan. A target date for accomplishing the action is also listed, and District staff will be reporting regularly on the status of completing each action. The report card for the prior year shows if actions were completed, on track, delayed or have issues.

Operations Plan Report Card FY 2021 -22

On Track
Delayed
Issues

ADMINISTRATION/WATER RESOURCES/IT	Task	Original Target Date	Updated Target Date	Completion Date	Comments
	Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable.	Ongoing		Ongoing	
	Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought.	Ongoing		Ongoing	
	Represent the District's interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank	Ongoing		Ongoing	
	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	Ongoing		Ongoing	
	Represent the District's interests in the update of the Water Forum Agreement, including participation in various committees and workgroups	Ongoing		Ongoing	
	Develop an agreement with PCWA to provide treatment and conveyance capacity for their West County water supply needs.	Subject to PCWA timeline		Subj to PCWA	
	Represent the District's interests in the preparation and completion of the Sacramento Groundwater Authority's Groundwater Sustainability Plan	12/2021		12/2021	
	If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer	6/2022		6/2022	
	Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation	Pre-14 > 4/1/22 Post-14 > 4/1/22 Reclamation > 3/31/22		Pre-14 > 3/28/22 Post-14 > 3/28/22 Reclamation 3/14/22	
	Provide Monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries	The 10 th of the following month			
	2 nd Annual SJWD Employee Kids Day	7/2022	8/2023		Postponed to next year
	Update District Ordinances	6/2022	6/2023		
	Facilitate Records Inventory Process	6/2022	6/2023		Delayed
CUSTOMER SERVICE	Task	Target Date	Updated Target Date	Completion Date	Comments
	Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover	Ongoing			
	Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	Ongoing			

Operations Plan Report Card FY 2021 -22



DISTRIBUTION (Field Services)

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete the 2021-22 CO-OP Maintenance Program	6/2022		4/13/2022	
Complete the 2021-22 Cross Connection Control Program	12/2021		12/14/2021	
Complete the 2021-22 Leak Detection Program	6/2022		5/17/2022	
Complete the 2021-22 Air/Vacuum Relief Valve Program	6/2022		12/17/2021	
Complete the 2021-22 Dead End Flushing Program	6/2022		2/24/2022	
Complete the 2021-22 Valve Exercise Program	6/2022		6/23/2022	
Complete the 2021-22 Hydrant Maintenance Program	6/2022		6/23/2022	
Implement the new District Meter Replacement and Testing Program	6/2022		2/7/2022	

ENGINEERING SERVICES

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete the SJWD/PCWA Intertie	12/2021		1/7/2022	Complete
Complete an update of the Wholesale Master Plan	6/2022	7/2022		Ongoing
Complete the design of the Kokilia Reservoir/Tank Project	6/2022		6/2022	Complete
Complete construction of the following pipeline and service replacement projects: <ul style="list-style-type: none"> • Cavitt Stallman Pipeline Project • Auburn Folsom Pipeline Project • Woodminster Cir Services Replacement • Margo Dr Services Replacement 	6/2022		1/5/2022	Complete
Complete construction of the Field Services Parts and Materials Shelter	6/2022	6/2023		Project postponed for 1-year due to recent Bids exceeding budget

FINANCE and HUMAN RESOURCES

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete funding agreement for State Revolving Loan Funds for Hinkle Reservoir Project	8/2021	6/2022	5/12/2022	Project delayed due to drought.
Complete funding agreement for State Revolving Loan Funds for Kokilia Reservoir Project	12/2021	12/31/2022		General and Financial applications are complete. Anticipate submitting Environmental and Technical Applications by the end of July 2022.
Complete funding agreement for State Revolving Loan Funds for Eureka Road Transmission Pipeline Replacement Project	12/2021	ASAP		All applications have been submitted. Waiting on review and draft agreement from the State.

Operations Plan Report Card FY 2021 -22

FINANCE and HUMAN RESOURCES (con't)



On Track
Delayed
Issues

Task	Target Date	Updated Target Date	Completion Date	Comments
Refinance 2012 Refunding Bonds	12/2021	2/1/2022	2/1/2022	Complete
Complete 5-Year Retail Financial Plan and Rate Study	8/2021		8/2021	Complete
Commence 5-Year Wholesale Financial Plan and Rate Study	6/2022	8/1/2022		Pending completion of Master Plan. Contract is executed, we are on stand by.
Complete revisions to Treatment Plant Shift Operators MOU	12/2021	12/1/2022		Workload priorities shifted due to FLSA issues, pandemic and staffing shortage.
Conduct Compensation Study	6/2022		6/2/2022	

WATER EFFICIENCY

Task	Target Date	Updated Target Date	Completion Date	Comments
Rehabilitate outdated sections of the demonstration WEL (Water Efficient Landscape) Garden (wholesale)	6/2022		4/2022	Complete
Provide 4 educational customer workshops (wholesale)	6/2022	9/2022		Workshops span April to September
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements	6/2022			On Track
Conduct a student art calendar contest to be distributed to all wholesale agencies	6/2022	5/2022		
Test and replace inoperable radio read units upon failure and send failed meter information to Field Services for replacement.	Ongoing			Changed to ongoing task.
Complete landscape area measurements for SWRCB conservation requirements	6/2022	8/2022		Pending CS becoming fully staffed
Evaluate SWRCB variance process and submit any variance requests that would improve the District's aggregate water budget.	6/2022	8/2022		Pending CS becoming fully staffed

WATER TREATMENT

Task	Target Date	Updated Target Date	Completion Date	Comments
Complete Land Maintenance Project at Baldwin Reservoir to Reduce Fire Danger	6/2022		6/2022	
Integrate In-plant pumps into SCADA System	5/2022	8/2022		Programming set for August
Replace Wholesale Meter Network Switches	4/2022		12/3/2021	
Retrofit North Filter Lighting and Circuitry to Energy Efficient LED	12/2021		9/15/2021	

Administration/Water Resources/IT

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Update the District’s Strategic Plan	All	All	6/2023
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
Represent the District’s interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank	A	1, 2, 4	Ongoing
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	Subject to PCWA timeline
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer	A	5	6/2023
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation	A	All	Post-14 > 2/2023 Pre-14 > 2/2023 Reclamation > 3/2023
Prepare environmental review documents for Warren Act Contract Renewal	A	5	6/2023
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 10 th of the following month
Plan 2 nd Annual SJWD Employee Kids Day	E	3	7/2023
Complete Board Ordinance Updates	C	1	6/2023
Facilitate Records Inventory Process	C	1	6/2023

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	6/2023
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	C	2,3	6/2023
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing	C	3	6/2023
Improve customer messaging with better utilization of our email communication software and more timely updates on the District website	C	1,5,7	12/2022
Improve billing process for hydrant meter rentals. Explore adding the process to Tyler UB for better billing and tracking and collecting options	C	3,4	2/2023

Distribution (Field Services)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2023 CO-OP Maintenance Program: <ul style="list-style-type: none"> Inspect and maintain all of the appurtenances on the Cooperative Transmission Mainlines Exercise all mainline valves on the Cooperative Transmission Mainlines 	B	2	6/2023
Complete the 2022 Cross Connection Control Program: <ul style="list-style-type: none"> Test 100% of the District Backflows Re-Test 100% of the failed backflows Repair or replace all failed backflows 	B	2	12/2022
Complete the 2023 Leak Detection Program: <ul style="list-style-type: none"> Complete the next phase of the Districts Leak Detection Program Repair all leaks found during the inspection in a timely manner 	B	2	6/2023
Complete the 2022 Air/Vacuum Relief Valve Program <ul style="list-style-type: none"> Inspect and maintain 160 ARVs 	B	2	12/2022
Complete the 2023 Dead End Flushing Program: <ul style="list-style-type: none"> Inspect, maintain, and flush all of the Districts 501 dead end sites Repair or replace all broken blow off valves 	B	2	6/2023

