



**SAN JUAN WATER DISTRICT  
BOARD MEETING AGENDA  
9935 Auburn Folsom Road  
Granite Bay, CA 95746**

**March 27, 2024  
6:00 p.m.**

**This Board meeting will be conducted both in-person at the District's Boardroom at the address above and via videoconference. When all Board members are in the Boardroom, the District's Board meetings are not required to be broadcast via videoconference and are done so as a convenience to the public; furthermore, if the transmission goes down, for any reason, the meeting will continue in person as scheduled. Members of the public may participate in Board meetings via videoconference per the instructions below.**

**To attend via videoconference, please use the following link:**

**Please join the meeting from your computer, tablet or smartphone.**

<https://meet.goto.com/245724141>

**You can also dial in using your phone.**

United States: [+1 \(872\) 240-3212](tel:+18722403212)

**Access Code:** 245-724-141

**Please mute your line.**

**Whether attending via videoconference or in person, the public is invited to listen, observe, and provide comments during the meeting. The Board President will call for public comment on each agenda item at the appropriate time – at that time, please unmute your line in order to speak.**

**\*\*\*Important Notice: For any meetings that include a Closed Session, the videoconference will be terminated when the Board adjourns into Closed Session. Members of the public who would like to receive the report out from Closed Session and time of adjournment from Closed Session into Open Session and adjournment of the meeting should provide a valid email address to the District's Board Secretary, Teri Grant, at: [tgrant@sjwd.org](mailto:tgrant@sjwd.org), before or during the meeting. No other business will be conducted after the Board adjourns from Closed Session into Open Session. Promptly after the meeting, the Secretary will email the written report to all persons timely requesting this information.**

The Board may take action on any item on the agenda, including items listed on the agenda as information items. The Board may add an item to the agenda (1) upon a determination by at least three Board members that an emergency situation exists, or (2) upon a determination by at least four Board members (or by three Board members if there are only three Board members present) that the need to take action became apparent after the agenda was posted.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Please inform the General Manager if you have such a request to expedite an agenda item.

Documents and materials that are related to an open session agenda item that are provided to the District Board less than 72 hours prior to a regular meeting will be made available for public inspection and copying at the District office during normal District business hours.

If you are an individual with a disability and need assistance or accommodation to participate in this Board meeting, please call Teri Grant, Board Secretary, at 916-791-0115, or email Ms. Grant at [tgrant@sjwd.org](mailto:tgrant@sjwd.org).

***Please silence cell phones and refrain from side conversations during the meeting.***

## I. ROLL CALL

## II. PUBLIC FORUM AND COMMENTS

This is the opportunity for members of the public to comment on any item(s) that do not appear on the agenda. During the Public Forum, the Board may ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determination to add the matter to the agenda.

## III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, February 28, 2024 (W & R)  
**Recommendation: Approve draft minutes**
2. Minutes of the Board of Directors Workshop, March 6, 2024 (W & R)  
**Recommendation: Approve draft minutes**
3. Investment Policy FIN-5.6 Revision (W & R)  
**Recommendation: Approve revisions to policy**

## IV. OLD BUSINESS

1. San Juan and the Regional Water Authority (W & R)  
*Discussion and possible action*
2. Mid-Year Budget Review (W & R)  
*Discussion*
3. Board Compensation (W & R)  
**Action: Introduce and Waive First Reading of Ordinance No. 24-01 – An Ordinance of the Board of Directors of the San Juan Water District Concerning Compensation of Board Members**
4. Conjunctive Use and Groundwater Banking Activities Update (W & R)  
*Discussion*
5. 2024 Hydrology and Operations Update (W & R)  
*Discussion*

## V. NEW BUSINESS

1. Hydrant and Valve Maintenance FY 2023/24 (R)  
**Action: Consider a motion to authorize and approve Amendment #1, 1st year renewal to the contract with Wachs Water Services (WWS) for professional services related to the inspection and maintenance of the District's hydrants and valves for the fiscal year 2023-24**
2. 2024 Legislation (W & R)  
**Action: Approve positions**
3. Property Contract/Lease Projects (W & R)  
*Information Only*

## **VI. INFORMATION ITEMS**

1. General Manager's Report
  - 1.1 General Manager's Monthly Report (W & R)  
*Staff Report on District Operations*
  - 1.2 Miscellaneous District Issues and Correspondence
2. Director of Finance's Report
  - 2.1 Miscellaneous District Issues and Correspondence
3. Director of Operations' Report
  - 3.1 Miscellaneous District Issues and Correspondence
4. Director of Engineering Services' Report
  - 4.1 Miscellaneous District Issues and Correspondence
5. Legal Counsel's Report
  - 5.1 Legal Matters

## **VII. DIRECTORS' REPORTS**

1. Sacramento Groundwater Authority (SGA) – T. Costa
2. Regional Water Authority (RWA) – D. Rich
3. Association of California Water Agencies (ACWA)
  - 3.1 ACWA – P. Tobin
  - 3.2 Joint Powers Insurance Authority (JPIA) – P. Tobin
4. Central Valley Project (CVP) Water Association – T. Costa
5. Other Reports, Correspondence, Comments, Ideas and Suggestions

## **VIII. COMMITTEE MEETINGS**

1. Finance Committee – March 19, 2024  
<https://www.sjwd.org/2024-02-20-committees-meeting-finance>

## **IX. UPCOMING EVENTS**

1. 2024 ACWA Legislative Symposium  
April 10, 2024  
Sacramento
2. 2024 ACWA Spring Conference  
May 7-9, 2024  
Sacramento, CA

## **President Zamorano to call for Closed Session**

## **X. CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Section 54956.9)  
Citrus Heights Water District, et al. vs. San Juan Water District, Case Number: 23WM000080, Sacramento County Superior Court
2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to Government Code § 54957  
Title: General Manager

3. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

Agency designated representatives: Ted Costa and Ken Miller

Employee group: Unrepresented employee (General Manager)

**XI. OPEN SESSION**

1. Report from Closed Session

**XII. ADJOURN**

**UPCOMING MEETING DATES**

April 24, 2024

May 22, 2024

I declare under penalty of perjury that the foregoing agenda for the March 27, 2024, regular meeting of the Board of Directors of San Juan Water District was posted by March 22, 2024, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public. The agenda and the board packet was also posted on the District's website at sjwd.org.

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Teri Grant, Board Secretary

## **SAN JUAN WATER DISTRICT**

Board of Director's Board Meeting Minutes  
February 28, 2024 – 6:00 p.m.

### **BOARD OF DIRECTORS**

Manuel Zamorano	President
Ted Costa	Vice President
Ken Miller	Director
Dan Rich	Director
Pam Tobin	Director

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

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Adam Larsen	Field Services Manager
Greg Turner	Water Treatment Manager
Greg Zlotnick	Water Resources Manager
Chris von Collenberg	Information Technology Manager
Teri Grant	Board Secretary/Administrative Assistant
Ryan Jones	General Counsel
Elizabeth Ewens	Water Counsel

### **OTHER ATTENDEES**

Caller 01	
Roger Canfield	
Suzanne Jones	
Josh Nelson	Citrus Heights Water District
Ray Riehle	Citrus Heights Water District
Craig Locke	Sacramento Suburban Water District
Kevin Thomas	Sacramento Suburban Water District
Mark Hargrove	SJWD Employee
Mike Spencer	SJWD Employee

### **AGENDA ITEMS**

- I. Roll Call**
- II. Public Forum and Comments**
- III. Consent Calendar**
- IV. New Business**
- V. Old Business**
- VI. Information Items**
- VII. Directors' Reports**
- VIII. Committee Meetings**

- IX. **Upcoming Events**
- X. **Closed Session**
- XI. **Open Session**
- XII. **Adjourn**

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

**I. ROLL CALL**

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, Ken Miller, Dan Rich, Pam Tobin and Manuel Zamorano.

**II. PUBLIC FORUM**

Mr. Roger Canfield addressed the Board and introduced himself and indicated that he plans to run for the Board in November.

**III. CONSENT CALENDAR**

All items under the Consent Calendar are considered to be routine and are approved by one motion. There was no separate discussion of these items unless a member of the Board, audience, or staff requested a specific item removed. Consent Calendar item documents are available for review in the Board packet.

**1. Minutes of the Board of Directors Meeting, January 24, 2024 (W & R)**

*Recommendation: Approve draft minutes*

**2. Treasurer's Report – Quarter Ending December 31, 2023 (W & R)**

*Recommendation: Receive and file*

**3. Capital Asset Policy FIN-5.2 Revision (W & R)**

*Recommendation: Approve proposed revisions*

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

**IV. NEW BUSINESS**

**1. Lime Silo and Thickener Improvements Project – Construction Contract**

Mr. Barela explained that a Lime Silo is a large storage tank that holds lime for the water treatment plant. He reviewed the staff report which was included in the Board packet. He explained that the project covers the three thickener tanks and includes providing better access into the tanks for regular maintenance, which was identified as a safety hazard for staff, and includes replacing the fill line, dust collector, pressurized air supply line and vent fan louver in preparation for recoating the silos.

In response to Director Miller's question, Mr. Barela informed the Board that this item and the next agenda item were not taken to the Engineering Committee and that is

why it was not placed on the Consent Calendar. GM Helliker commented that he spoke to the Engineering Committee Chair, Director Rich, and was given the okay to bring the two items directly to the Board for review and consideration.

***Director Tobin moved to approve the Director of Operations to sign a construction contract with Clyde G. Steagall, Inc. (Steagall) for the Lime Silo and Thickener Improvements Project. Director Rich seconded the motion and it carried unanimously.***

**2. Lime Silo and Thickener Improvements Project – WSC Amendment #2**

Mr. Barela reviewed the staff report which was included in the Board packet. He explained that this amendment covers engineering services during construction for the first project, which includes the fabrication and installation of custom pivoting ladders for access into the District's thickener tanks and replacement of appurtenances on the District's lime silo, and the second project, which includes the recoating of the lime silo.

***Director Tobin moved to approve the Director of Operations to sign Amendment #2 with Water System Consulting, Inc. (WSC) for the Lime Silo and Thickener Improvements and Lime Silo Coating Projects. Vice President Costa seconded the motion and it carried unanimously.***

**3. District Cyber Security Program (W & R)**

Mr. Chris von Collenberg conducted a brief presentation regarding the District's Cyber Security Program. He explained that, since he has been at the District for the past 17 years, the District's systems have been under attack by outside forces on a daily basis, and the system has never been breached. In addition, he informed the Board that the District's cyber security remains the same and is based on security best practices. He explained that the District utilizes layered security, and he would be notified at any time of the day or night if there was ever a breach.

GM Helliker informed the Board that staff are in the process of enhancing the District's physical security, and explained that once the new Administrative Building is built, then public access will be confined to that building only.

**4. 2023 Rebate to CHWD and FOWD (W)**

GM Helliker reviewed the staff report which was included in the Board packet. He explained that the allocation methodology used for the Board approved 2023 wholesale fixed charges was different than what had been used in the past. It used 4 years of water use instead of the past 5 years. Vice President Costa inquired if the different methodology used was due to adding and dropping a year for calculating the rates on the rolling average. GM Helliker confirmed and further explained that the 2023 process for wholesale rate setting was the last time the rolling average will be used. GM Helliker explained that there is no Board policy on setting the wholesale rates. In addition, GM Helliker reminded the Board that they adopted the wholesale

rates in December 2023, and they are structured on a five-year rate schedule based on the previous 10-year fixed average.

Ms. Suzanne Jones addressed the Board and voiced concern that there is no Board policy for setting rates and that there should be a policy. GM Helliker explained that the previous rate setting process that was conducted in 2017 allocated the fixed charges based on the previous 5 years of water use. In 2019, at the request of the wholesale customer agencies, the Board approved a revised rate schedule for Calendar year 2020 wherein the fixed charges were re-allocated using the most recent 5-years of respective water deliveries. In each subsequent year, staff presented a revised rate schedule updating the allocation for recent water use. He further explained that the Wholesale Financial Plan that the Board adopted constitutes the Board policy on rate setting. Ms. Silva explained that, from 2017-2019, the District had consistency with the previous financial plans and rate schedules, then at the request of the customers, the District changed the formula to the rolling average. She informed the Board that this resulted in volatility and was more susceptible to errors when changing the rate annually; therefore, the District reverted back to the fixed average approach for the most recently adopted Wholesale Financial Plan and Rate Schedule

***Director Tobin moved to approve a rebate of \$77,108.97 to Citrus Heights Water District and a rebate of \$751.19 to Fair Oaks Water District. Director Rich seconded the motion and it with 4 Aye votes and 1 No vote (Costa).***

#### **5. Director Compensation (W & R)**

GM Helliker reviewed a staff report which was included in the Board packet. He informed the Board that this topic was brought up at the last Board meeting and he discussed the topic with President Zamorano. He explained that the last time the Board compensation was adjusted was in 2005 and Water Code 20202 allows a 5% annual increase since the last adjustment which could potentially bring the compensation up to \$315.87 per meeting should the Board approve that amount.

The Board discussed the topic and there were suggestions to increase the compensation at the same rate as the employee COLAs, to leave it as is, or to increase the amount of compensation and reduce the number of meetings to 5 per month.

***President Zamorano moved to increase the compensation to \$250 per meeting with a limit of 5 meetings per month. There was no second, the motion failed.***

Legal Counsel Jones informed the Board that any action taken tonight would be to give staff direction for returning to the Board with an ordinance amendment if that is the direction that the Board takes.

In response to Director Miller's question, the Board Secretary informed the Board that the Board as a whole averaged 5.6 meetings per month for the last couple of



years; however, she indicated that Director Tobin averaged 10 per month during that time since Director Tobin was on the ACWA board and the rest of the Board was considerably less per month.

***Director Rich moved to give staff direction for the amendment to show an increase in the stipend to \$200 per meeting with a limit of 5 meetings per month. Vice President Costa seconded the motion.***

Ms. Jones addressed the Board and commented that she received \$300 per month, regardless of the number of meetings that she attended, along with mileage and the cost to send a director to a conference is not compensation to the director. Director Miller commented that directors do not receive mileage to attend meetings at the District any longer since the government does not allow that, and the Board policy for out of state travel was implemented for the ACWA DC2024 conference and the Board voted not to allow the travel to attend that conference.

***President Zamorano made a substitute motion to give staff direction for the amendment to show an increase in the stipend to \$200 per meeting with a limit of 5 meetings per month with a requirement that a director must request, in writing to the General Manager, that they receive the increase. Director Rich seconded the motion.***

Legal Counsel Jones stated that a motion was not needed, just Board consensus on what to bring back to the next meeting.

In response to Board discussion, Legal Counsel Jones informed the Board that he will confirm that a director can elect to not receive a stipend or to receive a reduced amount. In response to Ms. Silva's question, President Zamorano stated that the number of meetings should stay at five per month regardless of the amount received per meeting.

Legal Counsel Jones informed the Board that at the next Board meeting, the Board will review the draft ordinance amendment with the provisions that the motion has stated in it.

## **V. OLD BUSINESS**

### **1. 2024 Committee Assignments (W & R)**

GM Helliker announced that the 2024 committee assignment list was included in the Board packet, and the only change was for an agreed upon swap with Director Tobin becoming Chair of the Finance Committee and Vice President Costa joining the Public Information Committee. The Board discussed the 2x2 Ad Hoc Committee with Fair Oaks Water District and decided to keep the committee on the list.

**2. Conjunctive Use and Groundwater Banking Activities Update (W & R)**

GM Helliker informed the Board that analysis of the wholesale and retail systems identified these needs: groundwater production for backup supplies during critically dry years for SJWD Retail, Folsom and Orangevale; sufficient groundwater production to meet the substitution transfer volumes that are agreed to with CHWD, FOWD, OVWC and SSWD; groundwater production for substitution transfers at market rates; and, with regard to recharge, meet sustainability goals with partners and, as necessary, provide additional recharge to make sure that the groundwater resources are available to meet future needs. He indicated that the analysis document was previously emailed to the Board members.