Distribution (Field Services) (con't)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2023 Valve Exercise Program: <ul style="list-style-type: none"> Inspect, maintain, and exercise 1,000 mainline valves Repair or replace all broken mainline valves 	B	2	6/2023
Complete the 2023 Hydrant Maintenance Program: <ul style="list-style-type: none"> Inspect, maintain, and exercise 300 fire hydrants Repair or upgrade all broken fire hydrants 	B	2	6/2023
Implement the new District Meter Replacement and Testing Program: <ul style="list-style-type: none"> Test and replace or repair as needed all large meters (3" and above) Test and replace or repair as needed 27 intermediate meters (1.5" to 2.5") Upgrade 515 residential meters (1" and below) Test 371 residential meters (1" and below) Install 2,100 Radio Read End Points 	B	2	6/2023

Engineering Services

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete construction of the Hinkle Reservoir Liner and Cover Replacement Project	B	1, 3	5/2023
Complete construction of the Eureka Road Pipeline Replacement Project	B	3	1/2023
Complete the design and construction of the Administration Building Electrical Service Upgrade Project	B	3	6/2023
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs	B	3	6/2023
Complete design and construction of the Lime Tower Improvements Project	B	3	6/2023

Finance and Human Resources

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete a Cost Allocation Study	D	1	12/2022
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project	D	3 a.	6/2023
Complete funding agreement for State Revolving Loan Funds for Eureka Road Transmission Pipeline Replacement Project	D	3 a.	12/2022
Complete Wholesale Financial Plan and Rate Study	D	1	12/2022
Update Personnel Manual	E	3	12/2022
Complete improvements to the Administration Building back deck to improve outdoor meeting space	E	3	12/2022
Fill any open positions within six months	E	5	6/2023
Complete annual performance evaluations by the end of February	E	6	2/2023
Complete revisions to Treatment Plant Shift Operators MOU	E	6	6/2023
Review and improve Accounts Receivable billing and collection processes	D	4	6/2023

Water Efficiency

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Provide 6 educational customer workshops (wholesale)	C	2,7	6/2023
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements	C	1,2,5	6/2023
Conduct a student art calendar contest to be distributed to all wholesale agencies	C	2,7	5/2023
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement.	C	3,5	6/2023
Engage retail and wholesale customers to increase participation in the usage reductions needed for the Hinkle replacement project	C	1,5,7	4/2023

Water Treatment

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete Hinkle Reservoir Liner Replacement	B	2	5/2023
Purchase and Add 34 Tons of Anthracite Filter Media	B	2	6/2023
Complete Chlorine Maintenance Training	B	2	11/2022
Replace 28 Online Water Turbidity Meters	B	2	12/2022

San Juan Water District

Fiscal Year 2022-23 Budget

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 44.

FISCAL YEAR 2022-23 BUDGET

	<u>Wholesale Operations</u>
Est. Beginning Available Reserves July 1, 2022	\$ 1,780,021
Revenues	
Water Sales	11,003,900
Other Revenues	113,100
Total Revenues	<u>\$ 11,117,000</u>
Expenses	
Salaries & Benefits	\$ 3,959,700
Water Supply	1,906,600
Other Expenses	2,865,900
Debt Service - Interest	686,300
Debt Service - Principal	851,300
Total Expenses	<u>\$ 10,269,800</u>
Net Income	<u>\$ 847,200</u>
Transfer In/(Out)	(573,200)
Est. Ending Available Reserves June 30, 2023	<u>\$ 2,054,021</u>

WHOLESALE OPERATING FUND SUMMARY

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 Estimate	FY 2022-23 Proposed Budget
Est. Beginning Available Reserves	\$ 2,390,365	\$ 1,784,360	\$ 1,733,755	\$ 1,834,921	\$ 1,780,021
Revenues					
Water Sales	13,044,976	11,157,014	11,077,962	9,922,100	11,003,900
Other Revenues	356,641	294,047	139,064	126,000	113,100
Total Revenues	\$ 13,401,617	\$ 11,451,061	\$ 11,217,026	\$ 10,048,100	\$ 11,117,000
Expenses					
Administration and General					
Salaries & Benefits	\$ 1,297,958	\$ 1,347,397	\$ 1,466,215	\$ 1,570,400	\$ 1,622,700
Professional Services	544,709	48,729	425,766	505,300	557,700
Maintenance and Repair	10,268	11,298	13,948	19,300	29,400
Materials and Supplies	28,136	68,164	21,305	34,000	31,200
Other Expenses	335,696	391,591	507,632	401,400	552,900
Total Administration and General	2,216,767	2,237,179	2,434,864	2,530,400	2,793,900
Water Treatment Plant					
Salaries & Benefits	1,827,697	1,914,002	1,917,977	1,901,200	1,931,400
Professional Services	69,133	95,835	29,030	124,400	142,000
Maintenance and Repair	251,209	303,572	239,695	362,100	374,900
Materials and Supplies	499,656	489,061	455,985	581,800	749,600
Other Expenses	219,673	214,613	232,403	269,100	327,300
Total Water Treatment Plant	2,867,367	3,017,082	2,875,089	3,238,600	3,525,200
Water Supply					
Placer County Water Agency	403,495	413,785	680,925	655,700	635,400
Purchase of Treated Water (Groundwater)	1,197,360	495,360	-	-	-
Pumping to Treatment Plant	95,556	93,687	96,506	95,000	100,000
Pre - 1914 Water Rights Water	22,527	26,274	27,799	30,600	33,500
Central Valley Project Water	2,661	-	-	-	-
Other	27,977	28,794	74,064	20,100	113,700
Total Water Supply	1,749,576	1,057,900	879,294	801,400	1,906,600
Engineering					
Salaries & Benefits	340,166	341,241	341,700	350,500	365,500
Professional Services	48,489	10,859	130,133	42,800	42,500
Maintenance and Repair	2,317	2,433	2,108	4,500	2,300
Materials and Supplies	1,083	1,295	1,666	3,600	8,600
Other Expenses	4,893	3,706	10,347	5,800	15,300
Total Engineering	396,948	359,535	485,954	407,200	434,200
Water Efficiency					
Salaries & Benefits	-	-	34,874	36,800	40,100
Professional Services	250	500	-	2,000	6,000
Maintenance and Repair	15,179	12,425	10,734	17,000	19,000
Materials and Supplies	-	-	-	600	600
Other Expenses	3,829	3,825	114	10,100	5,100
Total Water Efficiency	19,259	16,750	45,722	66,500	70,800
Non-Departmental					
Debt Service - Principal	675,929	698,450	717,893	762,900	851,300
Debt Service - Interest	893,979	868,865	896,614	792,700	686,300
Other	1,474	1,441	1,517	68,200	1,500
Total Non-Departmental	1,571,381	1,568,756	1,616,024	1,623,800	1,539,100
Total Expenses	\$ 8,821,298	\$ 8,257,201	\$ 8,336,947	\$ 8,667,900	\$ 10,269,800
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(5,186,325)	(3,244,465)	(2,778,914)	(1,435,100)	(573,200)
Est. Ending Available Reserves	\$ 1,784,360	\$ 1,733,755	\$ 1,834,921	\$ 1,780,021	\$ 2,054,021

San Juan Water District

Fiscal Year 2022-23 Budget

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 44.

FISCAL YEAR 2022-23 BUDGET

	<u>Retail Operations</u>
Est. Beginning Available Reserves July 1, 2022	\$ 2,524,798
Revenues	
Water Sales	15,114,200
Other Revenues	780,500
Total Revenues	<u>\$ 15,894,700</u>
Expenses	
Salaries & Benefits	\$ 5,730,600
Treated Water	3,134,800
Other Expenses	3,806,900
Debt Service - Interest	406,500
Debt Service - Principal	510,900
Total Expenses	<u>\$ 13,589,700</u>
Net Income	<u>\$ 2,305,000</u>
Transfer In/(Out)	(2,111,800)
Est. Ending Available Reserves June 30, 2023	<u>\$ 2,717,998</u>

RETAIL OPERATING FUND SUMMARY

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 Estimate	FY 2022-23 Proposed Budget
Est. Beginning Available Reserves	\$ 1,973,484	\$ 2,358,680	\$ 2,525,341	\$ 2,691,098	\$ 2,524,798
Revenues					
Water Sales	11405,735	12,716,838	13,902,296	14,026,400	15,114,200
Other Revenues	521,986	635,438	620,108	592,900	780,500
Total Revenues	\$ 11,927,721	\$ 13,352,276	\$ 14,522,404	\$ 14,619,300	\$ 15,894,700
Expenses					
Administration and General					
Salaries & Benefits	\$ 1,039,897	\$ 1,105,749	\$ 1,229,681	\$ 1,340,200	\$ 1,386,200
Professional Services	278,762	179,110	239,323	230,700	223,200
Maintenance and Repair	10,624	10,962	13,948	19,100	19,200
Materials and Supplies	30,943	66,296	25,406	29,000	20,900
Other Expenses	223,311	276,858	281,896	277,200	405,600
Total Administration and General	1,583,536	1,638,974	1,790,255	1,896,200	2,055,100
Distribution System					
Salaries & Benefits	2,423,557	2,410,049	2,462,426	2,583,400	2,924,600
Professional Services	88,195	109,821	155,208	100,900	116,800
Maintenance and Repair	391,218	357,439	672,168	994,800	1,204,000
Materials and Supplies	350,814	365,388	434,814	448,400	568,400
Other Expenses	397,977	428,572	492,481	529,700	632,500
Total Distribution System	3,651,761	3,671,270	4,217,097	4,657,200	5,446,300
Water Supply					
Purchase Water from Wholesale	3,027,505	3,100,315	3,306,939	3,236,200	3,134,800
Total Water Supply	3,027,505	3,100,315	3,306,939	3,236,200	3,134,800
Engineering					
Salaries & Benefits	378,133	389,268	389,241	396,900	396,700
Professional Services	75,246	9,379	55,302	60,800	162,500
Maintenance and Repair	2,402	2,824	2,108	4,900	2,700
Materials and Supplies	1,455	1,563	1,964	7,100	14,800
Other Expenses	6,358	8,338	5,434	8,500	17,300
Total Engineering	463,594	411,372	454,050	478,200	594,000
Water Efficiency					
Salaries & Benefits	373,540	390,022	413,969	410,300	445,200
Professional Services	7,981	2,500	28,121	53,400	3,000
Maintenance and Repair	1,779	1,515	322	2,000	500
Materials and Supplies	1,570	1,494	325	10,000	8,300
Other Expenses	37,637	40,347	39,317	51,500	53,100
Total Water Efficiency	422,506	435,878	482,054	527,200	510,100
Customer Service					
Salaries & Benefits	464,958	559,789	534,818	522,700	577,900
Professional Services	105,723	67,918	20,413	30,100	137,100
Maintenance and Repair	4,178	2,851	6,209	3,800	2,100
Materials and Supplies	30,214	30,852	31,817	30,400	34,000
Other Expenses	90,057	112,190	133,080	166,900	179,400
Total Customer Service	695,131	773,601	726,336	753,900	930,500
Non-Departmental					
Debt Service - Principal	374,072	386,550	404,307	422,100	510,900
Debt Service - Interest	531,093	483,747	498,199	422,600	406,500
Other	(31,949)	1,441	1,487	37,400	1,500
Total Non-Departmental	873,215	871,737	903,992	882,100	918,900
Total Expenses	\$ 10,717,248	\$ 10,903,147	\$ 11,880,722	\$ 12,431,000	\$ 13,589,700
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(825,277)	(2,282,468)	(2,475,925)	(2,354,600)	(2,111,800)
Est. Ending Available Reserves	\$ 2,358,680	\$ 2,525,341	\$ 2,691,098	\$ 2,524,798	\$ 2,717,998

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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 starting on page 57.

FISCAL YEAR 2022-23 BUDGET

	<u>Wholesale Capital Outlay</u>	
Est. Beginning Available Reserves July 1, 2022	\$	17,849,130
Revenues		
Proceeds from Issuance of Debt		23,120,600
Taxes & Assessments		1,273,000
Connection Fees		200,000
Other Revenues		126,000
Total Revenues	\$	24,719,600
Expenses		
Capital Improvement Projects		25,361,900
Professional Services		70,000
Total Expenses	\$	25,431,900
Net Income	\$	(712,300)
Transfer In/(Out)		573,200
Est. Ending Available Reserves June 30, 2023	\$	17,710,030

WHOLESALE CAPITAL OUTLAY FUND SUMMARY

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 Estimated	FY 2022-23 Proposed Budget
Est. Beginning Available Reserves	\$ 10,012,861	\$ 16,168,310	\$ 16,890,133	\$ 16,281,430	\$ 17,849,130
Revenues					
Proceeds from Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ 23,120,600
Taxes & Assessments	1,118,187	1,164,350	1,215,739	1,248,000	1,273,000
Capital Contributions	2,601,290	232,052	68,658	-	-
Connection Fees	124,971	61,216	268,649	285,000	200,000
Other Revenues	272,000	419,417	88,090	103,100	126,000
Total Revenues	\$ 4,116,448	\$ 1,877,035	\$ 1,641,135	\$ 1,636,100	\$ 24,719,600
Expenses					
Reservoirs & Improvements	\$ 67,719	\$ 711,141	\$ 2,298,310	\$ 190,700	\$ 24,172,700
Water Treatment Plant Improvements	49,872	3,083,166	2,606,088	767,700	457,800
Land Improvements	10,674	19,370	34,704	15,000	327,500
Buildings & Improvements	10,734	1,912	11,306	29,100	291,400
Professional Services	-	-	-	298,200	70,000
Equipment and Furniture	38,229	44,433	32,796	88,900	55,500
Software	53,125	66,180	1,829	-	32,000
Land Acquisition	-	-	-	-	25,000
Mains/Pipelines & Improvements	2,922,588	104,246	-	-	-
Maintenance	32,701	369,229	13,080	3,200	-
Vehicles	-	-	30,637	110,700	-
Contributions to Others	(38,318)	-	-	-	-
Total Expenses	\$ 3,147,324	\$ 4,399,677	\$ 5,028,752	\$ 1,503,500	\$ 25,431,900
Net Income	\$ 969,124	\$ (2,522,642)	\$ (3,387,617)	\$ 132,600	\$ (712,300)
Transfer In	5,186,325	3,244,465	2,778,914	1,435,100	573,200.00
Transfer Out	-	-	-	-	-
Est. Ending Available Reserves	\$ 16,168,310	\$ 16,890,133	\$ 16,281,430	\$ 17,849,130	\$ 17,136,830

WHOLESALE CAPITAL PROJECTS FY 2022-23

Reservoirs and Improvements

Hinkle Reservoir Cover and Liner Replacement

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 3,077,500
Start Date:	FY 2018-19	Budgeted Spending FY 2022-23:	\$ 23,895,400
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 26,972,900

Hinkle Reservoir is a 62 million gallon Hypalon lined and covered earthen reservoir. 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 and production. 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. Construction was originally planned to commence in FY 2021-22, however due to the low level of water in Folsom Lake this project was pushed to FY 2022-23.