GM Helliker explained that there are three alternatives that have been discussed: (1) buy into facilities; (2) buy capacity in a facility; and (3) buy water as needed. He informed the Board that there has not been a lot of discussion with CHWD or FOWD, but there have been discussions with SSWD, and OVWC is also interested in discussing this topic. Mr. Zlotnick explained that this is regarding physical infrastructure with regard to partnering with agencies that have facilities or are looking to have facilities with groundwater that they can access. Mr. Zlotnick confirmed that these options, along with in lieu of or ASR, make banking of water a possibility for the District. GM Helliker emphasized that the most critical need that the District has is groundwater production and having access to groundwater during a drought.

In response to Vice President Costa's comment, GM Helliker explained that the 2008 Shortage Policy that the District had with the CHWD and FOWD was cancelled and replaced with another policy which now states that if there is a shortage of surface water and not enough to meet all the needs of the wholesale area, then the surface water will be distributed in a prorated amount, based on the last five years of use.

GM Helliker reviewed two scenarios regarding backup supplies for critically dry years and explained the well capacity needs of the District. In addition, he reviewed the last ten years of water use by CHWD and FOWD and their current demands, along with data from monitoring wells that show groundwater sustainability levels. He reviewed the various amounts of water that the District, CHWD, FOWD, OVWC and SSWD are required to deliver as it pertains to the Voluntary Agreement.

GM Helliker informed the Board that Mr. Zlotnick has completed some research regarding grant opportunities for groundwater facilities. Mr. Zlotnick explained that there are three opportunities through the federal government with the Army Corp of Engineers and their Environmental Infrastructure Account Section 219, the Environmental Protection Agency State & Tribal Assistance Grants Program, and Reclamation's Water Smart Program. Mr. Zlotnick reviewed the options that are available to the District to secure funding.

**3. 2024 Hydrology and Operations Update (W & R)**

GM Helliker reviewed data which included the current reservoir storage levels across the state, data on releases, temperature and precipitation outlooks, and storage levels and projections at Folsom Reservoir.

Mr. Zlotnick informed the Board that staff plans to purchase some CVP water this year, along with all of the water rights water and some PCWA water and will balance the water supply cost with the budget. He explained that using CVP water helps to build the historic use when there are times of water shortage allocations from Reclamation.

**VI. INFORMATION ITEMS**

**1. GENERAL MANAGER’S REPORT**

**1.1 General Manager’s Monthly Report (W & R)**

GM Helliker provided the Board with a written report for January which was included in the Board packet.

**1.2 Miscellaneous District Issues and Correspondence**

GM Helliker reported that he attended the Sacramento Suburban Water District Board meeting, and they discussed the River Arc project. He explained that the plan is to build a pipeline to bring water from the Sacramento River to a treatment plant in the Rio Linda area and then deliver the water to Western Placer County and the airport area.

**2. DIRECTOR OF FINANCE’S REPORT**

**2.1 Miscellaneous District Issues and Correspondence**

Ms. Silva reported that the final loan draw on the Eureka Road Pipeline Replacement Project was approved, and funds should be received in approximately six weeks. She also reported that the mid-year budget will be reviewed at the March Board meeting. In addition, she reported that the Retail Financial Plan process was started since the last Retail Financial Plan retail rate increase occurred January 2024. She reported that the contract with Hildebrand Consulting was executed, and staff will be working with the consultant to update the financial plan and proceed through the Prop. 218 hearing process.

**3. DIRECTOR OF OPERATIONS’ REPORT**

**3.1 Miscellaneous District Issues and Correspondence**

No report.

**4. DIRECTOR OF ENGINEERING SERVICES’ REPORT**

**4.1 Miscellaneous District Issues and Correspondence**

No report.

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

### **5.1 Legal Matters**

No report.

## **VII. DIRECTORS' REPORTS**

### **1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)**

Vice President Costa reported that SGA met February 8th. He reported that Mr. Jim Peifer will be attending the March Board meeting.

### **2. REGIONAL WATER AUTHORITY (RWA)**

GM Helliker reported that there was a proposal to expand the groundwater bank project description to include water transfers. He indicated that there were many questions and concerns regarding adding water transfers as it may lead to some implications for the annual transfers that the District conducts. In addition, he mentioned that, since RWA does not conduct water transfers, adopting CEQA documentation with the inclusion of water transfers does not make sense.

### **3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)**

#### **3.1 ACWA - Pam Tobin**

Director Tobin expressed her concerns regarding the punitive use of votes taken at a recent Board meeting regarding her attendance at the ACWA DC2024 conference. She informed the Board that Steve Lamar, ACWA Past President, contacted her regarding GM Helliker lobbying the Board to vote against her attendance at the conference. GM Helliker informed the Board that he hasn't had a conversation with Mr. Lamar for about a year and was not involved in the Board's decision regarding her attendance at the conference. Director Tobin started to discuss the democracy of voting when President Zamorano called for a point of order. Director Tobin stated the District missed an opportunity for her to meet with various federal representatives on important water matters. In addition, she stated that the conference was budgeted then the Board voted not to allow her attendance as punishment and is not allowing her to do her job and duties as agreed upon. President Zamorano called for a point of order. In response to Director Tobin's request, Legal Counsel Jones informed Director Tobin that she has the floor for her report as long as it is related to ACWA.

Director Tobin finished her report and informed the Board that the ACWA Legislative Symposium is scheduled for April 10, 2024, and the ACWA Spring Conference is scheduled for May 7-9, 2024.

#### **3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin**

No report.

**4. CVP WATER USERS ASSOCIATION**

Vice President Costa reported that the CVP Water Users Association is scheduled to meet on March 5, 2024. Mr. Zlotnick reported that the association hired Brooke White as the Executive Director and she will be a great benefit to the association based on her background.

**5. OTHER REPORTS, CORRESPONDENCE, COMMENTS, IDEAS AND SUGGESTIONS**

Vice President Costa commented that every February/March the General Manager evaluation is performed. GM Helliker stated that the usual process is for him to provide the Board with a self-evaluation form, and then the Board makes their comments and forwards them to the Board Secretary, who then compiles them into one document for review during Closed Session at the March Board meeting. In addition, the Board President appoints Labor Negotiators to meet with GM Helliker to discuss compensation. President Zamorano appointed Director Miller and Vice President Costa as the District's Labor Negotiators and directed them to meet with GM Helliker prior to the March Board meeting.

**VIII. COMMITTEE MEETINGS**

**1. Public Information Committee – February 13, 2024**

The committee meeting minutes were included in the Board packet.

**2. Finance Committee – February 20, 2024**

The committee meeting minutes were included in the Board packet.

**IX. UPCOMING EVENTS**

**1. 2024 ACWA Spring Conference**

May 7-9, 2024  
Sacramento, CA

At 8:30 p.m., President Zamorano announced that the Board was adjourning to Closed Session and requested public comments. Legal Counsel Jones informed the Board that the Closed Session item is to discuss the government claim that was received from Fair Oaks Water District and Citrus Heights Water District regarding the Wholesale Rate Plan.

**X. CLOSED SESSION**

**1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2)

**XI. OPEN SESSION**

There was no reportable action.

**XII. ADJOURN**

**The meeting was adjourned at 8:46 p.m.**

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MANUEL ZAMORANO, President  
Board of Directors  
San Juan Water District

ATTEST: \_\_\_\_\_  
TERI GRANT, Board Secretary

## SAN JUAN WATER DISTRICT

Board of Director's Board Workshop Minutes  
March 6, 2024 – 6:00 p.m.

### BOARD OF DIRECTORS

Manuel Zamorano	President
Ted Costa	Vice President
Ken Miller	Director
Dan Rich	Director
Pam Tobin	Director

### SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Director of Operations
Andrew Pierson	Director of Engineering
Devon Barrett	Customer Service Manager
Greg Turner	Water Treatment Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant

### OTHER ATTENDEES

User 01	
Roger Canfield	
Mike Spencer	SJWD Employee

### AGENDA ITEMS

- I. Roll Call
- II. Workshop
- III. Adjourn

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

#### I. ROLL CALL

The Board Secretary took a roll call of the Board. The following directors were present in the Boardroom: Ted Costa, Ken Miller, Dan Rich, Pam Tobin and Manuel Zamorano.

President Zamorano passed the gavel to Vice President Costa to chair the meeting. Vice President Costa opened the floor for Public Comment and there were no public comments made.

#### II. WORKSHOP

##### 1. Strategic Plan Update (W & R)

GM Helliker reviewed the staff report which was included in the Board packet. The Board Secretary made the Board-suggested edits to the Strategic Plan as GM Helliker reviewed each section of the plan. The Board requested that a new goal be

created - Foster Collaborative Relationships with Regional and Statewide Partners  
– and moved two items from other goals into the new goal.

The Board requested that a draft of the Strategic Plan be provided to the Wholesale Customer Agencies and that they be invited to the next Board meeting.

**III. ADJOURN**

**The meeting was adjourned at 7:40 p.m.**

\_\_\_\_\_  
MANUEL ZAMORANO, President  
Board of Directors  
San Juan Water District

ATTEST: \_\_\_\_\_  
TERI GRANT, Board Secretary



The meeting minute attachments are located under Meeting Minutes – *Draft* on the webpage.

## STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: March 27, 2024  
Subject: Review and Update the Investment Policy of the San Juan Water District

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### RECOMMENDED ACTION

Consider a motion to approve proposed updates to the San Juan Water District Investment Policy. The staff recommendation was reviewed by the Finance Committee, which recommends approval by the Board of Directors.

### BACKGROUND

The San Juan Water District's Investment Policy communicates the Board's investment objectives, delegation of authority, investment procedures and defines authorized and suitable investments for the District. While no longer required by state law, best practices require a periodic review with updates as needed or desired. This policy was last reviewed and updated on August 19, 2020.

Staff, and your Investment Advisors at PFM Asset Management, Inc. have reviewed the Investment Policy and are recommending the following changes to the policy:

#### Addressing Recent Code Changes:

Senate Bill 882, made one change to Government Code (Code) section 53601, the section of Code that governs the investment of public funds. Language was added to Code Section 53601(o), the subdivision that allows investment in assets-backed and mortgage-backed securities, to state that *securities allowed under 53601(o) that are issued by the United States, federal agencies, or United States government-sponsored enterprises are exempt from the credit and diversification requirements included in 53601(o)*. To address this change to Code, staff suggests editing policy section 5.6.7.1 Authorized and Suitable Investments, Investment Types. This edit to the Policy does not change what PFM is allowed to purchase on your behalf nor the management of your portfolio.

Senate Bill 1489 made two changes to Code section 53601. First it added language stating that *an investment's term or remaining maturity shall be measured from the settlement date to final maturity*, and second, that *a security purchased in accordance with Code section 53601 shall not have a forward settlement date exceeding 45 days from the time of investment*. Previously, Code was silent on both items. To address the Code changes, staff recommends adding the new Code language to Policy section 5.6.8.2 Investment Parameters, Maximum Maturities.

#### Additional Recommendation:

Staff recommends correcting an error in the government code reference in the last bullet point of in section 5.6.7.1 Authorized and Suitable Investments, Investment Types to bring the language in line with the government code.

#### Attachments

Proposed Investment Policy – Red-lined  
Proposed Investment Policy – Clean

Section	<b>FIN-5 Finance</b>	Approval Date	<b>10/23/03</b>
Policy	<b>FIN-5.6 Investment Policy</b>	Latest Revision	<b>8/19/20</b>

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## FIN-5.6 Investment Policy

### 5.6.1 Policy

The purpose of this document is to convey the Investment Policy of the San Juan Water District (“District”). This policy should be reviewed periodically to ensure consistency with legal and District requirements. It is the District’s policy to invest all funds in such a way as to achieve the highest investment return possible consistent with maximum security of District funds while meeting the daily cash flow demands of the District. All investments must conform to pertinent state and local statutes governing the investment of public funds.

### 5.6.2 Scope

The District currently has one fund type, an enterprise fund, in which all transactions are accounted and reported in. Activities for both Wholesale and Retail include: Non-Operating, Operations, and Capital Improvements. This investment policy applies to all fund and activity types. In addition, this policy will apply to any new fund created, unless that fund is specifically exempted.

#### 5.6.2.1 Exceptions

Two exceptions exist regarding the investment of (1) bond reserve funds, and (2) grant funds.

Acceptable investments for bond reserve funds are specified in the bond documents, and may not necessarily be the same as those listed later in this document (e.g. Guaranteed Investment Contract). Bond funds will be invested in accordance with the statutory provisions governing the issuance of the bonds or the bond documents, as applicable.

Grant funds will be invested according to the statutory provisions applicable to the investment of the grant funds or the grant itself, as applicable.

#### 5.6.2.2 Pooling of Funds

With the exception of cash in restricted and special funds, the District will consolidate cash balances from all funds to the extent practicable in order to maximize investment earnings and minimize fees.

### 5.6.3 Prudence

#### 5.6.3.1 Standard of Prudence

The standard of prudence will be the “prudent investor” standard.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Board and its designated investment officer(s) shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. This standard

will be applied in all District investment decisions. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The District's Investment Officer and other individuals assigned to managing the investment portfolio acting in accordance with written procedures and the investment policy and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that such deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

#### 5.6.4 Objectives

The primary objectives, listed in order of priority, of the District's investment activities are:

##### 5.6.4.1 Safety

Safety of principal is the foremost objective of the District's investment program. Investments will be executed in a manner that seeks to ensure preservation of capital in the overall portfolio, whether from institutional default, broker/dealer default or erosion of market value of securities. In attaining this objective, the District will strive to mitigate credit risk and interest rate risk.

###### 5.6.4.1.1 Credit Risk

The District will minimize credit risk, the risk of loss due to the failure of the security issuer/backer, by:

- Limiting investments to the safest types of securities;
- Pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business; and
- Diversifying the investment portfolio by sector and issuer.

###### 5.6.4.1.2 Interest Rate Risk

The District will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities meet the cash flow requirements, thereby avoiding, to the extent possible, the need to sell securities on the open market prior to maturity; and
- Investing operating funds in shorter-term securities.

##### 5.6.4.2 Liquidity

The District's investment portfolio will remain sufficiently liquid to meet all cash flow requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash flow requirements (static liquidity). Since all possible cash flow requirements cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). As mentioned earlier, a portion of the portfolio should also be invested in short-term securities, which offer same-day liquidity.

#### **5.6.4.3 Return on Investment**

The District's investment portfolio will be designed to attain an acceptable rate of return, taking into account the investment risk constraints and cash flow requirements.

### **5.6.5 Standards of Care**

#### **5.6.5.1 Delegation of Authority**

The Finance Director is hereby designated as the "Investment Officer" in charge of managing the District's investment program. The Investment Officer may delegate the day-to-day placement of investments to a registered investment advisor. The investment advisor shall make all investment decisions and transactions in strict accordance with State law and this Policy. The Investment Officer shall establish a system of written internal controls to regulate the District's investment activities, including the activities of the investment advisor and any subordinate officials acting on behalf of the District.

#### **5.6.5.2 Investment Procedures**

The Investment Officer will establish written investment procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures.

#### **5.6.5.3 Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials and employees will disclose to the Investment Officer any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the District.

### **5.6.6 Safekeeping and Custody**

#### **5.6.6.1 Authorized Financial Dealers and Institutions**

The District will conduct investment transactions with authorized financial dealers and institutions. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: proof of National Association of Security Dealers certification, completed broker/dealer questionnaire, certification of having read the District's investment policy, and depository contracts.

An annual review of the registrations of qualified bidders will be conducted by the Investment Officer. A current broker dealer questionnaire is required to be on file for each financial institution and broker/dealer in which the District invests. The Investment Officer will maintain a list of authorized financial dealers and institutions.

If the District utilizes an investment advisor to conduct investment transactions on the District's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to District upon request.

As an additional source for investing, the District may utilize services designed for government agencies seeking competitive investment rates (e.g. GFOA Yield Advantage).

#### **5.6.6.2 Internal Control**

The Investment Officer will facilitate an annual process of independent review by the District's external audit firm as part of the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

#### **5.6.6.3 Delivery vs. Payment**

All investment transactions, including collateral for repurchase agreements, entered into by the District shall be conducted on a delivery-versus payment (DVP) basis. Investments will be held in safekeeping by a third party custodian and evidenced by safekeeping receipts. The custodian will be competitively selected by the Investment Officer and will act under the terms of a custody agreement.

### **5.6.7 Authorized and Suitable Investments**

#### **5.6.7.1 Investment Types**

Investment of District funds is governed by the California Government Code Sections 53600, *et seq.* Within the context of these limitations, the following investments are authorized:

- United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- U.S. Instrumentalities, United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a category of "AA," its equivalent, or better by a nationally recognized statistical rating organization (NRSRO) and shall not exceed 30 percent of the District's moneys that may be invested pursuant to this section.
- Registered state warrants or Treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Securities eligible for investment under this subdivision shall be rated in a category of "A," its equivalent, or better by a NRSRO.

- Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Securities eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO.
- Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO.
- Bankers’ acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.
  - The maximum maturity may not exceed 180 days;
  - No more than 40 percent of the District’s portfolio may be invested in bankers’ acceptances; and
  - Rated in a rating category of “A-1,” its equivalent, or better by at NRSRO.
- Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):
  - (1) is organized and operating in the United States as a general corporation with total assets greater than \$500 million with other debt rated in a rating category of “A,” its equivalent, or better by a NRSRO, or
  - (2) is organized within the U.S. as a special purpose corporation, trust or limited liability company with program-wide credit enhancements and its commercial paper is rated in a rating category of “A-1,” its equivalent, or higher by a NRSRO.

The maximum maturity will be 270 days or less. No more than 25 percent of the District’s funds will be invested in eligible commercial paper. The District may purchase no more than 10 percent of the outstanding commercial paper of any single corporate issue.

- Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Negotiable certificates of deposit eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better for long term certificates, or rated in a rating category of “A-1,” its equivalent, or better for short term certificates by a NRSRO. Purchases of negotiable certificates of deposit may not exceed 30 percent of the District's portfolio, which may be invested pursuant to this section.



- Local Agency Investment Fund (LAIF), the State of California managed investment pool may be used up to the maximum permitted by California law.
- Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. No more than 5% of the investment portfolio may be invested in this investment type. A maturity limitation of two years is applicable.
- Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the District's money that may be invested pursuant to this section.
- Money Market Funds invested in U.S. Government securities are permitted under this policy and under the California Government Code Section 53601. In order to be eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. The following criteria must also be met:
  - The fund shall have a minimum of \$500 million in total portfolio value.
  - The fund shall be registered with the Securities and Exchange Commission, and shall have achieved a rating of Aaa by Moody’s and AAA by S&P.
  - The fund shall have retained an advisor which is registered with the SEC, or which is exempt from such registration.
  - Investment in such funds shall not exceed 20% of the District’s total portfolio.
  - No more than 10% of the District’s total portfolio may be invested in any one mutual fund.
- Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision, not issued or guaranteed by the United States or by a federal

agency or United States government-sponsored enterprise the following limitations shall apply:

- The security shall be rated in a rating category of “AA,” its equivalent, or better by a NRSRO and have a maximum remaining maturity of five years or less.
- Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's surplus money that may be invested pursuant to this section.
- Local Government Investment Pools (LGIPs), shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Section 56301 subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
  - (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
  - (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
  - (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

#### **5.6.7.2 Ineligible Investments**

Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual.

### **5.6.8 Investment Parameters**

#### **5.6.8.1 Diversification**

The District will diversify its investments by security type and institution. With the exception of U. S. Treasury securities, U. S. Agency Obligations and authorized pools (e.g. LAIF), no more than 5% of the District’s total investment portfolio will be invested in a single issuer. The diversification requirements of the portfolio apply at time of purchase.

#### **5.6.8.2 Maximum Maturities**

To the extent possible, the District will strive to match its investments with anticipated cash flow requirements. Where this Policy does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that—at the time of the investment—has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. For purposes of compliance with this Policy, an investment’s term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in

accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

#### **5.6.8.3 Investment Earnings**

Investment earnings that are collected from investments authorized in this policy will be allocated monthly to the various program areas based upon their respective participation and in accordance with generally accepted accounting principles.

#### **5.6.8.4 Investment Pools**

A thorough investigation of the pool/fund is required prior to investing. At a minimum that review should consist of the following:

- a determination of the eligible investment securities;
- a determination of the allowable size of deposits and withdrawals;
- the frequency with which deposits and withdrawals can be made;
- the process and timeline for withdrawals;
- a review of the fee schedule.

The Finance Director shall monitor the pool to ensure he/she is aware of any changes made to the pool in the above categories.

#### **5.6.8.5 Review of Investment Portfolio**

The securities held by the District must be in compliance with Section 7.0 Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 7.0 Authorized and Suitable Investments subsequent to the date of purchase, the Investment Officer shall at least quarterly review the portfolio to identify those securities that do not comply. The Investment Officer shall establish procedures to report to the Board, should one exist, major and critical incidences of noncompliance identified through the review of the portfolio.

### **5.6.9 Policy Considerations**

#### **5.6.9.1 Legislative Changes**

Further restrictions on allowable maturities, investment type or percentage allocations imposed by any State of California legislative action, will be incorporated into the District's Investment Policy as deemed prudent and supersede any and all previous applicable language.

#### **5.6.9.2 Investment Policy Adoption**

The District's Investment Policy will be adopted by resolution or motion of the District's Board of Directors. The policy will be reviewed and updated periodically.

### **5.6.10 Reporting**

#### **5.6.10.1 Methods**

The Investment Officer will provide investment reports to the Board. Such reports will provide a status of the current portfolio, along with economic conditions, potential future changes and investment strategies. The reports will include:

- A listing of the securities held by category;
- Maturity date of all investments;

- Coupon, discount or earnings rate;
- Par Value, Amortized Book Value and Market Value; and
- Percentage of the portfolio by category.

**5.6.10.2 Performance Standards**

The investment portfolio will be developed with the objective of attaining a rate of return commensurate with the District’s investment risk constraints, cash flow requirements and the economic environment. An appropriate benchmark will be established against which portfolio performance can be compared on a regular basis.

**5.6.10.3 Marking to Market**

The market value of the portfolio will be calculated monthly, with a statement of market value issued. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on “Mark-To-Market Practices for State and Local Government Investment Portfolios and Investment Pools.”

## Glossary of Cash Management Terms

**Accrued Interest:** Interest earned but not yet received.

**Agencies:** Federal agency securities and/or Government-sponsored enterprises.

**Amortization:** An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

**Arbitrage:** Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

**Asked:** The price at which securities are offered.

**Banker's Acceptance (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Basis Point:** One basis point is one hundredth of one percent (.01).

**Bid:** The price offered by a buyer of securities.

**Bond:** A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Book Value:** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**Broker:** A person who brings buyers and sellers together for a commission.

**California Local Agency Obligations:** Bonds that are issued by a California county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.

**Commercial Paper:** Short-term, negotiable unsecured promissory notes of corporations.

**Comprehensive Annual Financial Report (CAFR):** The official annual financial report for the San Juan Water District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Coupon:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

## ***Glossary (con't)***

**Credit Analysis:** A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

**Current Yield:** The interest paid on an investment expressed as a percentage of the current price of the security.

**Custodian:** A bank or other financial institution that keeps custody of stock certificates and other assets.

**Defeased Bond Issues:** Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

**Delivery vs. Payment (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**Derivative:** Securities that are based on, or derived from, some underlying asset, reference date, or index.

**Discount:** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns and risk profiles.

**Duration:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Fannie Mae:** Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

**Federal Reserve System:** The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

**Federal Deposit Insurance Corporation (FDIC):** Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently \$100,000) per account.

**Fed Wire:** A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

**Freddie Mac:** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

**Ginnie Mae:** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

**Government Accounting Standards Board (GASB):** A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

## ***Glossary (con't)***

**Government Finance Officers' Association (GFOA):** GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906.

**Guaranteed Investment Contracts (GICS):** An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

**Inactive Deposits:** Funds not immediately needed for disbursement.

**Interest Rate:** The annual yield earned on an investment, expressed as a percentage.

**Investment Agreements:** An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

**Liquidity:** An asset that can easily and rapidly be converted into cash without significant loss of value.

**Local Agency Bonds:** These bonds are issued by a county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

**Local Agency Investment Fund (LAIF):** A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

**Market Value:** The price at which a security is trading and could presumably be purchased or sold.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Modified Duration:** A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.

**Mutual Funds:** An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

**Negotiable Certificate of Deposit:** A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

**New Issue:** Term used when a security is originally "brought" to market.

**Note:** A written promise to pay a specified amount to a certain entity on demand or on a specified date.

**Par Value:** The amount of principal, which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**Perfected Delivery:** Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

**Portfolio:** Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

## ***Glossary (con't)***

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

**Principal:** The face value or par value of a debt instrument, or the amount of capital invested in a given security.

**Prudent Investor Standard:** A person empowered to invest for the District is a fiduciary. He or she will act as a trustee with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the district, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

**Prospectus:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

**Prudent Investor Standard:** A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

**Purchase Date:** The date in which a security is purchased for settlement on that or a later date.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO):** A transaction where the seller agrees to buy back from the buyer (District) the securities at an agreed upon price on demand or at a specified date.

**Risk:** Degree of uncertainty of return on an asset.

**Rule G-37 of the Securities Rulemaking Board:** Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

**Safekeeping Service:** Offers storage and protection of assets provided by an institution serving as an agent.

**Sallie Mae:** Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities and Exchange Commission (SEC):** The federal agency responsible for supervising and regulating the securities industry.

**Settlement Date:** The date on which a trade is cleared by delivery of securities against funds.



## ***Glossary (con't)***

**State Obligations:** Registered Treasury notes or bonds of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 United States.

**Tax and Revenue Anticipation Notes (TRANS):** Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

**Time Certificate of Deposit:** A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

**Treasury Bills:** U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

**Trustee or trust company or trust department of a bank:** A financial institution with trust powers, which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

**Underwriter:** A dealer, which purchases a new issue of municipal securities for resale.

**U.S. Government Agencies:** Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

**U.S. Treasury Obligations:** Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. Notes are obligations, which mature between 1 year and 10 years. Bonds are long-term obligations, which generally mature in 10 years or more.

**U.S. Instrumentality:** An organization that serves a public purpose and is closely tied to the U.S. government, but is not a government agency. Many instrumentalities are private companies, and some are chartered directly by state or federal government. Instrumentalities are subject to a unique set of laws that shape their activities.

**Weighted Average Maturity (WAM):** The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

**Yield to Maturity:** The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

**Yield Curve:** A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**Revision History:**

Revision Date	Description of Changes	Requested By
1/13/16	Numerous changes – see Board staff report dated 1/13/16	Finance Committee
2/8/17	Numerous changes – see Board staff report dated 2/8/17	Finance Committee
2/28/18	Numerous changes – see Board staff report dated 2/8/18	Finance Committee
8/19/20	Numerous changes – see Board staff report dated 8/19/20	Finance Committee

Section	<b>FIN-5 Finance</b>	Approval Date	<b>10/23/03</b>
Policy	<b>FIN-5.6 Investment Policy</b>	Latest Revision	<b>8/19/20</b>

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## FIN-5.6 Investment Policy

### 5.6.1 Policy

The purpose of this document is to convey the Investment Policy of the San Juan Water District (“District”). This policy should be reviewed periodically to ensure consistency with legal and District requirements. It is the District’s policy to invest all funds in such a way as to achieve the highest investment return possible consistent with maximum security of District funds while meeting the daily cash flow demands of the District. All investments must conform to pertinent state and local statutes governing the investment of public funds.

### 5.6.2 Scope

The District currently has one fund type, an enterprise fund, in which all transactions are accounted and reported in. Activities for both Wholesale and Retail include: Non-Operating, Operations, and Capital Improvements. This investment policy applies to all fund and activity types. In addition, this policy will apply to any new fund created, unless that fund is specifically exempted.

#### 5.6.2.1 Exceptions

Two exceptions exist regarding the investment of (1) bond reserve funds, and (2) grant funds.

Acceptable investments for bond reserve funds are specified in the bond documents, and may not necessarily be the same as those listed later in this document (e.g. Guaranteed Investment Contract). Bond funds will be invested in accordance with the statutory provisions governing the issuance of the bonds or the bond documents, as applicable.

Grant funds will be invested according to the statutory provisions applicable to the investment of the grant funds or the grant itself, as applicable.

#### 5.6.2.2 Pooling of Funds

With the exception of cash in restricted and special funds, the District will consolidate cash balances from all funds to the extent practicable in order to maximize investment earnings and minimize fees.

### 5.6.3 Prudence

#### 5.6.3.1 Standard of Prudence

The standard of prudence will be the “prudent investor” standard.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Board and its designated investment officer(s) shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. This standard

will be applied in all District investment decisions. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The District's Investment Officer and other individuals assigned to managing the investment portfolio acting in accordance with written procedures and the investment policy and exercising due diligence will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that such deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

#### 5.6.4 Objectives

The primary objectives, listed in order of priority, of the District's investment activities are:

##### 5.6.4.1 Safety

Safety of principal is the foremost objective of the District's investment program. Investments will be executed in a manner that seeks to ensure preservation of capital in the overall portfolio, whether from institutional default, broker/dealer default or erosion of market value of securities. In attaining this objective, the District will strive to mitigate credit risk and interest rate risk.

###### 5.6.4.1.1 Credit Risk

The District will minimize credit risk, the risk of loss due to the failure of the security issuer/backer, by:

- Limiting investments to the safest types of securities;
- Pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business; and
- Diversifying the investment portfolio by sector and issuer.

###### 5.6.4.1.2 Interest Rate Risk

The District will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities meet the cash flow requirements, thereby avoiding, to the extent possible, the need to sell securities on the open market prior to maturity; and
- Investing operating funds in shorter-term securities.

##### 5.6.4.2 Liquidity

The District's investment portfolio will remain sufficiently liquid to meet all cash flow requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash flow requirements (static liquidity). Since all possible cash flow requirements cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). As mentioned earlier, a portion of the portfolio should also be invested in short-term securities, which offer same-day liquidity.

#### **5.6.4.3 Return on Investment**

The District's investment portfolio will be designed to attain an acceptable rate of return, taking into account the investment risk constraints and cash flow requirements.

### **5.6.5 Standards of Care**

#### **5.6.5.1 Delegation of Authority**

The Finance Director is hereby designated as the "Investment Officer" in charge of managing the District's investment program. The Investment Officer may delegate the day-to-day placement of investments to a registered investment advisor. The investment advisor shall make all investment decisions and transactions in strict accordance with State law and this Policy. The Investment Officer shall establish a system of written internal controls to regulate the District's investment activities, including the activities of the investment advisor and any subordinate officials acting on behalf of the District.

#### **5.6.5.2 Investment Procedures**

The Investment Officer will establish written investment procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures.

#### **5.6.5.3 Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials and employees will disclose to the Investment Officer any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the District.

### **5.6.6 Safekeeping and Custody**

#### **5.6.6.1 Authorized Financial Dealers and Institutions**

The District will conduct investment transactions with authorized financial dealers and institutions. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: proof of National Association of Security Dealers certification, completed broker/dealer questionnaire, certification of having read the District's investment policy, and depository contracts.

An annual review of the registrations of qualified bidders will be conducted by the Investment Officer. A current broker dealer questionnaire is required to be on file for each financial institution and broker/dealer in which the District invests. The Investment Officer will maintain a list of authorized financial dealers and institutions.

If the District utilizes an investment advisor to conduct investment transactions on the District's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to District upon request.

As an additional source for investing, the District may utilize services designed for government agencies seeking competitive investment rates (e.g. GFOA Yield Advantage).

#### **5.6.6.2 Internal Control**

The Investment Officer will facilitate an annual process of independent review by the District's external audit firm as part of the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

#### **5.6.6.3 Delivery vs. Payment**

All investment transactions, including collateral for repurchase agreements, entered into by the District shall be conducted on a delivery-versus payment (DVP) basis. Investments will be held in safekeeping by a third party custodian and evidenced by safekeeping receipts. The custodian will be competitively selected by the Investment Officer and will act under the terms of a custody agreement.