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

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 63,700
Start Date:	FY 2019-20	Budgeted Spending FY 2022-23:	\$ 277,300
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 341,000

The Hinkle Reservoir will be removed from service in FY 2022-23 in order to replace the cover and liner. The District has installed 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.

Water Treatment Plant Improvements

Lime Tower Coating

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 24,108
Start Date:	FY 2019-20	Budgeted Spending FY 2022-23:	\$ 225,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 249,108

The lime tower stores and distributes lime into the treated water as it leaves the treatment plant. Lime is used in the treatment process to manage pH levels in the distribution system. The small amount of lime in the treated drinking water protects the Districts entire distribution system from untimely corrosion. The lime tower is aged. The District commissioned a study in FY 2019-20 to determine its rehabilitation needs. The study recommends re-doing the interior and exterior coating and installing additional anchor bolts. Both the design and construction were to be done in Fiscal Year 2021-22 but were not. Therefore this project has been included in the Fiscal Year 2022-23 budget.

Water Treatment Plant Improvements (con't)

Backwash Hood Rehabilitation Assessment and Design (Two) and Rail Track Improvements

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 150,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 150,000

The final filtration of water occurs in the North and South basins which each have a series of filter cells along the bottom of the basin. Each basin has two backwash hoods that move across the basins to backwash (clean) the various filters. The backwash hoods suck water up through the filters and send the water back into the first treatment stage of the plant. Each basin currently has one new and old backwash hood. This project will assess the structural integrity of the two old hoods to determine if they can be rehabilitated, or need to be replaced (including the rail track upon which they move). The budget will fund both the assessment and the design of either the rehabilitation or the replacement. This project will not materially affect ongoing operating costs.

Turbidimeter Replacements

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ 82,200
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 47,800
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 130,000

A turbidimeter is an instrument that measures water clarity. This project replaces 28 outdated turbidimeters at the Water Treatment Plant. This represents the bulk of the turbidimeters used in the water treatment process. This equipment lasts for approximately 7 years before becoming obsolete. The turbidimeters were purchased in FY 2021-22 and will be installed in FY 2022-23.

New Gate for the Water Treatment Plant

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 35,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 35,000

Due to the sensitive and critical nature of the facility, the water treatment plant is protected by an electronic, access restricted gate. The gate has been malfunctioning and reached the end of its useful life. This project replaces the existing gate.

Land Improvements

Solar Site Access Culvert Replacement

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 76,300
Start Date:	FY 2019-20	Budgeted Spending FY 2022-23:	\$ 327,500
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 403,800

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

Buildings and Improvements

Electrical Service Upgrade at Administration Building

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ 21,100
Start Date:	FY 2020-21	Budgeted Spending FY 2022-23:	\$ 208,900
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 230,000

The electric panel for the Administration Building is antiquated and in need of replacement. During a recent test of the electric system, the main breaker failed and the District was unable to shut off power to the building. A temporary panel is being installed to remedy the failed main breaker, but the entire service panel needs to be replaced. This project will bring the panel up to current standards, and allow for future expansion of the building including the installation of electric vehicle charging stations.

Clean Fleet Study and Improvements

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 70,000
Estimated Completion:	Undetermine	Total Project Cost:	\$ 70,000

California Air Resource Board (CARB) is responsible for implementing the Governor’s Executive Order B-55-18 to achieve Carbon Neutrality by 2045 and the Zero emission Vehicles (ZEVs) goals set forth in Executive Order N-79-20. Included in this effort are new requirements under the Advanced Clean Fleets program related to vehicle purchases for public agencies like San Juan Water District. The proposed rules state that Starting January 1, 2024, 50 percent of the total number of vehicles added in each calendar year must be ZEVs, and Starting January 1, 2027, 100 percent of the total number of vehicles added to the fleet in each calendar year must be ZEVs. To be in compliance with this requirement, the District has to determine what new infrastructure is required for plugging in the new vehicles, the on-going cost for purchasing and maintaining the new vehicles and the supporting infrastructure, and then to construct the improvements. This coming year includes a detailed study and design of the site improvements needed for this new requirement. Given the ratio of District vehicles between wholesale and retail, wholesale will be paying for 25% of this study/design project. Installation of vehicle charging stations will increase electric utility expenses, however there will be an offsetting decline in vehicle fuel purchases. The net difference is unknown at this time.

ADA Plan Compliance Project – Administration Building Men’s Restroom

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 7,500
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 7,500

The District performed an evaluation of the District’s facilities related to the Americans Disabilities Act (ADA) in 2018 and completed the Accessibility Transition Plan in 2019. The District has been addressing the deficiency items listed in the report, including widening walkways, installing railing, and improving accessibility to the District’s main office. One of the identified deficiency items is the men’s restroom urinal. The current configuration of the urinal is too narrow for ADA compliance. The project includes widening the urinal to achieve compliance with ADA standards. The project costs are split evenly between the wholesale and retail divisions and will not affect ongoing operating costs.

Buildings and Improvements (con't)

Flagpole Replacement

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 5,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 5,000

The District's flagpole has deteriorated and is in need of replacement so the flag of the United States of American can be safely flown, and safely raised and lowered in accordance with orders of the Governor of the State of California and/or the President of the United States of America. The total cost of the replacement is estimated to be \$10,000 but is shared evenly between the wholesale and retail divisions.

Professional Services

SCADA Cyber Security Study

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 70,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 70,000

Supervisory control and data acquisition (SCADA) is a system of software and hardware elements that allows the District to control processes locally or at remote locations, such as turning on pumps, opening or closing valves, etc. This study will do a complete review of the security of the SCADA system from the servers to the network to the computers that control the machinery. The study will identify gaps where security is lacking and recommend and implement security and protocols. It will result in a cyber-security standard where any work on the SCADA side of the network would adhere to going forward. This project is split between wholesale (25%) and retail (75%).

Equipment and Furniture

Thickener Access Ladders (3)

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 50,000
Estimated Completion:	FY 2022-23	Estimated Future Spending:	\$ 40,000
		Total Project Cost:	\$ 90,000

The District recently re-coated the interior of the clarifier tanks. Now that the re-coating is complete, the tanks' access ladders need to be replaced. This project funds the replacement of the 3 ladders. It was originally budgeted to be completed in Fiscal Year 2021-22 but has been delayed. Design is planned for FY 2022-23 with construction and completion schedule for Fiscal Year 2023-24.

HACH PH/DO Meter

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 5,500
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 5,500

This equipment is used to measure PH and dissolved oxygen in water. The existing meter is past its useful life and does not measure dissolved oxygen, just PH.

San Juan Water District

Fiscal Year 2022-23 Budget

Software

Back-Up Plant Pumps – SCADA Integration

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 20,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 20,000

The District’s Crown Point pump station provides pressurized drinking water to the retail service area and the entire District campus, including the water treatment plant. That water is critical for maintaining water treatment plant operations as it is used in various treatment processes such as the chemical feed system, and the belt press process. The back-up plant pumps exist to provide pumping capabilities if/when the Crown Point pump station is off line. Historically the back-up pumps have had to be turned on manually. By integrating those pumps into the District’s SCADA system, the system will automatically switch the pumps on if Crown Point goes off line, either intentionally or unintentionally, greatly improving system reliability. Originally planned to be completed in Fiscal Year 2021-22, it has now been delayed until Fiscal Year 2022-23.