### **5.6.7 Authorized and Suitable Investments**

#### **5.6.7.1 Investment Types**

Investment of District funds is governed by the California Government Code Sections 53600, *et seq.* Within the context of these limitations, the following investments are authorized:

- United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- U.S. Instrumentalities, United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a category of "AA," its equivalent, or better by a nationally recognized statistical rating organization (NRSRO) and shall not exceed 30 percent of the District's moneys that may be invested pursuant to this section.
- Registered state warrants or Treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Securities eligible for investment under this subdivision shall be rated in a category of "A," its equivalent, or better by a NRSRO.

- Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Securities eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO.
- Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO.
- Bankers’ acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.
  - The maximum maturity may not exceed 180 days;
  - No more than 40 percent of the District’s portfolio may be invested in bankers’ acceptances; and
  - Rated in a rating category of “A-1,” its equivalent, or better by at NRSRO.
- Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):
  - (1) is organized and operating in the United States as a general corporation with total assets greater than \$500 million with other debt rated in a rating category of “A,” its equivalent, or better by a NRSRO, or
  - (2) is organized within the U.S. as a special purpose corporation, trust or limited liability company with program-wide credit enhancements and its commercial paper is rated in a rating category of “A-1,” its equivalent, or higher by a NRSRO.

The maximum maturity will be 270 days or less. No more than 25 percent of the District’s funds will be invested in eligible commercial paper. The District may purchase no more than 10 percent of the outstanding commercial paper of any single corporate issue.

- Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Negotiable certificates of deposit eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better for long term certificates, or rated in a rating category of “A-1,” its equivalent, or better for short term certificates by a NRSRO. Purchases of negotiable certificates of deposit may not exceed 30 percent of the District's portfolio, which may be invested pursuant to this section.



- Local Agency Investment Fund (LAIF), the State of California managed investment pool may be used up to the maximum permitted by California law.
- Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. No more than 5% of the investment portfolio may be invested in this investment type. A maturity limitation of two years is applicable.
- Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the District's money that may be invested pursuant to this section.
- Money Market Funds invested in U.S. Government securities are permitted under this policy and under the California Government Code Section 53601. In order to be eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. The following criteria must also be met:
  - The fund shall have a minimum of \$500 million in total portfolio value.
  - The fund shall be registered with the Securities and Exchange Commission, and shall have achieved a rating of Aaa by Moody’s and AAA by S&P.
  - The fund shall have retained an advisor which is registered with the SEC, or which is exempt from such registration.
  - Investment in such funds shall not exceed 20% of the District’s total portfolio.
  - No more than 10% of the District’s total portfolio may be invested in any one mutual fund.
- Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision, not issued or guaranteed by the United States or by a federal

agency or United States government-sponsored enterprise the following limitations shall apply:

- The security shall be rated in a rating category of “AA,” its equivalent, or better by a NRSRO and have a maximum remaining maturity of five years or less.
- Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's surplus money that may be invested pursuant to this section.
- Local Government Investment Pools (LGIPs), shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Section 56301 subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
  - (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
  - (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
  - (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

#### **5.6.7.2 Ineligible Investments**

Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual.

### **5.6.8 Investment Parameters**

#### **5.6.8.1 Diversification**

The District will diversify its investments by security type and institution. With the exception of U. S. Treasury securities, U. S. Agency Obligations and authorized pools (e.g. LAIF), no more than 5% of the District’s total investment portfolio will be invested in a single issuer. The diversification requirements of the portfolio apply at time of purchase.

#### **5.6.8.2 Maximum Maturities**

To the extent possible, the District will strive to match its investments with anticipated cash flow requirements. Where this Policy does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that—at the time of the investment—has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. For purposes of compliance with this Policy, an investment’s term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in

accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

#### **5.6.8.3 Investment Earnings**

Investment earnings that are collected from investments authorized in this policy will be allocated monthly to the various program areas based upon their respective participation and in accordance with generally accepted accounting principles.

#### **5.6.8.4 Investment Pools**

A thorough investigation of the pool/fund is required prior to investing. At a minimum that review should consist of the following:

- a determination of the eligible investment securities;
- a determination of the allowable size of deposits and withdrawals;
- the frequency with which deposits and withdrawals can be made;
- the process and timeline for withdrawals;
- a review of the fee schedule.

The Finance Director shall monitor the pool to ensure he/she is aware of any changes made to the pool in the above categories.

#### **5.6.8.5 Review of Investment Portfolio**

The securities held by the District must be in compliance with Section 7.0 Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 7.0 Authorized and Suitable Investments subsequent to the date of purchase, the Investment Officer shall at least quarterly review the portfolio to identify those securities that do not comply. The Investment Officer shall establish procedures to report to the Board, should one exist, major and critical incidences of noncompliance identified through the review of the portfolio.

### **5.6.9 Policy Considerations**

#### **5.6.9.1 Legislative Changes**

Further restrictions on allowable maturities, investment type or percentage allocations imposed by any State of California legislative action, will be incorporated into the District's Investment Policy as deemed prudent and supersede any and all previous applicable language.

#### **5.6.9.2 Investment Policy Adoption**

The District's Investment Policy will be adopted by resolution or motion of the District's Board of Directors. The policy will be reviewed and updated periodically.

### **5.6.10 Reporting**

#### **5.6.10.1 Methods**

The Investment Officer will provide investment reports to the Board. Such reports will provide a status of the current portfolio, along with economic conditions, potential future changes and investment strategies. The reports will include:

- A listing of the securities held by category;
- Maturity date of all investments;

- Coupon, discount or earnings rate;
- Par Value, Amortized Book Value and Market Value; and
- Percentage of the portfolio by category.

#### **5.6.10.2 Performance Standards**

The investment portfolio will be developed with the objective of attaining a rate of return commensurate with the District's investment risk constraints, cash flow requirements and the economic environment. An appropriate benchmark will be established against which portfolio performance can be compared on a regular basis.

#### **5.6.10.3 Marking to Market**

The market value of the portfolio will be calculated monthly, with a statement of market value issued. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-To-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

## Glossary of Cash Management Terms

**Accrued Interest:** Interest earned but not yet received.

**Agencies:** Federal agency securities and/or Government-sponsored enterprises.

**Amortization:** An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

**Arbitrage:** Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

**Asked:** The price at which securities are offered.

**Banker's Acceptance (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Basis Point:** One basis point is one hundredth of one percent (.01).

**Bid:** The price offered by a buyer of securities.

**Bond:** A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**Book Value:** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**Broker:** A person who brings buyers and sellers together for a commission.

**California Local Agency Obligations:** Bonds that are issued by a California county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.

**Commercial Paper:** Short-term, negotiable unsecured promissory notes of corporations.

**Comprehensive Annual Financial Report (CAFR):** The official annual financial report for the San Juan Water District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Coupon:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

## ***Glossary (con't)***

**Credit Analysis:** A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

**Current Yield:** The interest paid on an investment expressed as a percentage of the current price of the security.

**Custodian:** A bank or other financial institution that keeps custody of stock certificates and other assets.

**Defeased Bond Issues:** Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

**Delivery vs. Payment (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**Derivative:** Securities that are based on, or derived from, some underlying asset, reference date, or index.

**Discount:** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns and risk profiles.

**Duration:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Fannie Mae:** Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

**Federal Reserve System:** The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

**Federal Deposit Insurance Corporation (FDIC):** Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently \$100,000) per account.

**Fed Wire:** A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

**Freddie Mac:** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

**Ginnie Mae:** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

**Government Accounting Standards Board (GASB):** A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

## ***Glossary (con't)***

**Government Finance Officers' Association (GFOA):** GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906.

**Guaranteed Investment Contracts (GICS):** An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

**Inactive Deposits:** Funds not immediately needed for disbursement.

**Interest Rate:** The annual yield earned on an investment, expressed as a percentage.

**Investment Agreements:** An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

**Liquidity:** An asset that can easily and rapidly be converted into cash without significant loss of value.

**Local Agency Bonds:** These bonds are issued by a county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

**Local Agency Investment Fund (LAIF):** A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

**Market Value:** The price at which a security is trading and could presumably be purchased or sold.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Modified Duration:** A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.

**Mutual Funds:** An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

**Negotiable Certificate of Deposit:** A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

**New Issue:** Term used when a security is originally "brought" to market.

**Note:** A written promise to pay a specified amount to a certain entity on demand or on a specified date.

**Par Value:** The amount of principal, which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

**Perfected Delivery:** Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

**Portfolio:** Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

## ***Glossary (con't)***

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

**Principal:** The face value or par value of a debt instrument, or the amount of capital invested in a given security.

**Prudent Investor Standard:** A person empowered to invest for the District is a fiduciary. He or she will act as a trustee with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the district, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

**Prospectus:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

**Prudent Investor Standard:** A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

**Purchase Date:** The date in which a security is purchased for settlement on that or a later date.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (REPO):** A transaction where the seller agrees to buy back from the buyer (District) the securities at an agreed upon price on demand or at a specified date.

**Risk:** Degree of uncertainty of return on an asset.

**Rule G-37 of the Securities Rulemaking Board:** Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

**Safekeeping Service:** Offers storage and protection of assets provided by an institution serving as an agent.

**Sallie Mae:** Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities and Exchange Commission (SEC):** The federal agency responsible for supervising and regulating the securities industry.

**Settlement Date:** The date on which a trade is cleared by delivery of securities against funds.



## ***Glossary (con't)***

**State Obligations:** Registered Treasury notes or bonds of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 United States.

**Tax and Revenue Anticipation Notes (TRANS):** Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

**Time Certificate of Deposit:** A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

**Treasury Bills:** U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

**Trustee or trust company or trust department of a bank:** A financial institution with trust powers, which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

**Underwriter:** A dealer, which purchases a new issue of municipal securities for resale.

**U.S. Government Agencies:** Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

**U.S. Treasury Obligations:** Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. Notes are obligations, which mature between 1 year and 10 years. Bonds are long-term obligations, which generally mature in 10 years or more.

**U.S. Instrumentality:** An organization that serves a public purpose and is closely tied to the U.S. government, but is not a government agency. Many instrumentalities are private companies, and some are chartered directly by state or federal government. Instrumentalities are subject to a unique set of laws that shape their activities.

**Weighted Average Maturity (WAM):** The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

**Yield to Maturity:** The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

**Yield Curve:** A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**Revision History:**

Revision Date	Description of Changes	Requested By
1/13/16	Numerous changes – see Board staff report dated 1/13/16	Finance Committee
2/8/17	Numerous changes – see Board staff report dated 2/8/17	Finance Committee
2/28/18	Numerous changes – see Board staff report dated 2/8/18	Finance Committee
8/19/20	Numerous changes – see Board staff report dated 8/19/20	Finance Committee

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: March 27, 2024  
Subject: San Juan Membership in the Regional Water Authority

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### RECOMMENDED ACTION

Discussion and Possible Action

### BACKGROUND

Director Costa requested that this item be placed on the agenda, to allow for a discussion about San Juan's participation in the Regional Water Authority, including discussion of topics relevant to the Sacramento Groundwater Authority.

San Juan was one of the founding members of RWA and has participated in various subscription programs since the inception of the organization. San Juan currently provides funding for and participates in the water efficiency program and the groundwater bank program, San Juan had previously been a participant in the state legislative subscription program, which is now a core program (and in which San Juan's representatives participate). San Juan also participates in the non-disclosure agreement collaboration on the Bay-Delta Water Quality Control Plan/Voluntary Agreement, which is supported by RWA. San Juan's dues are currently \$68,400 per year, and its contribution to the water efficiency program is \$15,703 in FY 23-24. San Juan has contributed \$50,000 to the RWA member agency costs of the groundwater bank, which totals \$1,703,000 in the Phase 1 and 2 Agreements, and has committed to provide an additional \$35,000 in funding.

Some topics the Board may want to discuss:

- Development of the groundwater bank, certain proposed operating rules, and their relationship to the current operations of San Juan, its Wholesale Customer Agencies and its other partners
- The role of RWA in representing its Member Agencies' positions on various issues
- The structure of the SGA Board of Directors and the process for designating such members
- Salaries and the compensation studies that underlie them

Attached are the comments that San Juan's RWA Board members provided on RWA's strategic plan.

The PLANNING GOAL in the Strategic Plan is: Continuously improve regional water management planning that is comprehensive in scope and contributes to more effective regional water resources management. Please rank in order of importance the following PLANNING GOAL objectives for RWA in 2024.

Rank the following statements: The order I suggest is >

1. Planning Objective A: Complete development of the Sacramento Regional Water Bank to improve water supply reliability and resilience.
2. Planning Objective B: Evaluate and respond to impacts on the region's water suppliers and operations.
3. Planning Objective C: Lead and support planning efforts that benefit water agencies.
4. Planning Objective D: Plan for the sustainability of RWA and its members.

The IMPLEMENTATION GOAL in the Strategic Plan is: Lead successful water management strategies, as well as develop and undertake related beneficial programs on behalf of the region. Please rank in order of importance the following IMPLEMENTATION GOAL objectives for RWA in 2024.

Rank the following statements: The order I suggest is >

1. Implementation Objective A: Support the securing of funding and assist in resourcing projects and programs that are regional priorities.
2. Implementation Objective C: Support members' water use efficiency efforts to comply with applicable state and local requirements.
3. Implementation Objective B: Support members' efforts to improve water reliability and resilience.

The COMMUNICATION GOAL in the Strategic Plan is: Based on shared values, communicate with one voice on issues of regional significance to strengthen relationships, elevate regional visibility and influence, and advance the collective interests of the region. Please rank in order of importance the following COMMUNICATION GOAL objectives.

Rank the following statements: The order I suggest is >

1. Communication Objective A: Provide a forum for education, discussion, and outreach on water issues affecting the region.
2. Communication Objective C: Cultivate relationships to advance RWA members' interests.

3. Communication Objective B: With one voice, raise RWA's profile and credibility through outreach efforts to targeted audiences.

The ADVOCACY GOAL in the Strategic Plan is: Advocate for members and the region's needs and interests to positively influence legislative and regulatory policies and actions. Please rank in order of importance the following ADVOCACY GOAL objectives for RWA in 2024.

Rank the following statements: The order I suggest is >

1. Advocacy Objective B: Evaluate, comment and advocate on state and federal water regulatory issues that may impact the region and its water reliability and resilience (e.g. WQCP, PFAS, Chrome VI).
2. Advocacy Objective A: Engage relevant local, state, and federal representatives to seek support for RWA's legislative agenda to further the region's collective goals and objectives.
3. Advocacy Objective C: Assist in the preservation of water rights and entitlements of RWA members, maintain area of origin protections, and protect and ensure water reliability and resilience.

Of all the Strategic Plan Objectives noted above, please list the top three that your organization believes should be the highest priority for RWA in 2024.

### **Priority Objective 1**

Planning A, securing federal recognition of the Water Bank and ensuring an appropriate transition of current conjunctive use and banking activities into melded operations with Water Bank going forward, as well as establishing effective governance in alignment with the GSPs and SGA's jurisdictional responsibilities.

### **Priority Objective 2**

Advocacy Objective B, engaging on regulatory issues, particularly new conservation mandates and related repetitive reporting requirements, CARB zero emission fleet mandate, new groundwater quality regulations, etc., and ensuring member agencies are well informed, aware of their implications, and have a clear understanding of reporting requirements.

### **Priority Objective 3**

Communication Objective A, provide a forum for education, discussion, and outreach on water issues affecting the region.

### Strategic Plan Priorities

10. Are there any priorities your organization believes are important that are NOT in the Strategic Plan? If yes, please list them.

There needs to be more engagement on regulatory issues as noted above. The current breadth of legislative engagement should be narrowed to focus on many fewer bills to allow for increased engagement on the regulatory front, along with the necessary communication and education of the membership about what is being proposed and adopted that will significantly impact costs and operations.

11. If you could change anything about the Strategic Plan, what would you change to benefit your organization? Please explain what and why.

We would prioritize the objectives identified herein because we believe they would serve the membership best.

12. Do you believe the RWA is adequately implementing and effectively operating in a manner that is consistent with the Strategic Plan? Please explain why.