Tyler Content Management and Output Director

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 12,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 12,000

The District uses a software called Tyler Technologies for its financial and utility billing processes. The module was included in the budget last fiscal year, even though the analysis of the benefits of the module had not been completed. With that analysis complete, the District has determined that the module will afford the Finance Department the ability to store records and documents electronically within the system, reducing filing and document retrieval time, as well as reducing the District’s carbon footprint. The District executed the purchase agreement, but was unable to complete the installation due to staffing shortfalls. It is anticipated to be purchased, installed and implemented in Fiscal Year 2022-23.

Land (Non-Depreciable)

Land Acquisition (Property Boundary Adjustment South of Hinkle Reservoir and Center Channel)

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 25,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 25,000

The District is working with U.S. Bureau of Reclamation (Reclamation) to address a couple property issues at the District’s main site. The first is a piece of property referred to the Center Channel. This property is a 75-foot wide swath of land that traverses the District’s main site and is owned by Reclamation. The second property is located at the south end of Hinkle Reservoir. This property includes the south slope of Hinkle Reservoir and a small section of property at the Southeast corner of Hinkle Reservoir. The project is to have these properties transferred to the District since they encompass portions of Hinkle Reservoir. The costs here include incidental costs for reimbursing Reclamation for their time and the cost for any consultant work necessary for the deed transfer. Acquisition of property title will not affect ongoing operating costs as they District has been maintaining these properties for years.

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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 starting on page 65.

FISCAL YEAR 2022-23 BUDGET

	Retail Capital Outlay
Est. Beginning Available Reserves July 1, 2022	\$ 14,817,697
Revenues	
Proceeds from Issuance of Debt	4,000,000
Taxes & Assessments	1,273,000
Connection Fees	500,000
Other Revenues	148,800
Total Revenues	\$ 5,921,800
Expenses	
Capital Improvement Projects	13,472,100
Professional Services	210,000
Total Expenses	\$ 13,682,100
Net Income	\$ (7,760,300)
Transfer In/(Out)	2,111,800
Est. Ending Available Reserves June 30, 2023	\$ 9,169,197

RETAIL CAPITAL OUTLAY FUND SUMMARY

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 Estimate	FY 2022-23 Proposed Budget
Est. Beginning Available Reserves	\$ 6,921,926	\$ 5,419,939	\$ 8,027,850	\$ 11,778,997	\$ 14,817,697
Revenues					
Proceeds from Debt Issuance	-	-	43,197	-	4,000,000
Taxes & Assessments	1,118,187	1,164,350	1,215,738	1,248,000	1,273,000
Connection Fees	82,549	319,577	1,082,998	2,270,200	500,000
Other Revenues	161,996	157,483	37,929	74,900	148,800
Total Revenues	\$ 1,362,732	\$ 1,641,411	\$ 2,379,862	\$ 3,593,100	\$ 5,921,800
Expenses					
Mains/Pipelines & Improvements	\$ 3,004,752	\$ 382,645	\$ 428,467	\$ 1,908,100	\$ 7,407,100
Pump Stations & Improvements	194,811	359,840	467,098	242,600	5,296,600
Buildings & Improvements	271,185	1,912	2,514	42,300	446,400
Vehicles	-	49,036	170,561	289,200	276,000
Professional Services	-	253,120	26,614	-	210,000
Equipment and Furniture	59,872	55,541	-	76,800	34,000
Software	159,375	197,969	9,385	-	12,000
Reservoirs & Improvements	-	5,267	-	350,000	-
Land Improvements	-	10,638	-	-	-
Total Expenses	\$ 3,689,996	\$ 1,315,967	\$ 1,104,640	\$ 2,909,000	\$ 13,682,100
Net Income	\$ (2,327,264)	\$ 325,443	\$ 1,275,222	\$ 684,100	\$ (7,760,300)
Transfer In	825,277	2,282,468	2,475,925	2,354,600	2,111,800
Transfer Out	-	-	-	-	-
Est. Ending Available Reserves	\$ 5,419,939	\$ 8,027,850	\$ 11,778,997	\$ 14,817,697	\$ 9,169,197

RETAIL CAPITAL PROJECTS FY 2022-23

Mains/Pipelines and Improvements

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

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ 130,700
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 3,869,300
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 4,000,000

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 and construction were originally planned to be completed in FY 20-21. The design work has been completed and construction contract has been issued, but construction will not be completed until Fiscal Year 2022-23. 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. Due to the high cost of the project the District is seeking financing for the project from the State of California Drinking Water Revolving Loan fund at a below market interest rate.

Replace up to 110 Service Laterals

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 572,100
Start Date:	FY 2019-20	Budgeted Spending FY 2022-23:	\$ 1,420,000
Estimated Completion:	Unknown	Total Project Cost to Date:	\$ 1,992,100

A service lateral is the pipeline that runs from the main line, in or next to the road, to individual water meters. In 2020 it was determined that the District's service lateral failure rate is 35% worse than the national average. The District plans to replace at least 85 service laterals per year. This budget funds the replacement of up to 110 service laterals. Replacing the service laterals will save the District money as less time will be spent responding to leaks and less water will be lost.

Replace 45 Air/Vacuum Relief Valves

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 840,000
Estimated Completion:	Ongoing	Total Project Cost:	\$ 840,000

An air release valve allows air to enter or leave pipelines as needed. Removing air pockets in a pipeline allows water to flow more freely. Allowing air to enter if there is a leak or break prevents the creation of a vacuum, which can cause a pipeline to collapse. California law requires the vent opening to be above grade, to minimize opportunities for water contamination. Most of the district's valves are in boxes in the street, below grade. Approximately 75.0 valves need to be relocated to the side of the road and vented above ground. The District plans to replace 45 per year, over a 20 year period, commencing with Fiscal Year 2022-23.

Mains/Pipelines and Improvements (con't)

Meter Replacement Program

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 29,000
Start Date:	FY 2021-22	Budgeted Spending FY 2021-22:	\$ 465,800
Estimated Completion:	On-going	Total Project Cost:	\$ 494,800

The District’s meters were originally installed between 1997 and 2004. There are approximately 4,400 meters that are greater than 18 years old. With a typical meter life of 20-25 years it is time to start a replacement program. As of 2021 the District had 10,779 total meters. 736 of them were manual read meters, 7,987 were touch read meters and 2,056 were radio read (drive-by only). The plan is to replace 515 (5%) of the meters each year, which results in a 20 year replacement cycle and to replace all end-points over 5 years (converts all to radio read), which equate to 2,118 per year. Due to supply chain issues, the District was not able to reach its goal for Fiscal Year 2021-22. Therefore this budget funds the replacement of approximately 970 meters and 4,000 end-points. This encompasses routes 6, 7, 8 and 9.

Wharf Hydrant Replacements

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ 218,000
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 218,000
Estimated Completion:	FY 2031-32	Total Project Cost to date:	\$ 436,000

The District is systematically replacing both aged and wharf style fire hydrants. Wharf style hydrants have less water capacity and are more likely to break than a standard hydrant. The District has approximately 100 wharf style hydrants in its distribution system. The District intends to replace 10 per year over the next 10 years.

Fire Hydrant Replacements

Project Status:	In-Progress	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	Ongoing	Budgeted Spending FY 2020-21:	\$ 157,000
Estimated Completion:	Ongoing	Total Project Cost:	\$ 157,000

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

Water Main Installation Underneath the North Glenn Bridge

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	Unknown	Budgeted Spending FY 2022-23:	\$ 82,000
Estimated Completion:	Unknown	Total Project Cost:	\$ 82,000

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 North Glen 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. The County did not move forward with the project last year, so the District is budgeting for this again in Fiscal Year 2022-23.