Per note above, we believe too much of limited staff time and resources are spent on legislative lobbying and instead more attention needs to be paid to the regulatory arena and keeping the member agencies informed and educated.

### RWA Mission

The RWA's mission is: To serve, represent and align the interests of regional water providers and stakeholders for the purpose of improving water supply reliability, availability, quality and affordability.

13. Thinking about the RWA's mission: What are the challenges your organization is experiencing in the context of the mission?

RWA leadership does not do well in respecting differences of opinion and interests, too often failing to build consensus, or even trying to work toward it, and instead imposing a particular position over an objection. This type of association should value real engagement and addressing concerns of its members as collaboratively as possible. We don't think that is an RWA leadership priority, which is a challenge.

Another concern we have is that the mission statement above is not consistent with the mission defined for RWA in Recital B of its Joint Powers Authority (JPA) Agreement which is: "The mission of the Regional Authority is to serve and represent the regional water supply interests, and to assist the Members of the Regional Authority in protecting and enhancing the reliability, availability, affordability and quality of water resources."

RWA's JPA mission statement does not include any reference to "aligning" the interests of its member agencies, because it is not the role of an organization whose purpose is to be a forum for developing a common message to dictate any position that a member agency should have on any subject. It appears that this concept of "aligning" is the crux of many conflicts that exist between the Executive Director and several member agencies. RWA was not established to be the sole point of contact nor the sole "spokesagency" for its member agencies, and no such policy exists in any of its policies. This repeated pursuit of

“alignment”, particularly when there is none, and the related efforts to muzzle member agencies, is also a problematic challenge.

14. Thinking about the RWA’s mission: What could the RWA do within its mission that would be most helpful to your organization?

Fix the “challenges” identified above.

# STAFF REPORT

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To: Board of Directors  
From: Donna Silva, Director of Finance  
Date: March 27, 2024  
Subject: Mid-Year Financial Report – Fiscal Year 2023-24

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## RECOMMENDED ACTION

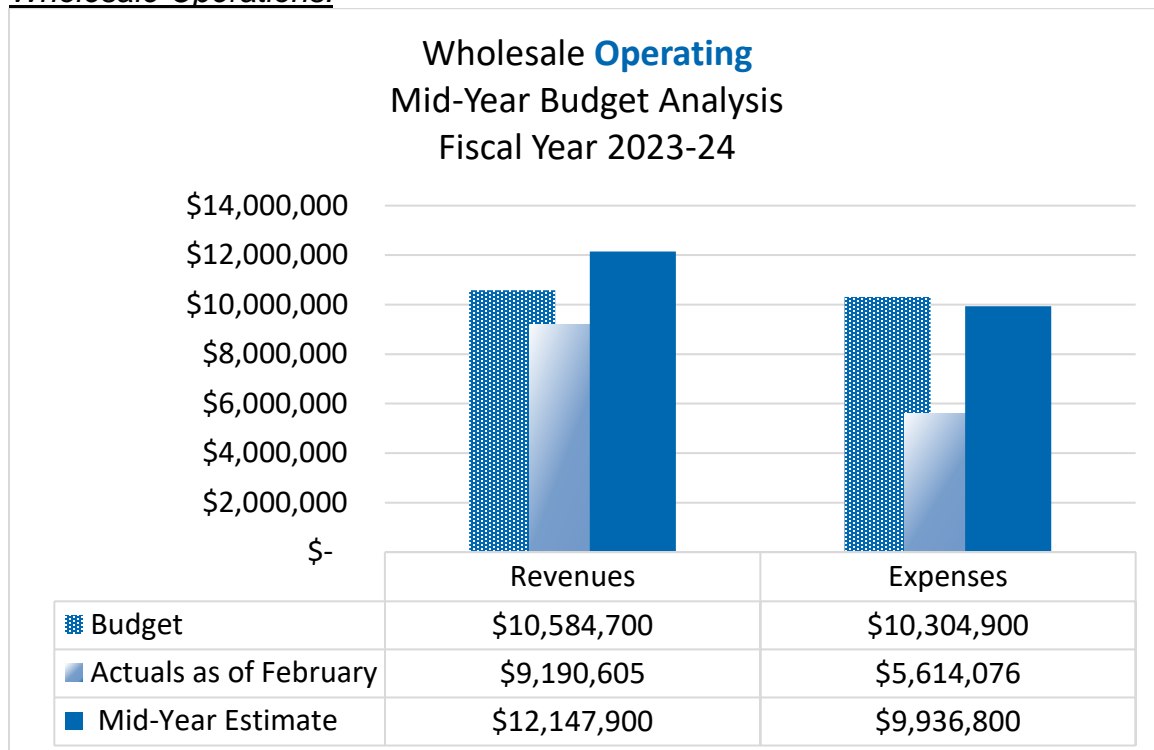
Receive report.

## BACKGROUND

The Board of Directors adopted the Fiscal Year 2023-24 Operating and Capital Budget on June 28, 2023. The Board of Directors receives budget to actual reports at each Board Meeting. Approximately halfway through a fiscal year, staff performs a deep analysis of the year-to-date revenues and expenses and projects the annual results and compares those projections to the adopted budget. A mid-year analysis of this nature affords the District the opportunity to course correct, if necessary, and/or to be assured that the financial activities and position of the District are on course with the approved budget.

The purpose of this report is to summarize the mid-year budget analysis for the Board of Directors.

### Wholesale Operations:





As illustrated in the graph above, both wholesale revenues and expenses are tracking favorably with the budget. Estimated revenues are 14.8% greater than budgeted and expenses are estimated to be 3.6% less than budgeted.

Water sales to the regular wholesale customer agencies are slightly higher than was anticipated in the budget. The increased deliveries, combined with the new rates, are expected to generate revenues that are 6.7% greater than anticipated in the original budget. The original budget did not assume a rate increase. The budget anticipated revenues of \$1.3 million from treating Sacramento Suburban Water District's (SSWD) PCWA water. The District ceased deliveries to SSWD in February. Based on actual deliveries, total revenues from SSWD will be \$2.25 million, almost \$1 million more than anticipated in the original budget.

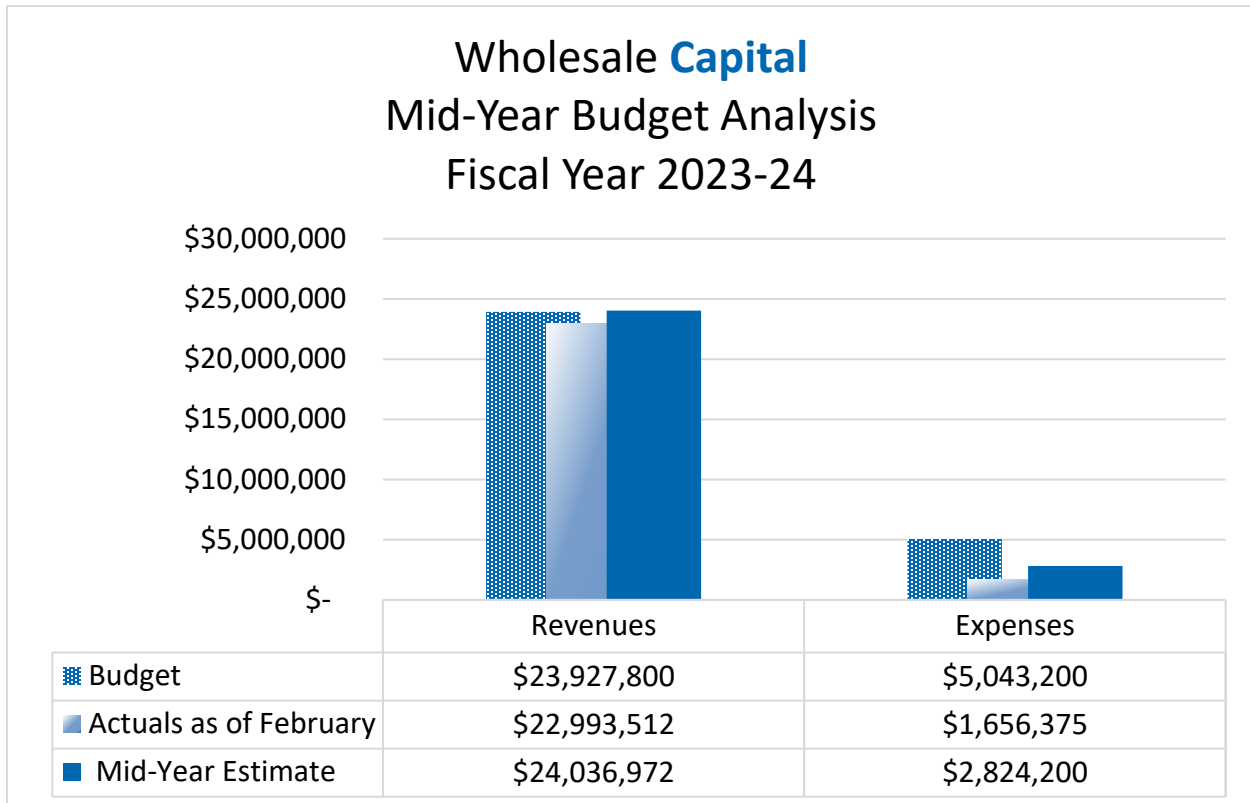
Wholesale operating expenses are projected to be \$368,100 less than budgeted. The largest variance comes from Source of Supply. The District had budgeted \$275,000 for Warren Act and NEPA work. The consultant is currently on hold waiting for modeling information which is unlikely to be available prior to the end of the fiscal year.

The budget anticipated a transfer *in* from wholesale capital to fund the required reserve for the Hinkle Reservoir SRF loan. However, based on the additional revenues from water treatment and sales, a transfer from capital will not be needed. On the contrary, the operating fund should be able to *transfer out* approximately \$1.3 million to the capital fund, continuing the District's progress towards achieving pay as you go status for its robust capital program.

*Wholesale Capital:*

Wholesale capital revenues, comprised this year predominately of proceeds from the Hinkle Reservoir SRF loan, are on track with the original budget. The final proceeds from the loan will not be received until next fiscal year, but higher than expected property tax revenues and investment income more than offset that negative variance. Staff estimates wholesale capital revenues will be approximately 0.5% greater than anticipated in the original budget.

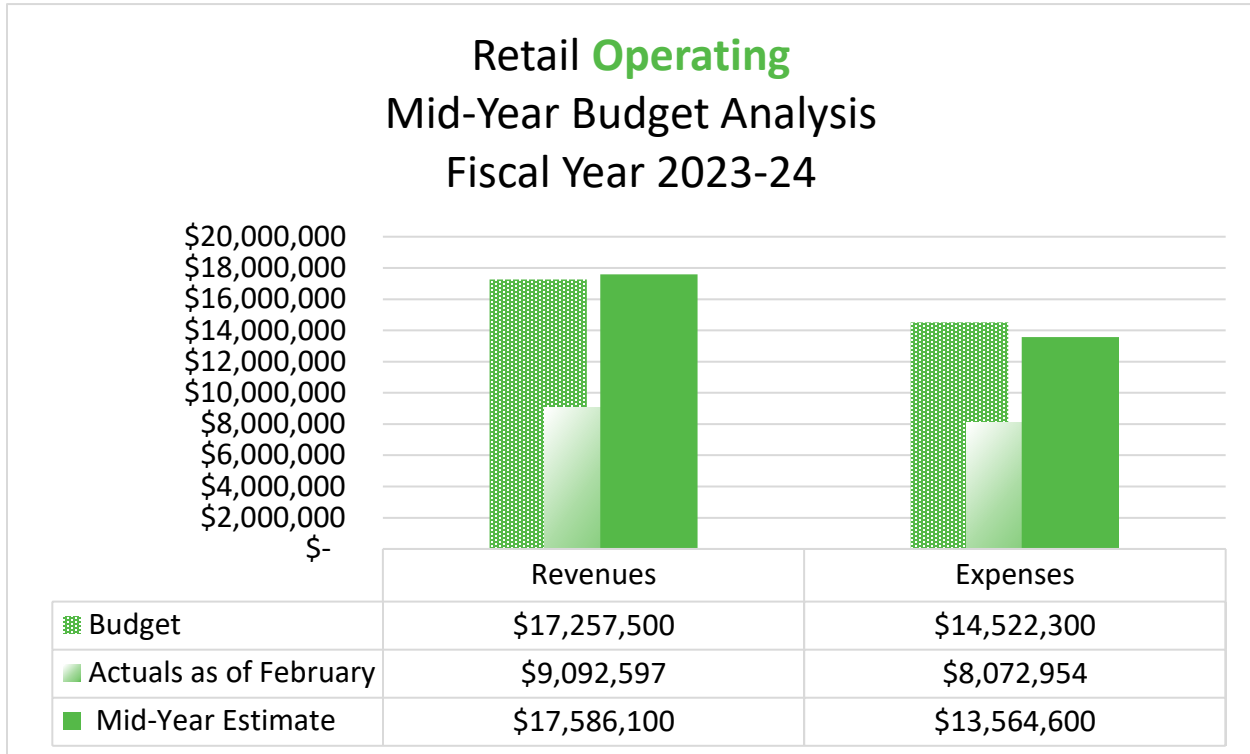
The wholesale capital expenditure budget funded 34 projects/equipment purchases totaling \$5,043,200. The Hinkle Reservoir project is taking longer than anticipated to complete, taking time away from staff's ability to complete all planned projects. 4 of the projects or equipment purchases are complete. Staff estimates that 10 more projects will be completed by the end of year and another 6 projects will be underway. 11 projects will not commence by year's end and will be re-budgeted next year. As a result, wholesale capital expenditures are expected to be \$2.8 million or 44% less than budgeted.



The budget anticipated wholesale capital reserves of \$19.08 million after a transfer out to wholesale operations of \$958,700 to fund the Hinkle Reservoir SRF loan reserve. Based on favorable estimates of operating activity, not only will that transfer out not be needed, the operating fund should be able to send \$1.3 million into the capital fund. Staff projects an ending reserve balance of just under \$25.3 million in the wholesale capital fund.

**Retail Operations:**

Retail operations are on track with the budget, with a small positive variance. Revenues were budgeted at \$17,257,500. The mid-year estimate for revenues is \$17,586,100, an overall increase of 1.9%. Half of the increase is due to increased water sales. Consumption is estimated to be just 0.1% higher than staff estimated for the original budget. The number of connections paying the base charge is also higher by approximately 0.1%. Between those two factors, revenues from retail water sales are estimated to be 1.9% greater than the budget. With such a small variance, actual results could vary in either direction, but the original budget continues to appear reasonable, if not slightly conservative.



Operating Expenses were budgeted for \$14,522,300 and are now projected to be about \$13,564,600, which is \$957,700, or 6.6%, less than the budget. A number of factors are contributing to this variance, as follows:

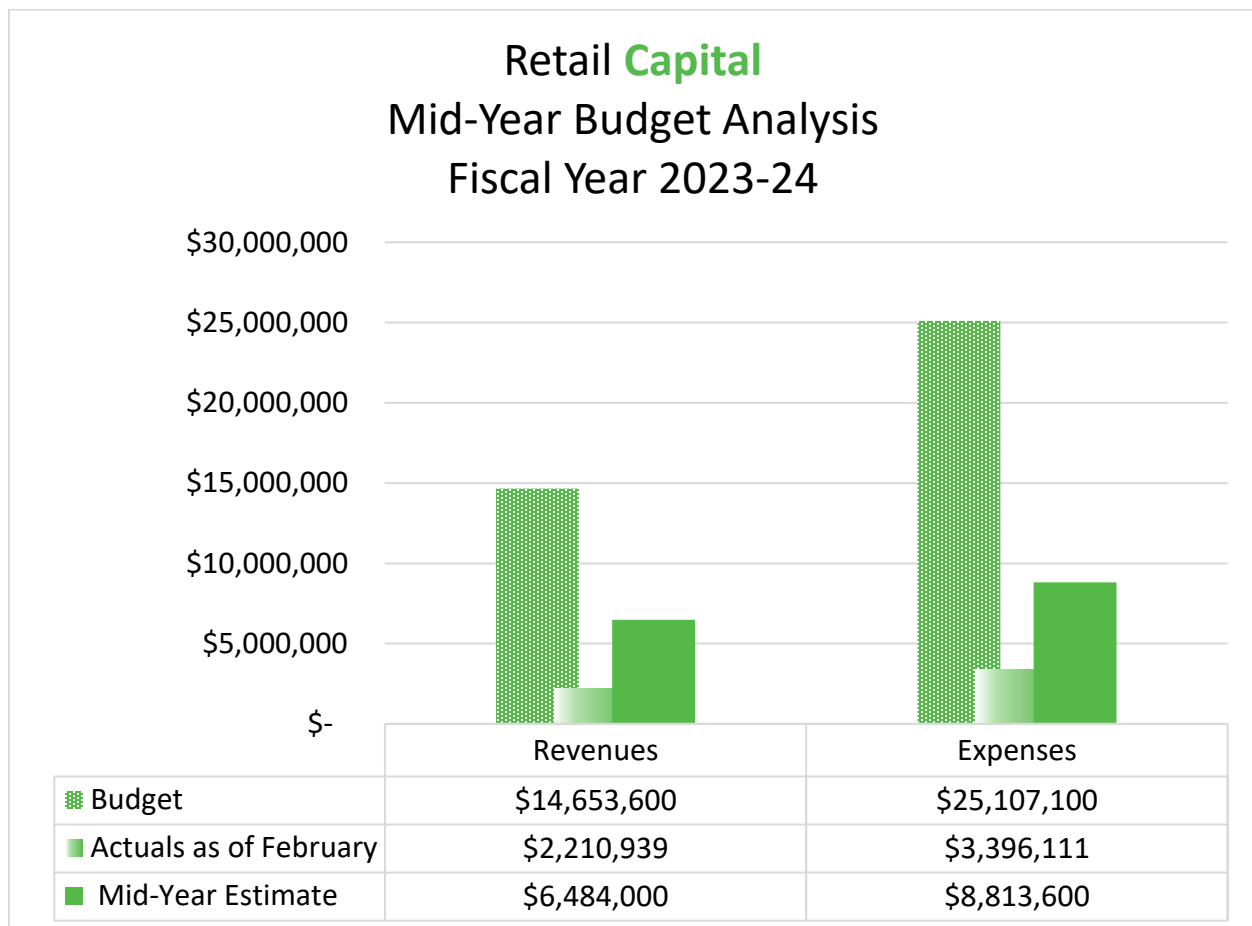
- Almost half of the variance is from lower-than-expected service area maintenance contractor costs. Staff utilize the services of Flowline Contractors for repairing leaks and assisting with the service lateral replacement program. A portion of their work is considered capital and is recorded in the Retail Capital Fund. It is difficult at the beginning of the year to determine the nature of their work for the year and therefore which fund it will draw from.
- Professional Services expenses in the Engineering Department are expected to be lower than the budget by approximately \$220,000. Costs for activities such as GIS support, construction inspections and easement evaluations are expected to be about half of what was originally budgeted.
- The original budget included \$162,600 for failed meter replacements. In accordance with the recently revised Capital Asset Policy, all meter replacements done in a fiscal year, whether due to planned replacement, or due to failure, are capitalized as a bundled asset. Therefore, all of the activity in this account will be recorded in the capital, not operating fund.

The budget anticipated a transfer out to capital reserves of \$2,427,000. Given the favorable results from the prior year and the projected results of the mid-year analysis, the transfer out to capital could be as high as \$3.9 million, which makes significant progress towards saving for future capital needs.

**Retail Capital:**

The Retail Capital Fund has budgeted revenues of \$14,653,600. Staff’s mid-year analysis estimates actual revenues will be just \$6,484,000 due to the timing of the Kokila Reservoir project. The budget anticipated the loan agreement would be in place, and drawn upon by the end of the year, which is not the case. Staff is still working on the final submittals for the loan and will re-budget for this revenue in the next fiscal year.

Partially offsetting the impact of the delay in proceeds from the issuance of debt is the 4<sup>th</sup> consecutive year of extraordinarily high capital facility fee receipts. Because staff cannot reasonably predict this revenue source, the budget usually contains a very small estimate. At the time of the mid-year analysis the District had received \$1.16 million in retail capital facility fees, when the budget only assumed \$100,000. A significant chunk of the capital facility fee revenues are held in reserve, to be spent on specific projects that have an expansionary component, and thus were part of the basis for the establishment of the fee. Additionally, interest income is \$279,000 higher than anticipated and property tax revenues are anticipated to be \$96,400 higher than anticipated.



The retail capital expenditure budget anticipated expenses of \$8.8 million to fund 37 projects: 4 are already complete, 15 more are expected to be completed by the end of the year, 12 have either already started, or are expected to start, but not finish by years’ end, and 2 won’t be started until next fiscal year. Of the 37 total projects, 4 were deemed

not needed and will not be re-budgeted. Based on this, staff estimates expenses will be \$8,813,600.

Due primarily to project delays in the prior and current year, staff estimates the Retail Capital Reserve will end the year with reserves of \$20 million instead of the \$4.1 million anticipated in the original budget. Of this amount, approximately \$5.1 million is reserved capital facility fees, which will be spent on designated projects in the future.

Year-to-date income statements by fund can be found in the General Manager's Monthly Report included in this meeting's agenda packet.

# STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: March 27, 2024  
Subject: Director Compensation

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## RECOMMENDED ACTION

Introduce and Waive First Reading of Ordinance No. 24-01 – An Ordinance of the Board of Directors of the San Juan Water District Adopting Ordinance 1200 Compensation of Board Members

## BACKGROUND

Current Board member compensation is \$125 per day for each day's attendance and service at specified meetings and events as provided in District Board Policy BOD-2.2. California Water Code Section 20202 allows annual updates to Director compensation, in an amount not to exceed 5%, for each year that has elapsed since compensation was last increased. It also limits entitlement to compensation to 10 days per month. The last time Director compensation was increased was on April 13, 2005, when the Board adopted Ordinance 05-001 increasing Director compensation from \$100 to \$125 per day for a meeting or event. Pursuant to Water Code Section 20202, the maximum amount to which the compensation level could be increased would be \$315.87 per day of service.

The Board discussed changing compensation at its February 28, 2024, meeting. The Board directed staff to develop an ordinance to set compensation at \$200 per day of service, with a limit of compensation for no more than five days of service per month.

Attached is the proposed Ordinance 1200, as well as Ordinance 24-01.

**ORDINANCE NO. 24-01**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
THE SAN JUAN WATER DISTRICT CREATING  
ORDINANCE NO. 1200**

The Board of Directors of the San Juan Water District ordains as follows:

The purpose of this ordinance is to create Ordinance 1200. This ordinance is adopted pursuant to Government Code section 61060, and other applicable law.

**WHEREAS**, in accordance with Water Code sections 20200 through 20207, the District Board of Directors adopted Ordinance No. 05-001 fixing compensation of each sitting Director at \$125 per day of service and authorizing the Board to increase the amount of daily director compensation by five percent each calendar year following the operative date of the last adjustment in the amount of such compensation;

**WHEREAS**, Ordinance No. 05-001 entitles each Director to receive compensation in the amount of \$125 per day for each day's attendance at meetings of the Board or for each day's service rendered as a Director by request of the Board, not to exceed 10 days in any calendar month; and

**WHEREAS**, the Board of Directors has not increased the amount of Director compensation above \$125 for each day of service rendered to the District since Ordinance No. 05-001 became effective on June 12, 2005.

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

1. The foregoing recitals are true.
2. The compensation of each member of the District's Board of Directors shall be fixed in the amount of \$200 per day for each day's attendance at meetings of the Board or for each day's service rendered as a Director by request of the Board, for up to a total of 5 days in each calendar month, together with any expenses incurred in the performance of the Director's duties as required or authorized by the Board.
3. Each Board member shall confirm, in writing to the General Manager, the amount of compensation that they would like to receive per day of service, up to the \$200 per day allowed.
4. All other existing Board policies and conditions related to Directors' receipt of compensation shall remain in effect.

**EFFECTIVE DATE.** These ordinances shall take effect 60 days after its adoption.

**PUBLICATION.** Within 15 days from the date of adoption of this ordinance, the Board Secretary shall publish it once in a newspaper of general circulation published and circulated within the District.

**INTRODUCED** by the Board of Directors on the 27th day of March 2024.

**PASSED AND ADOPTED** by the Board of Directors of the San Juan Water District at a regular meeting on the 24<sup>th</sup> day of April 2024 by the following vote:

AYES:

NOES:

ABSENT:

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Manuel Zamorano  
President, Board of Directors

ATTEST:

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TERI GRANT  
Board Secretary



Ordinance Type	District Administration	Date Adopted	4/24/24
Ordinance Number & Title	1200 - Compensation of Board Members	Date Amended	

## 1200.00 Compensation of Board Members

### 1200.01 Purpose and Authority

In accordance with Water Code sections 20200 through 20207, the District Board of Directors adopted Ordinance No. 05-001, on April 13, 2005, fixing compensation of each sitting Director at \$125 per day of service and authorizing the Board to increase the amount of daily director compensation by five percent each calendar year following the operative date of the last adjustment in the amount of such compensation. Furthermore, Ordinance No. 05-001 entitled each Director to receive compensation in the amount of \$125 per day for each day’s attendance at meetings of the Board or for each day’s service rendered as a Director by request of the Board, not to exceed 10 days in any calendar month.

In accordance with Ordinance No. 24-01, the District Board of Directors adopted Ordinance No. 1200 to fix compensation of each sitting Director up to \$200 per day of service, not to exceed 5 days in any calendar month and require the Director to request in writing the amount of per day compensation.

### 1200.02 Compensation of Board Members

The compensation of each member of the District’s Board of Directors shall be fixed in the amount up to \$200 per day for each day’s attendance at meetings of the Board or for each day’s service rendered as a Director by request of the Board, for up to a total of 5 days in each calendar month, together with any expenses incurred in the performance of the Director’s duties as required or authorized by the Board. Each Board member shall confirm, in writing to the General Manager, the amount of compensation that they would like to receive up to the \$200 per day amount not to exceed 5 days per month.

All other existing Board policies and conditions related to Directors’ receipt of compensation shall remain in effect.

#### Revision History:

Revision Date	Description of Changes	Requested By

## STAFF REPORT

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To: Board of Directors

From: Adam Larsen, Field Services Manager

Date: March 27, 2024

Subject: Hydrant and Valve Maintenance FY23/24

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### RECOMMENDED ACTION

Staff requests a Board motion to approve the Field Services Manager to sign Amendment #1, 1<sup>st</sup> year renewal to the professional services contract to Wachs Water Services (WWS) for professional services related to the inspection and maintenance of the Districts hydrants and valves for the fiscal year 23/24, in the amount of \$122,578 plus a 10% contingency, for a total authorized amount of \$134,836.

### BACKGROUND

On January 25, 2023, the Board approved a contract with Wachs Water Services (WWS) in the amount \$118,424. The District’s contract with Wachs Water Services (WWS) included three optional, 1-year extensions/renewals. Staff are requesting Board approval for the 1<sup>st</sup> year renewal in the amount of \$134,836. This project involves the inspection and maintenance of approximately 319 hydrants and their isolation valves, as well as 474 mainline valves in the District’s distribution system. The contract period of performance will be extended an additional 365 days.

The following detail summarizes the current agreement and proposed additions:

<b>Contract/Amendment</b>	<b>Date</b>	<b>Total</b>	<b>Duration</b>	<b>Completion Date</b>
Original Contract	2/24/2023	\$118,424	365 Days	12/31/2023
<b>Amendment 1 (1<sup>st</sup> year renewal)</b>	<b>3/27/2024</b>	<b>\$134,836</b>	<b>365 Days</b>	<b>12/31/2024</b>
Proposed Revised Contract		<b>\$253,260</b>	730 Days	12/31/2024

Wachs Water Services (WWS) maintenance work has been great this past year and supportive of our scheduled requirements.

Staff is requesting Board authorization and approval for an authorized total budget of \$134,836 (includes contingency) for FY 2023/24 requirements. The revised contract value will be \$253,260 after Board review and approval.

### FINANCIAL CONSIDERATIONS

This maintenance project is included in the FY 23/24 Budget. Project costs are 100% Retail.

## STAFF REPORT

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To: Board of Directors  
From: Paul Helliker, General Manager  
Date: March 27, 2024  
Subject: Legislative Analysis on Various Bills

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### RECOMMENDED ACTION

Discussion of various bills which have an impact on the District.

### BACKGROUND

#### **AB 1827 – Support**

This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill is jointly sponsored by IRWD and California Coastkeeper. ACWA has adopted a support position, and RWA will likely support.

#### **SB 1110 – Support**

This bill would provide additional guidance to the Water Board when it considers enforcement actions, and any discretion that it exercises. RWA is sponsoring this legislation.

#### **SB 1330 – Support**

This bill would delay the enforcement measures in the conservation regulations to match the delays in the proceedings. It would also eliminate the threshold required to be able to use variances, and other changes recommended by the Legislative Analyst's Office. ACWA and RWA are both expected to take support positions.

#### **Initiative 1935 – Oppose**

This initiative would create multiple additional requirements for approving taxes in California, including requiring not just a 2/3 approval by both houses of the Legislature, but also require approval of a majority of voters in an election. With respect to water rates and fees, the initiative would require that water agencies provide “clear and convincing evidence” that rates and fees are exempt charges (potentially to a judge, should someone challenge our rates and fees). There is also the requirement that water agency rates and fees do not exceed the actual costs of providing water supplies, with “actual costs” defined in the initiative. Water agencies would also have to adopt such fees and rates via ordinance (including retroactively doing so for any fees or rates adopted since January 1, 2022). All of these requirements are new and thus not well-defined, and will likely lead to lots of legal challenges, and thus pose significant risks to San Juan's ability to adopt rates or fees that are necessary to ensure our financial stability. ACWA, CSDA and RWA all oppose this initiative.

# STAFF REPORT

To: Board of Directors  
 From: Paul Helliker, General Manager  
 Date: March 27, 2024  
 Subject: General Manager’s Monthly Report (February)

## RECOMMENDED ACTION

For information only, no action requested.