San Juan Water District

Fiscal Year 2022-23 Budget

Mains/Pipelines and Improvements (con't)

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

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 55,000
Estimated Completion:	FY 2021-22	Total Project Cost:	\$ 55,000

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. The project was originally budgeted in Fiscal Year 2021-22 but did not commence by years end as the developer has not yet completed design review.

Pump Stations and Improvements

Groundwater Production Facility

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 2,575,000
Estimated Completion:	FY 2023-24	Estimated Future Costs:	\$ 2,652,000
		Total Project Cost:	\$ 5,227,000

Included in the retail financial plan is \$5 million for SJWD to use in securing access to groundwater production capacity to provide water supplies to the District's retail service area. These supplies could be delivered via the Antelope Pump Station, which can send groundwater produced in the Sacramento Suburban Water District's North Service Area to Orangevale Water Company, the City of Folsom and the District's retail service area.

Bacon Pump Station Generator Replacement(s)

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ 119,600
Start Date:	FY 2020-21	Budgeted Spending FY 2022-23:	\$ 2,122,300
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 2,241,900

The two existing emergency generators at the Bacon Pump Station have exceeded their useful life and need to be replaced. Two new generators and electrical controls will be installed at the station. The project includes a new 400 and a 600KW generator, slab foundations, a retaining wall, electrical conduits and electrical panel replacements. Additionally the existing generators shall be removed, including their foundation slabs, fuel cells, and electrical connections.

Upper Granite Bay Pump Station Generator Replacement

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ 140,900
Start Date:	FY 2020-21	Budgeted Spending FY 2022-23:	\$ 274,800
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 415,700

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.

Pump Stations and Improvements (con't)

Douglas Booster Pump Station Electrical Improvements

Project Status:	In progress	Estimated Spending FY 2021-22 & Prior:	\$ 24,900
Start Date:	FY 2019-20	Budgeted Spending FY 2022-23:	\$ 54,500
Estimated Completion:	FY 2022-23	Total Project Cost:	<u>\$ 79,400</u>

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. The improvements were originally budgeted for Fiscal Year 2021-22 but the District was not able to commence the work by year's end.

Canyon Falls Village Pressure Reducing Station Replacement

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 61,000
Estimated Completion:	FY 2022-23	Total Project Cost:	<u>\$ 61,000</u>

This pump station is currently below grade which creates added costs and complexity in terms of operations and maintenance. This project bring the control valves above grade in an above ground enclosure. This will improve the safety environment for staff when performing maintenance and will reduce maintenance costs as confined space equipment and air quality testing will no longer be needed to perform basic and ongoing maintenance.

Bacon Booster Pump Station – New Variable Frequency Drive and Components

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 60,000
Estimated Completion:	FY 2022-23	Total Project Cost:	<u>\$ 60,000</u>

This project will install a variable frequency drive on pump number five at the Bacon Booster Pump Station, along with other components to complement the generator replacement project described above. The existing motor drive for pump number five is either on or off and therefore the pump runs at full speed regardless of the system demands. Replacing the drive with a variable frequency drive will provide the District the ability to optimize the operation of the pump station based on the current demands on the distribution system.

Bacon Pump Station – Replacement Motors for Pumps #3 and #4

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 50,000
Estimated Completion:	FY 2022-23	Total Project Cost:	<u>\$ 50,000</u>

This project will replace the motors on pumps #3 and #4 with new 200 horsepower inverter rated motors. The existing motors are aged and in need of replacement to ensure reliability and reduce future maintenance and repair costs. The project was originally budgeted for Fiscal Year 2021-22 but did not commence by the end of the year.

San Juan Water District

Fiscal Year 2022-23 Budget

Pump Stations and Improvements (con't)

Pump Station Pressure Transmitters

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 38,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 38,000

This project entails the replacement of nine pressure transmitters at the Hinkle and Bacon Pump Stations. Some of the Districts pressure transmitters have failed recently and the other transmitters have reached the end of their service life. This project will ultimately replace all of the pressure transmitters in three phases over multiple years, and will standardize the equipment, which reduces the inventory the District needs to carry.

Bacon Pump Station Security Improvements

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 31,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 31,000

This project will design new security features for the pump station, predominately new fencing and security cameras.

American River Canyon Booster Pump Station South – 4 Replacement Pumps

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 30,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 30,000

This project will replace 4 pumps that have aged and are in need of replacement to ensure continued reliability and reduce future maintenance and repair costs. The project was originally budgeted for Fiscal Year 2021-22 but did not commence by the end of the year.

Buildings and Improvements

Clean Fleet Study and Improvements

Project Status:	Planned	Estimated Spending FY 202-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 210,000
Estimated Completion:	Undetermined	Total Project Cost:	\$ 210,000

California Air Resource Board (CARB) is responsible for implementing the Governor’s Executive Order B-55-18 to achieve Carbon Neutrality by 2045 and the Zero emission Vehicles (ZEVs) goals set forth in Executive Order N-79-20. Included in this effort are new requirements under the Advanced Clean Fleets program related to vehicle purchases for public agencies like San Juan Water District. The proposed rules state that Starting January 1, 2024, 50 percent of the total number of vehicles added in each calendar year must be ZEVs, and Starting January 1, 2027, 100 percent of the total number of vehicles added to the fleet in each calendar year must be ZEVs. To be in compliance with this requirement, the District has to determine what new infrastructure is required for plugging in the new vehicles, the on-going cost for purchasing and maintaining the new vehicles and the supporting infrastructure, and then to construct the improvements. This coming year includes a detailed study and design of the site improvements needed for this new requirement. Given the ratio of District vehicles between wholesale and retail, retail will be paying for 75% of this study/design project. Installation of vehicle charging stations will increase electric utility expenses, however there will be an offsetting decline in vehicle fuel purchases. The net difference is unknown at this time.

Buildings and Improvements (con't)

Electrical Service Upgrade at Administration Building

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ 21,100
Start Date:	FY 2021-22	Budgeted Spending FY 2022-23:	\$ 208,900
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 230,000

The electric panel for the Administration Building is antiquated and in need of replacement. During a recent test of the electric system, the main breaker failed and the District was unable to shut off power to the building. A temporary panel is being installed to remedy the failed main breaker, but the entire service panel needs to be replaced. This project will bring the panel up to current standards, and allow for future expansion of the building including the installation of electric vehicle charging stations. This project, shared evenly between the wholesale and retail divisions, commenced in Fiscal Year 2021-22 but will not be completed until the current fiscal year.

Purchase of Connex Storage Container

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 15,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 15,000

The District's parts shelter was torn down in 2018. It was structurally unsound and it was more cost effective to replace, rather than improve the existing structure. The District budgeted to construct a movable 3-sided steel parts shelter in Fiscal Year 2021-22 however, the Board of Directors did not approve construction and directed the District hold off until the larger District facilities renovation happens, currently slated for Fiscal Year 2028-29. This storage facility is needed in the interim to house parts that would otherwise degrade quickly if left out in the elements.

ADA Plan Compliance Project – Administration Building Men’s Restroom

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 7,500
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 7,500

The District performed an evaluation of the District's facilities related to the Americans Disabilities Act (ADA) in 2018 and completed the Accessibility Transition Plan in 2019. The District has been addressing the deficiency items listed in the report, including widening walkways, installing railing, and improving accessibility to the District's main office. One of the identified deficiency items is the men's restroom urinal. The current configuration of the urinal is too narrow for ADA compliance. The project includes widening the urinal to achieve compliance with ADA standards. The project costs are split evenly between the wholesale and retail divisions and will not affect ongoing operating costs.

Flagpole Replacement

Project Status:	Planned	Estimated Spending FY 202-23 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 5,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 5,000

The District's flagpole has deteriorated and is in need of replacement so the flag of the United States of American can be safely flown, and safely raised and lowered in accordance with orders of the Governor of the State of California and/or the President of the United States of America. The total cost of the replacement is estimated to be \$10,000 but is shared evenly between the wholesale and retail divisions.

San Juan Water District

Fiscal Year 2022-23 Budget

Vehicles

Replace Field Services Vehicle #6 2008 F-650 Dump Truck

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 125,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 125,000

At 14 years old this dump truck only has 14,800 miles on it. However, it has proved unreliable and has developed engine problems that are going to create significant repair costs in the future. The District intends to replace this dump truck to avoid those future unnecessary repair costs and have a more reliable vehicle.

Vehicle #8/15 Replacement – F-150 Distribution Lead Worker Truck

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 45,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 45,000

Over five years ago Field Services transferred Vehicle #8 to the Water Treatment Plant. Vehicle #8 had been one of two trucks used for the Distribution Lead Workers. When vehicle #8 was transferred to the Water Treatment Plant Field Services was left with one truck for the leads. They operated this way until Fiscal Year 2020-21 when they bought a new truck to replace Vehicle #15. Instead of selling the old vehicle #15 they kept it to restore the second truck for the Distribution Leads. The Field Services team has determined that they need to continue operating with two truck trucks for the leads and recommends replacing the old vehicle #15 with this F-150.

Replace Vehicle #12 2011 F-250 Super Cab

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 45,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 45,000

The District intends to replace the existing 2011 F-250 Super Cab service truck with a new F-250. The District generally replaces vehicles every 10 years or 100,000 miles. The existing truck is 12 years old with 76,000 miles. Purchasing the new truck will increase vehicle reliability and decrease repair costs. The existing truck will be sold at auction.

Replace 2007 Forklift (E#18)

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 44,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 44,000

This 2007 forklift has reached the end of its expected useful life. With 8701 hours of use It is still in fair operating condition and will be sold at auction. Replacing it now will prevent the occurrence of increased maintenance costs.

Replace Bix Tex Tilt Mud Trailer

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 9,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 9,000

The District has been replacing one aged mud trailer per year. This trailer is from 1996 and has deteriorated to the point that it is only used when others are not available. Replacing this trailer will reduce the use of the other trailers enabling them all to reach their expected life.

Vehicles (con't)

Pump Truck Vehicle #37 Toolbox Improvement

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 8,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 8,000

This tool box improvement will allow the pump station team to carry more tools and equipment on the truck, reducing the frequency with which they need to return to the District campus for tools and supplies.

Professional Services

SCADA Cyber Security Study & Improvements

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 210,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 210,000

Supervisory control and data acquisition (SCADA) is a system of software and hardware elements that allows the District to control processes locally or at remote locations, such as turning on pumps, opening or closing valves, etc. This study will do a complete review of the security of the SCADA system from the servers to the network to the computers that control the machinery. The study will identify gaps where security is lacking and recommend and implement security and protocols. It will result in a cyber-security standard where any work on the SCADA side of the network would adhere to going forward. This project is split between wholesale (25%) and retail (75%). It was originally planned to be completed in Fiscal Year 2021-22 but did not commence prior to year-end.

Equipment and Furniture

Field Services Building – Sewer Lift Station – Tie In to SCADA

Project Status:	In Progress	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2020-21	Budgeted Spending FY 2022-23:	\$ 15,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 15,000

Parts have been purchased to make improvements to the Field Services Building's sewer lift station and the District anticipates using internal staff to install the improvements in the 2021-22 fiscal year. This project will fund the programming needed to tie the sewer lift station into the SCADA system.

Leak Detection Equipment

Project Status:	Planned	Estimated Spending FY 2020-21 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 10,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 10,000

A leak detector consists of speakers in a headset, worn by the operator, hooked up to a microphone that is on the ground. The microphone transmits the sound of leaking water to the wearer of the headset. The Field Services departments current leak detection equipment is old and in need of replacement.

San Juan Water District

Fiscal Year 2022-23 Budget

Equipment and Furniture (con't)

Boring Machine Replacement

Project Status:	Planned	Estimated Spending FY 2021-22 & Prior:	\$ -
Start Date:	FY 2022-23	Budgeted Spending FY 2022-23:	\$ 9,000
Estimated Completion:	FY 2022-23	Total Project Cost:	\$ 9,000

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 replaces costs \$1,500 at a minimum. The existing boring machine broke in fiscal year 2019-20 and is not cost effective to repair.

Software

Tyler Content Management and Output Director

Project Status:	Planned	Estimated Spending FY 2020-21 & Prior:	\$ -
Start Date:	FY 2021-22	Budgeted Spending FY 2021-22:	\$ 12,000
Estimated Completion:	FY 2021-22	Total Project Cost:	\$ 12,000

The District uses a software called Tyler Technologies for its financial and utility billing processes. The module was included in the budget last fiscal year, even though the analysis of the benefits of the module had not been completed. With that analysis complete, the District has determined that the module will afford the Finance Department the ability to store records and documents electronically within the system, reducing filing and document retrieval time, as well as reducing the District's carbon footprint. The District executed the purchase agreement, but was unable to complete the installation due to staffing shortfalls. It is anticipated to be purchased, installed and implemented in Fiscal Year 2022-23.



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:

Wholesale Capital Fund	\$	573,200
Retail Capital Fund	\$	2,111,800

Transfer Out From:

Wholesale Operating Fund	\$	573,200
Retail Operating Fund	\$	2,111,800

Total Transfers In \$ 2,685,000

Total Transfers Out \$ 2,685,000

Debt Service Schedules

**2022 Refunding Loan
Debt Service Schedule - Fiscal Year Basis**

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2023	458,345	248,869	86,124	46,763	544,469	295,632	840,101
2024	502,298	272,733	78,653	42,706	580,951	315,439	896,390
2025	511,499	277,729	70,465	38,261	581,964	315,990	897,954
2026	520,492	282,612	62,128	33,734	582,620	316,346	898,966
2027	526,513	285,884	53,644	29,127	580,157	315,011	895,168
2028	534,681	290,317	45,062	24,467	579,743	314,784	894,527
2029	544,865	295,846	36,346	19,735	581,211	315,581	896,792
2030	550,981	299,167	27,465	14,913	578,446	314,080	892,526
2031	562,065	305,185	18,484	10,036	580,549	315,221	895,770
2032	571,920	310,536	9,322	5,062	581,242	315,598	896,840
Outstanding	\$ 5,283,659	<u>\$ 2,868,878</u>	\$ 487,693	<u>\$ 264,804</u>	\$ 5,771,352	\$3,133,682	<u>\$ 8,905,034</u>