## TREATMENT PLANT OPERATIONS

### *Water Production*

Item	February 2024	February 2023	Difference
Monthly Production AF	1,623.58	1,261.42	28.7%
Daily Average MG	18.89	14.68	28.7%
Annual Production AF	3,406.75	2,608.77	30.6%

### *Water Turbidity*

Item	February 2024	January 2024	Difference
Raw Water Turbidity NTU	2.35	2.08	13%
Treated Water Turbidity NTU	0.016	0.014	14%
Monthly Turbidity Percentage Reduction	99.34%	99.31%	

### *Folsom Lake Reservoir Storage Level AF\**

Item	2024	2023	Difference
Lake Volume AF	605,377	561,616	8%

AF – Acre Feet  
 MG – Million Gallons  
 NTU – Nephelometric Turbidity Unit  
 \* Total Reservoir Capacity: 977,000 AF

### *Other Items of Interest:*

- Complete 11-month inspection of Hinkle Reservoir
- Complete UCMR5 sampling event #3
- Complete actuator replacement of Emergency Gate
- Perform South Sed Basin annual maintenance
- Complete annual chlorine leak sensors calibrations

**SYSTEM OPERATIONS**

*Distribution Operations:*

Item	February 2024	January 2024	Difference
Leaks and Repairs	5	4	+1
Mains Flushed	53	63	-10
Valves Exercised	0	0	0
Hydrants Maintenance	0	0	0
Back Flows Tested	513	0	+513
Customer Service Calls	28	30	-2

*Distribution System Water Quality:*

Water Quality Samples Taken	# Failed Samples	Supporting Information
40 Lab 17 In-House	0	

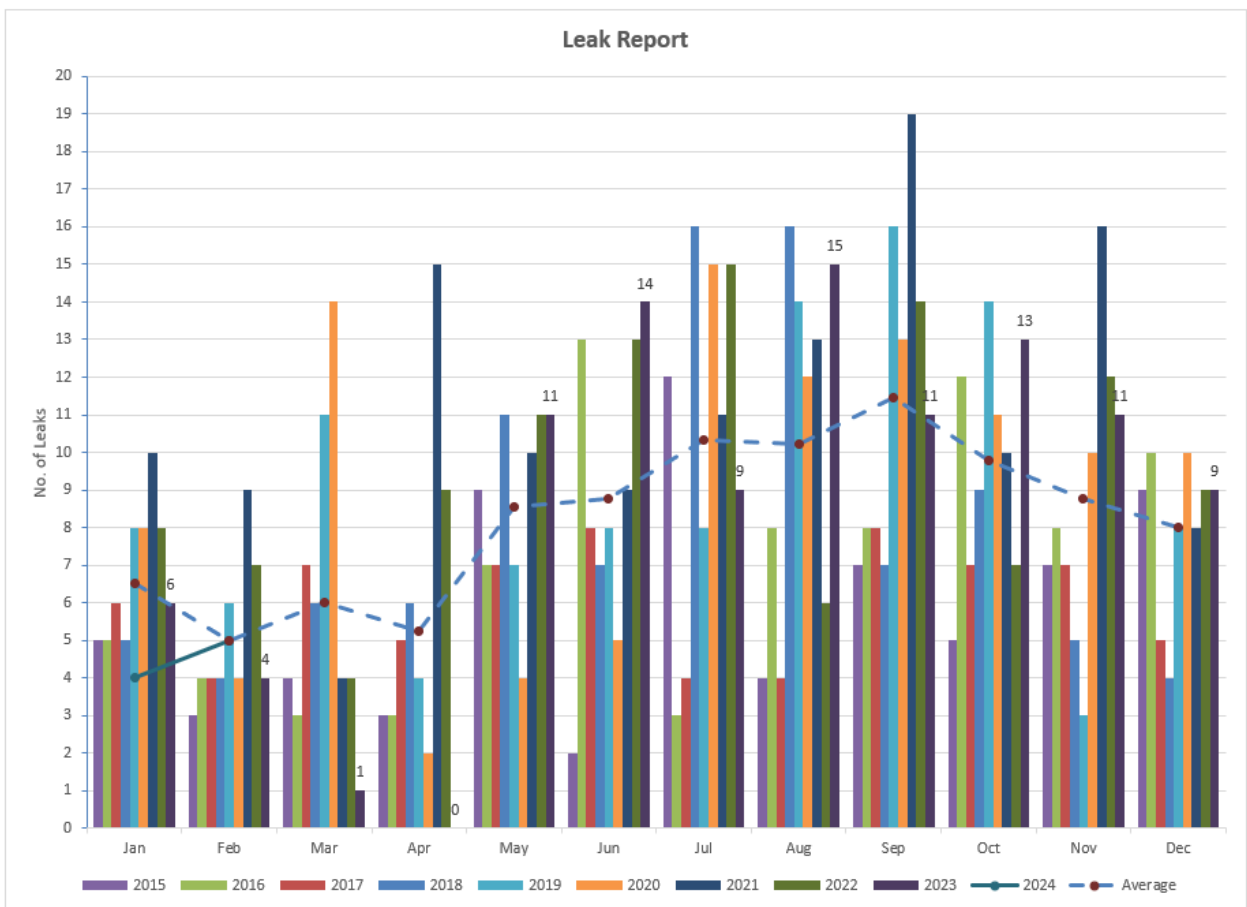


Figure 1: Annual Distribution System Leaks

**CUSTOMER SERVICE ACTIVITIES**

*Billing Information for Month of February*

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
4972	932	0	0

*Water Efficiency Activities for February*

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
6	173	2	108

*Other Activities*

- None

**ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)**

Project Title	Description	Status	Issues / Notes
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	In Construction	Water main installed. Construction in process.
Greenside Parcel Split (5640 Macargo)	Minor parcel split of 2.0-Ac parcel into 3 lots	Approved for Construction	Design approved
Placer County Retirement Residence (3905 Old Auburn)	Commercial Business (145-Unit Multi-story Assisted Living Facility; 3865 Old Auburn Rd)	Construction complete	In project close-out
Granite Bay Assisted Living and Memory Care (formerly Pond View)	Assisted Living and Memory Care facility (5620 5630 5640 5650 Douglas Blvd)	In Planning	Developer to submit improvement plans in 2024.
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	Construction complete	In project close-out
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	Project on hold
Ventura of GB	33-Lot High Density Subdivision (6832 Eureka Rd)	Construction complete	In project close-out
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	Construction complete	In project close-out
Rancho Del Oro Estates	89-Lot Subdivision (Olive Ranch Rd, east of Cavitt Stallman)	Construction complete	In project close-out
Canyon Terrace Apartments	Apartment Complex (7 new buildings; 1600 Canyon Terrace Lane)	In Construction	Construction started November 2022
Sierra College Self Storage (8455 Sierra College Blvd)	New 4-building self-storage facility	In Construction	Construction started August 2022

**ENGINEERING - CAPITAL PROJECTS**

*Status Update for Current Retail Projects*

<b>Project Title</b>	<b>Description</b>	<b>Status</b>	<b>Issues / Notes</b>
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design	Construction in FY 24/25
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank	In Design	Applying for SRF funding. Construction in FY 23/24
Canyon Falls Village PRS Replacement	Rehabilitation of an existing Pressure Reducing Station (PRV) located near the intersection of Canyon Falls Drive and Santa Juanita Ave.	East PRS is now completed, doing design for West PRS	Construction in FY 23/24
Bacon Pump Station Generator Replacement	Replacing generators at Bacon Pump Station	In Construction	Waiting for one generator to be delivered
Field Services 3-sided Parts Shelter	Construction of a 3-sided material storage shelter	On hold	Planning to rebid project in FY25/26
Service Line Replacement Projects (85/year)	Yearly program to replace 85 services per year as identified in the 2020 Retail Master Plan	In Construction	Hidden Oaks (referred to as Shelborne) identified for replacement in FY22/23
Air Release Valve Replacements (45/year for next 20 years)	Replacement of 45 Air Release Valves per year for the next 20 years as identified in the 2020 Retail Master Plan	In Design	Year one of the 17-year program is complete. Design of year two is underway
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY23/24

**Status Update for Current Wholesale Projects**

<b>Project Title</b>	<b>Description</b>	<b>Status (% Complete)</b>	<b>Issues/ Notes</b>
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner	In Construction	Anticipate construction to be complete in February 2024
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Bid	Bids received Feb 6th
Backwash Hood Rehabilitation and Rail Track Improvements	Rehabilitate or replace the two oldest Filter Backwash Hoods in the North and South basins, and replacement of the Rail Track.	In Design	
Baldwin Chnl Lining and Solar Field Culvert Replacement Project	Lining the Baldwin Ditch on the main campus to minimize costs for maintenance within the ditch and the replacement of the Solar Field Culvert to provide emergency discharge capacity to Baldwin Reservoir	Construction complete	In project close-out
Wholesale Master Plan	Update of the 2005/07 Wholesale Master Plan	Complete	Final draft complete
Administration Building Electrical Panel Upgrade	Replacement of the electrical service at the Administration Building (50/50 split W/R)	In Design	Construction in FY23/24

**SAFETY & REGULATORY TRAINING – February 2024**

<b>Training Course</b>	<b>Staff</b>
Spill Prevention, Control, and Countermeasure Plan	Administration, Field Services, Treatment, Operations
Universal Waste Disposal	Field Services, Treatment

**FINANCE/BUDGET**

*See attached*





San Juan Water District, CA

# Wholesale Operating Income Statement Group Summary

For Fiscal: 2023-2024 Period Ending: 02/29/2024

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 010 - WHOLESALE</b>					
<b>Revenue</b>					
41000 - Water Sales	10,451,600.00	10,451,600.00	-77,860.16	8,971,579.41	1,480,020.59
43000 - Rebate	1,000.00	1,000.00	559.33	1,821.09	-821.09
45000 - Other Operating Revenue	0.00	0.00	0.00	53,201.29	-53,201.29
49000 - Other Non-Operating Revenue	132,100.00	132,100.00	58,810.36	258,758.55	-126,658.55
49792 - Proceeds from Issuance of Debt	0.00	0.00	0.00	-22,019,068.00	22,019,068.00
49990 - Transfer In	958,700.00	958,700.00	0.00	0.00	958,700.00
<b>Revenue Total:</b>	<b>11,543,400.00</b>	<b>11,543,400.00</b>	<b>-18,490.47</b>	<b>-12,733,707.66</b>	<b>24,277,107.66</b>
<b>Expense</b>					
51000 - Salaries and Benefits	4,305,600.00	4,305,600.00	295,875.09	2,357,014.02	1,948,585.98
52000 - Debt Service Expense	887,900.00	887,900.00	38,863.09	391,820.02	496,079.98
53000 - Source of Supply	926,300.00	926,300.00	2,892.48	550,339.25	375,960.75
54000 - Professional Services	793,400.00	793,400.00	13,933.92	415,808.53	377,591.47
55000 - Maintenance	530,000.00	530,000.00	25,718.34	298,603.99	231,396.01
56000 - Utilities	312,900.00	312,900.00	6,419.25	180,375.26	132,524.74
57000 - Materials and Supplies	843,600.00	843,600.00	47,916.17	622,614.79	220,985.21
58000 - Public Outreach	36,500.00	36,500.00	0.00	8,796.77	27,703.23
59000 - Other Operating Expenses	756,800.00	756,800.00	13,035.76	613,579.85	143,220.15
69000 - Other Non-Operating Expenses	1,600.00	1,600.00	0.00	1,926.75	-326.75
<b>Expense Total:</b>	<b>9,394,600.00</b>	<b>9,394,600.00</b>	<b>444,654.10</b>	<b>5,440,879.23</b>	<b>3,953,720.77</b>
<b>Fund: 010 - WHOLESALE Surplus (Deficit):</b>	<b>2,148,800.00</b>	<b>2,148,800.00</b>	<b>-463,144.57</b>	<b>-18,174,586.89</b>	<b>20,323,386.89</b>
<b>Total Surplus (Deficit):</b>	<b>2,148,800.00</b>	<b>2,148,800.00</b>	<b>-463,144.57</b>	<b>-18,174,586.89</b>	

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESAL	2,148,800.00	2,148,800.00	-463,144.57	-18,174,586.89	20,323,386.89
<b>Total Surplus (Deficit):</b>	<b>2,148,800.00</b>	<b>2,148,800.00</b>	<b>-463,144.57</b>	<b>-18,174,586.89</b>	



San Juan Water District, CA

# Wholesale Capital Income Statement Group Summary

For Fiscal: 2023-2024 Period Ending: 02/29/2024

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 011 - Wholesale Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	1,403,600.00	1,403,600.00	346,205.50	794,158.86	609,441.14
44000 - Connection Fees	100,000.00	100,000.00	5,039.00	102,319.16	-2,319.16
49000 - Other Non-Operating Revenue	150,000.00	150,000.00	0.00	142,470.56	7,529.44
49792 - Proceeds from Issuance of Debt	22,274,200.00	22,274,200.00	0.00	22,019,068.00	255,132.00
<b>Revenue Total:</b>	<b>23,927,800.00</b>	<b>23,927,800.00</b>	<b>351,244.50</b>	<b>23,058,016.58</b>	<b>869,783.42</b>
<b>Expense</b>					
55000 - Maintenance	806,000.00	806,000.00	2,817.50	29,702.50	776,297.50
61000 - Capital Outlay	4,237,200.00	4,237,200.00	151.17	1,676,112.38	2,561,087.62
69900 - Transfers Out	958,700.00	958,700.00	0.00	0.00	958,700.00
<b>Expense Total:</b>	<b>6,001,900.00</b>	<b>6,001,900.00</b>	<b>2,968.67</b>	<b>1,705,814.88</b>	<b>4,296,085.12</b>
<b>Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):</b>	<b>17,925,900.00</b>	<b>17,925,900.00</b>	<b>348,275.83</b>	<b>21,352,201.70</b>	<b>-3,426,301.70</b>
<b>Total Surplus (Deficit):</b>	<b>17,925,900.00</b>	<b>17,925,900.00</b>	<b>348,275.83</b>	<b>21,352,201.70</b>	

**Fund Summary**

Fund	Original	Current	MTD Activity	YTD Activity	Budget
	Total Budget	Total Budget			Remaining
011 - Wholesale Capital Outl...	17,925,900.00	17,925,900.00	348,275.83	21,352,201.70	-3,426,301.70
<b>Total Surplus (Deficit):</b>	<b>17,925,900.00</b>	<b>17,925,900.00</b>	<b>348,275.83</b>	<b>21,352,201.70</b>	



San Juan Water District, CA

# Retail Operating Income Statement Group Summary

For Fiscal: 2023-2024 Period Ending: 02/29/2024

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 050 - RETAIL</b>					
<b>Revenue</b>					
41000 - Water Sales	16,621,400.00	16,621,400.00	1,066,543.93	8,570,916.26	8,050,483.74
45000 - Other Operating Revenue	463,700.00	463,700.00	28,925.84	399,589.16	64,110.84
49000 - Other Non-Operating Revenue	172,400.00	172,400.00	58,810.36	278,624.66	-106,224.66
49792 - Proceeds from Issuance of Debt	0.00	0.00	0.00	-137,524.00	137,524.00
<b>Revenue Total:</b>	<b>17,257,500.00</b>	<b>17,257,500.00</b>	<b>1,154,280.13</b>	<b>9,111,606.08</b>	<b>8,145,893.92</b>
<b>Expense</b>					
41000 - Water Sales	0.00	0.00	457.02	3,188.22	-3,188.22
51000 - Salaries and Benefits	6,192,100.00	6,192,100.00	436,888.11	3,514,250.85	2,677,849.15
52000 - Debt Service Expense	454,100.00	454,100.00	0.00	230,440.16	223,659.84
53000 - Source of Supply	3,465,400.00	3,465,400.00	0.00	2,404,381.98	1,061,018.02
54000 - Professional Services	1,315,900.00	1,315,900.00	54,387.97	193,296.64	1,122,603.36
55000 - Maintenance	386,100.00	386,100.00	9,214.00	228,668.42	157,431.58
56000 - Utilities	634,700.00	634,700.00	19,410.67	386,076.97	248,623.03
57000 - Materials and Supplies	498,500.00	498,500.00	22,167.83	276,702.52	221,797.48
58000 - Public Outreach	70,000.00	70,000.00	0.00	36,292.50	33,707.50
59000 - Other Operating Expenses	904,100.00	904,100.00	34,799.24	663,922.33	240,177.67
69000 - Other Non-Operating Expenses	56,600.00	56,600.00	0.00	2,320.25	54,279.75
69900 - Transfers Out	2,427,000.00	2,427,000.00	0.00	0.00	2,427,000.00
<b>Expense Total:</b>	<b>16,404,500.00</b>	<b>16,404,500.00</b>	<b>577,324.84</b>	<b>7,939,540.84</b>	<b>8,464,959.16</b>
<b>Fund: 050 - RETAIL Surplus (Deficit):</b>	<b>853,000.00</b>	<b>853,000.00</b>	<b>576,955.29</b>	<b>1,172,065.24</b>	<b>-319,065.24</b>
<b>Total Surplus (Deficit):</b>	<b>853,000.00</b>	<b>853,000.00</b>	<b>576,955.29</b>	<b>1,172,065.24</b>	

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	853,000.00	853,000.00	576,955.29	1,172,065.24	-319,065.24
<b>Total Surplus (Deficit):</b>	<b>853,000.00</b>	<b>853,000.00</b>	<b>576,955.29</b>	<b>1,172,065.24</b>	