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

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
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	\$14,992,000	\$ 8,433,000	\$6,639,202	\$ 3,734,551	\$21,631,202	\$12,167,551	\$33,798,753
Paid 2017-2021	\$ 1,728,000	\$ 972,000	\$2,561,541	\$ 1,440,866	\$ 4,289,541	\$ 2,412,866	\$ 6,702,407
Total	\$16,720,000	\$ 9,405,000	\$9,200,743	\$ 5,175,417	\$25,920,743	\$14,580,417	\$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 Fiscal Year 2022-2023						
		Budgeted in FY20-21	Budgeted in FY21-22	# 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
	Senior Accountant ¹	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	3.00	3.00	3.00	0%	100%	-	3.00
	Total Customer Service	4.50	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)								
	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 ²	7.00	6.00	6.00	0%	100%	-	6.00
	Pump Station Technician/Mechanic	1.00	1.00	1.00	0%	100%	-	1.00
	Pump Station Operator ²	-	1.00	1.00	0%	100%	-	1.00
	Utilities Coordinator	1.00	1.00	1.00	0%	100%	-	1.00
	Meter Maintenance Technician ³	-	1.00	1.00	0%	100%	-	1.00
	Distribution Maint. Helper - PT/Temporary ⁶	-	-	0.92	0%	100%	-	0.92
	Total Field Services (Distribution System)	13.00	14.00	14.92			-	14.92
Operations								
	Operations Manager	1.00	1.00	1.00	40%	60%	0.40	0.60
	Safety-Regulatory Compliance Coordinator	1.00	1.00	1.00	50%	50%	0.50	0.50
	CMMS/GIS Coordinator	1.00	1.00	1.00	25%	75%	0.25	0.75
	Total Operations	3.00	3.00	3.00			1.15	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								
	Water Treatment Plant Manager	1.00	1.00	1.00	100%	0%	1.00	-
	Maintenance Chief	1.00	1.00	1.00	80%	20%	0.80	0.20
	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	60%	40%	0.60	0.40
	Utilities Mechanic I - II ⁴	1.00	1.00	1.00	100%	0%	1.00	-
	Utilities Maintenance Worker I - II ⁵	1.00	1.00	1.00	80%	20%	0.80	0.20
	Total Water Treatment Plant	11.00	11.00	11.00			10.20	0.80
Total Funded Full Time Equivalents (FTE)		48.00	49.00	49.92			18.80	31.12

¹ Finance and Administrative Services Analyst position was changed to Senior Accountant in April 2022.

² One Distribution Operator IV position was changed to a Pump Station Operator in December 2021.

³ The Board of Directors approved the new Meter Maintenance Technician in January 2022.

⁴ The Facilities Maintenance Worker I - II was renamed to a Utilities Mechanic I - II in January 2022.

⁵ The Board of Directors approved the name change from Facilities Maintenance Helper to Utilities Maintenance Worker I - II in January 2022.

⁶ Converting use of Temp Agency assistance to direct hire temporary worker for cost savings

San Juan Water District

Fiscal Year 2022-23 Budget



SAN JUAN WATER DISTRICT COMPENSATION SCHEDULE

EFFECTIVE: July 2, 2022

Non-Exempt Positions	Hourly Rate Range	
	Minimum	Maximum
Accountant	\$ 42.24	\$ 50.69
Accounting Technician I	\$ 29.23	\$ 35.07
Accounting Technician II	\$ 32.29	\$ 38.74
Accounting Technician III	\$ 35.66	\$ 42.80
Administrative Assistant - Board Secretary	\$ 43.95	\$ 52.74
Chief Operator	\$ 57.50	\$ 69.00
CMMS/GIS Coordinator	\$ 45.74	\$ 54.89
Construction Inspector I	\$ 36.38	\$ 43.66
Construction Inspector II	\$ 40.19	\$ 48.23
Construction Inspector III	\$ 44.39	\$ 53.27
Customer Service Technician I	\$ 26.99	\$ 32.39
Customer Service Technician II	\$ 29.82	\$ 35.78
Customer Service Technician III	\$ 32.94	\$ 39.52
Distribution Lead Worker	\$ 50.02	\$ 60.03
Distribution Operator I	\$ 32.29	\$ 38.74
Distribution Operator II	\$ 35.66	\$ 42.80
Distribution Operator III	\$ 39.40	\$ 47.28
Distribution Operator IV	\$ 43.52	\$ 52.22
Distribution Maintenance Temporary Helper	\$ 20.00	\$ 20.00
Electrical & Instrumentation Technician	\$ 49.53	\$ 59.43
Engineering Technician I	\$ 34.62	\$ 41.54
Engineering Technician II	\$ 38.24	\$ 45.88
Engineering Technician III	\$ 42.24	\$ 50.69
Information Technology Technician I	\$ 35.31	\$ 42.37
Information Technology Technician II	\$ 39.01	\$ 46.81
Maintenance Chief	\$ 54.71	\$ 65.65
Meter Maintenance Technician	\$ 35.66	\$ 42.80
Meter Technician	\$ 33.60	\$ 40.32
Pump Station Lead	\$ 54.71	\$ 65.65
Pump Station Operator	\$ 43.52	\$ 52.22
Pump Station Technician	\$ 47.59	\$ 57.11
Purchasing Agent	\$ 37.11	\$ 44.54
Senior Accountant	\$ 49.04	\$ 58.84
Utilities Coordinator	\$ 45.28	\$ 54.34
Utilities Maintenance Worker I	\$ 26.73	\$ 32.07
Utilities Maintenance Worker II	\$ 29.52	\$ 35.43
Utilities Mechanic I	\$ 36.02	\$ 43.23
Utilities Mechanic II	\$ 39.79	\$ 47.75
Water Efficiency Helper	\$ 25.68	\$ 30.82
Water Efficiency Lead Worker	\$ 38.24	\$ 45.88
Water Efficiency Technician I	\$ 31.34	\$ 37.60
Water Efficiency Technician II	\$ 34.62	\$ 41.54
Water Treatment Plant Operator I	\$ 34.27	\$ 41.13
Water Treatment Plant Operator II	\$ 37.86	\$ 45.43
Water Treatment Plant Operator III	\$ 41.82	\$ 50.18
Water Treatment Plant Operator IV	\$ 46.19	\$ 55.43

Exempt Positions (Annual Salaries based on 2080 Hours)	Annual Rate Range	
	Minimum	Maximum
Associate Engineer	\$ 120,785.60	\$ 144,955.20
Customer Service Manager	\$ 133,432.00	\$ 160,118.40
Director of Engineering Services	\$ 162,822.40	\$ 195,374.40
Director of Finance	\$ 162,822.40	\$ 195,374.40
Director of Operations	\$ 162,822.40	\$ 195,374.40
Field Services Manager	\$ 133,432.00	\$ 160,118.40
Information Technology Manager	\$ 133,432.00	\$ 160,118.40
Safety/Regulatory Compliance Coordinator	\$ 112,673.60	\$ 135,200.00
Senior Engineer	\$ 133,432.00	\$ 160,118.40
Water Resources Manager	\$ 133,432.00	\$ 160,118.40
Water Treatment Plant Manager	\$ 148,865.60	\$ 178,630.40
General Manager (Contract)	\$ 208,000.00	\$ 208,000.00

Compensation Schedule Incorporates a 3.8% COLA

RESOLUTION NO. 22-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2022-2023

WHEREAS, District staff has prepared a budget for the fiscal year 2022-2023 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 2022-2023 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 2022-2023," 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, 2022 and ending on June 30, 2023, 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 award a Cost of Living Adjustment to all staff and to the Compensation Schedule, of 3.8%, effective July 2, 2022.
4. 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 3rd day of August 2022, by the following vote:

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

[Handwritten signature of Kenneth H. Miller]

KENNETH H. MILLER
President, Board of Directors
San Juan Water District

ATTEST

[Handwritten signature of Teri Grant]

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 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).

San Juan Water District

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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
ACFR	Annual Comprehensive Financial Report
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
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
VFD	Variable Frequency Drive
WCA's	Wholesale Customer Agencies
WEL	Water Efficient Landscape
WTP	Water Treatment Plant