San Juan Water District, CA

# Retail Capital Income Statement Group Summary

For Fiscal: 2023-2024 Period Ending: 02/29/2024

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Fund: 055 - Retail Capital Outlay</b>					
<b>Revenue</b>					
42000 - Taxes & Assessments	1,403,600.00	1,403,600.00	346,205.50	794,158.87	609,441.13
44000 - Connection Fees	100,000.00	100,000.00	39,869.00	1,183,282.84	-1,083,282.84
49000 - Other Non-Operating Revenue	255,000.00	255,000.00	0.00	403,244.53	-148,244.53
49792 - Proceeds from Issuance of Debt	12,895,000.00	12,895,000.00	0.00	137,524.00	12,757,476.00
49990 - Transfer In	2,427,000.00	2,427,000.00	0.00	0.00	2,427,000.00
<b>Revenue Total:</b>	<b>17,080,600.00</b>	<b>17,080,600.00</b>	<b>386,074.50</b>	<b>2,518,210.24</b>	<b>14,562,389.76</b>
<b>Expense</b>					
61000 - Capital Outlay	25,107,100.00	25,107,100.00	43,720.43	3,580,353.59	21,526,746.41
<b>Expense Total:</b>	<b>25,107,100.00</b>	<b>25,107,100.00</b>	<b>43,720.43</b>	<b>3,580,353.59</b>	<b>21,526,746.41</b>
<b>Fund: 055 - Retail Capital Outlay Surplus (Deficit):</b>	<b>-8,026,500.00</b>	<b>-8,026,500.00</b>	<b>342,354.07</b>	<b>-1,062,143.35</b>	<b>-6,964,356.65</b>
<b>Total Surplus (Deficit):</b>	<b>-8,026,500.00</b>	<b>-8,026,500.00</b>	<b>342,354.07</b>	<b>-1,062,143.35</b>	

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-8,026,500.00	-8,026,500.00	342,354.07	-1,062,143.35	-6,964,356.65
<b>Total Surplus (Deficit):</b>	<b>-8,026,500.00</b>	<b>-8,026,500.00</b>	<b>342,354.07</b>	<b>-1,062,143.35</b>	



**Summary**

**Project Summary**

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
<a href="#">191280</a>	Hinkle Reservoir Cover	30,426.15	762,599.28	-732,173.13
<a href="#">195265</a>	Douglas Booster Pump Station Elect	0.00	304.90	-304.90
<a href="#">201111</a>	Hinkle Reservoir Overflow Channel L	0.00	538,929.19	-538,929.19
<a href="#">201117</a>	Backwash Hood Rehabilitation (Two	0.00	89,589.42	-89,589.42
<a href="#">201126</a>	Lime Tower Design and Replacemen	0.00	21,165.18	-21,165.18
<a href="#">201153</a>	Thickener Access Ladders (3)	0.00	9,070.80	-9,070.80
<a href="#">205156</a>	Field Services Sewer Lift Station	0.00	3,038.57	-3,038.57
<a href="#">211128</a>	Gate for WTP (New)	0.00	1,185.90	-1,185.90
<a href="#">215105</a>	Eureka Road 18" T-main Design	-169,163.44	2,021.11	-171,184.55
<a href="#">215114</a>	Bacon Pump Station Generator Rep	46,502.50	986,317.75	-939,815.25
<a href="#">215117</a>	Upper Granite Bay Pump Station Gei	0.00	0.00	0.00
<a href="#">225142</a>	ARC-South BPS - 4 new pumps	0.00	39,784.10	-39,784.10
<a href="#">225170</a>	Meter Replacement Program Route	0.00	0.00	0.00
<a href="#">235100</a>	Bacon PBS #5 - New VFD/Componen	0.00	18,734.33	-18,734.33
<a href="#">235104</a>	FY22-23 Air/Vacuum Relief Valve R	-1,740.00	762,192.82	-763,932.82
<a href="#">235110</a>	FY22-23 Service Laterals Planned Rej	18,669.68	382,522.67	-363,852.99
<a href="#">235116</a>	Fire Hydrant Replacements (10 hydr	0.00	0.00	0.00
<a href="#">241102</a>	WTP Outdoor Lighting Replacement	0.00	18,887.51	-18,887.51
<a href="#">245100</a>	Connex Storage Box - Upper Yard Re	0.00	4,589.23	-4,589.23
<a href="#">245103</a>	Power Monitors for LGB Hinkle & AR	0.00	10,711.67	-10,711.67
<a href="#">245104</a>	Fence for Sierra 30-in and Bacon 33-	0.00	13,120.00	-13,120.00
<a href="#">245105</a>	Wharf Hydrant Replacements	0.00	48,264.00	-48,264.00
<a href="#">245106</a>	FY23-24 Service Laterals Planned Rej	0.00	11,925.62	-11,925.62
<a href="#">245107</a>	FY23-24 Meter Replacement Progra	0.00	259,016.58	-259,016.58
<a href="#">245108</a>	FY23-24 Air/Vacuum Relief Valve R	0.00	115,737.07	-115,737.07
<a href="#">245109</a>	FY23-24 Failed Service Lateral Repla	0.00	592,758.43	-592,758.43
<a href="#">245111</a>	FY23-24 Failed Air/Vacuum Relief V	0.00	52.50	-52.50
<b>Project Totals:</b>		<b>-75,305.11</b>	<b>4,692,518.63</b>	<b>-4,767,823.74</b>

**Group Summary**

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	-75,305.11	4,689,480.06	-4,764,785.17
CIP - Asset Unplanned	0.00	3,038.57	-3,038.57
<b>Group Totals:</b>	<b>-75,305.11</b>	<b>4,692,518.63</b>	<b>-4,767,823.74</b>

**Type Summary**

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	-105,731.26	2,968,323.34	-3,074,054.60
Field Services	0.00	961,596.01	-961,596.01
Water Treatment Plant	30,426.15	762,599.28	-732,173.13
<b>Type Totals:</b>	<b>-75,305.11</b>	<b>4,692,518.63</b>	<b>-4,767,823.74</b>

**GL Account Summary**

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
		0.00	0.00	0.00
011-20030	Retentions Payable	-30,426.15	0.00	-30,426.15
011-700-61145	Capital Outlay - WTP & Impro...	0.00	133,744.15	133,744.15
011-700-61155	Capital Outlay - Reservoirs & ...	0.00	1,301,528.47	1,301,528.47
011-700-61160	Capital Outlay - Equipment a...	0.00	9,070.80	9,070.80
050-15150	Capital - Mains/Pipelines & I...	0.00	0.00	0.00
050-900-49950	Investment in Fixed Assets	0.00	0.00	0.00
055-20030	Retentions Payable	105,731.26	0.00	105,731.26
055-700-61120	Capital Outlay - Improvemen...	0.00	13,120.00	13,120.00

### GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
055-700-61135	Capital Outlay - Pump Station...	0.00	1,052,936.61	1,052,936.61
055-700-61140	Capital Outlay - Buildings & I...	0.00	4,589.23	4,589.23
055-700-61150	Capital Outlay - Mains/Pipeli...	0.00	1,915,474.22	1,915,474.22
055-700-61153	Capital Outlay - Meters and E...	0.00	259,016.58	259,016.58
055-700-61160	Capital Outlay - Equipment a...	0.00	3,038.57	3,038.57
	<b>GL Account Totals:</b>	<b>75,305.11</b>	<b>4,692,518.63</b>	<b>4,767,823.74</b>



San Juan Water District, CA

# Balance Sheet

## Account Summary

As Of 02/29/2024

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
<b>Asset</b>					
<b>Type: 1000 - Assets</b>					
10010 - Cash and Investments	6,264,868.91	24,941,933.06	3,840,887.62	17,353,557.22	52,401,246.81
10510 - Accounts Receivable	0.00	0.01	562,883.53	-0.01	562,883.53
11000 - Inventory	6,370.75	0.00	578,853.68	127,244.59	712,469.02
12000 - Prepaid Expense	22,420.16	0.00	1,240.16	0.00	23,660.32
12850 - Lease Receivable	212,174.87	0.00	187,108.67	0.00	399,283.54
14010 - Deferred Outflows	4,985,177.78	0.00	5,972,112.17	0.00	10,957,289.95
17010 - Capital Assets - Work in Progress	23,218,563.77	0.00	4,789,876.28	0.00	28,008,440.05
17150 - Capital Assets - Land Non-depreciable	120,712.00	0.00	166,272.00	0.00	286,984.00
17160 - Capital Assets - Improvements Other Than Buildings	1,289,061.55	0.00	104,592.32	0.00	1,393,653.87
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	7,248,303.78	0.00	14,295,481.78
17300 - Capital Assets - Buildings & Improvements	1,284,264.26	0.00	280,354.38	0.00	1,564,618.64
17350 - Capital Assets - Water Treatment Plant & Imp	42,026,258.66	0.00	16,000.00	0.00	42,042,258.66
17400 - Capital Assets - Mains/Pipelines & Improvements	28,130,034.95	0.00	53,491,036.45	0.00	81,621,071.40
17410 - Capital Assets - Meters	17,097.25	0.00	362,377.39	0.00	379,474.64
17500 - Capital Assets - Reservoirs & Improvements	2,320,005.39	0.00	2,492,421.90	0.00	4,812,427.29
17700 - Capital Assets - Equipment & Furniture	13,746,278.58	0.00	1,172,220.83	0.00	14,918,499.41
17750 - Capital Assets - Vehicles	282,219.34	0.00	1,023,960.05	0.00	1,306,179.39
17800 - Capital Assets - Software	277,730.52	0.00	629,123.80	0.00	906,854.32
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-43,727,708.75	0.00	-32,884,227.55	0.00	-76,611,936.30
<b>Total Type 1000 - Assets:</b>	<b>88,188,903.99</b>	<b>24,941,933.07</b>	<b>50,035,397.46</b>	<b>17,480,801.80</b>	<b>180,647,036.32</b>
<b>Total Asset:</b>	<b>88,188,903.99</b>	<b>24,941,933.07</b>	<b>50,035,397.46</b>	<b>17,480,801.80</b>	<b>180,647,036.32</b>
<b>Liability</b>					
<b>Type: 1000 - Assets</b>					
10510 - Accounts Receivable	0.00	0.00	118,191.90	0.00	118,191.90
<b>Total Type 1000 - Assets:</b>	<b>0.00</b>	<b>0.00</b>	<b>118,191.90</b>	<b>0.00</b>	<b>118,191.90</b>
<b>Type: 2000 - Liabilities</b>					
20010 - Accounts Payable	294,221.04	45,338.25	118,848.61	47,042.12	505,450.02
20100 - Retentions Payable	0.00	1,058,595.01	0.00	70,692.19	1,129,287.20
20150 - Customer Deposits	1,148.98	0.00	0.00	0.00	1,148.98
21200 - Salaries & Benefits Payable	39,213.61	0.00	73,845.57	0.00	113,059.18
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	521,100.88	0.00	636,166.95	0.00	1,157,267.83

**Balance Sheet**

**As Of 02/29/2024**

<b>Account</b>	<b>010 - WHOLESALE</b>	<b>011 - Wholesale Capital Outlay</b>	<b>050 - RETAIL</b>	<b>055 - Retail Capital Outlay</b>	<b>Total</b>
21373 - Deferred Inflows of Resources - Leases	197,375.66	0.00	173,079.60	0.00	370,455.26
21500 - Premium on Issuance of Bonds Series 2017	977,332.45	0.00	658,553.66	0.00	1,635,886.11
21600 - OPEB Liability	1,780,190.21	0.00	2,298,184.89	0.00	4,078,375.10
21700 - Pension Liability	2,283,601.31	0.00	2,906,401.66	0.00	5,190,002.97
22010 - Deferred Income	0.00	0.00	28,676.26	0.00	28,676.26
22050 - Deferred Inflows	1,156,543.66	0.00	1,299,709.11	0.00	2,456,252.77
23000 - Loans Payable	23,367,789.49	0.00	410,257.42	0.00	23,778,046.91
24250 - Bonds Payable 2017 Refunding	12,876,000.00	0.00	8,584,000.00	0.00	21,460,000.00
24300 - Loan - Refunding	4,323,016.10	0.00	2,347,275.68	0.00	6,670,291.78
<b>Total Type 2000 - Liabilities:</b>	<b>47,817,533.40</b>	<b>1,103,933.26</b>	<b>19,534,999.40</b>	<b>117,734.31</b>	<b>68,574,200.37</b>
<b>Total Liability:</b>	<b>47,817,533.40</b>	<b>1,103,933.26</b>	<b>19,653,191.30</b>	<b>117,734.31</b>	<b>68,692,392.27</b>
<b>Equity</b>					
<b>Type: 3000 - Equity</b>					
30100 - Investment in Capital Assets	56,840,501.43	0.00	26,877,947.90	0.00	83,718,449.33
30500 - Designated Reserves	1,705,456.05	2,485,798.11	2,332,193.02	14,095,245.06	20,618,692.24
30600 - Restricted Fund Balance	0.00	0.00	0.00	4,329,965.78	4,329,965.78
<b>Total Type 3000 - Equity:</b>	<b>58,545,957.48</b>	<b>2,485,798.11</b>	<b>29,210,140.92</b>	<b>18,425,210.84</b>	<b>108,667,107.35</b>
<b>Total Total Beginning Equity:</b>	<b>58,545,957.48</b>	<b>2,485,798.11</b>	<b>29,210,140.92</b>	<b>18,425,210.84</b>	<b>108,667,107.35</b>
Total Revenue	-12,733,707.66	23,058,016.58	9,111,606.08	2,518,210.24	21,954,125.24
Total Expense	5,440,879.23	1,705,814.88	7,939,540.84	3,580,353.59	18,666,588.54
<b>Revenues Over/Under Expenses</b>	<b>-18,174,586.89</b>	<b>21,352,201.70</b>	<b>1,172,065.24</b>	<b>-1,062,143.35</b>	<b>3,287,536.70</b>
<b>Total Equity and Current Surplus (Deficit):</b>	<b>40,371,370.59</b>	<b>23,837,999.81</b>	<b>30,382,206.16</b>	<b>17,363,067.49</b>	<b>111,954,644.05</b>
<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b>88,188,903.99</b>	<b>24,941,933.07</b>	<b>50,035,397.46</b>	<b>17,480,801.80</b>	<b>180,647,036.32</b>



San Juan Water District, CA

# Check Report

By Vendor Name

Date Range: 02/17/2024 - 03/13/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<b>Bank Code: APBNK-APBNK</b>						
	**Void**	02/21/2024	Regular	0.00	0.00	59765
	**Void**	03/12/2024	Regular	0.00	0.00	59828
03982	ACWA Foundation	03/05/2024	Regular	0.00	1,148.98	59799
03109	Alfa Laval Inc.	02/21/2024	EFT	0.00	142.50	409139
03845	All Pro Backflow, Inc.	03/12/2024	Regular	0.00	27,350.00	59816
03406	Alpha Analytical Laboratories Inc.	02/27/2024	Regular	0.00	996.00	59785
03406	Alpha Analytical Laboratories Inc.	03/05/2024	Regular	0.00	106.00	59800
01073	Amarjeet Singh Garcha	02/21/2024	Regular	0.00	13,250.00	59764
01073	Amarjeet Singh Garcha	03/05/2024	Regular	0.00	1,400.00	59801
01073	Amarjeet Singh Garcha	03/12/2024	Regular	0.00	1,400.00	59817
01039	American Family Life Assurance Company of Co	02/22/2024	Bank Draft	0.00	301.50	Q386902-22-2C
01039	American Family Life Assurance Company of Co	02/22/2024	Bank Draft	0.00	301.50	Q386902-22-2C
01026	American River Ace Hardware, Inc.	02/27/2024	Regular	0.00	82.29	59786
03838	Aria Service Group	03/05/2024	EFT	0.00	1,627.00	409168
03838	Aria Service Group	03/12/2024	EFT	0.00	1,627.00	409183
01328	Association of California Water Agencies / Joint	02/21/2024	EFT	0.00	7,285.98	409140
01167	Badger Meter, Inc.	02/27/2024	EFT	0.00	2,869.15	409159
03758	Barry W. Leeder, Inc.	03/12/2024	EFT	0.00	321.80	409184
03899	Bennett Engineering Services Inc	02/21/2024	EFT	0.00	17,301.50	409141
03899	Bennett Engineering Services Inc	03/12/2024	EFT	0.00	27,615.88	409185
03853	Brower Mechanical CA LLC	03/12/2024	EFT	0.00	1,116.50	409186
01234	Bryce HR Consulting, Inc.	03/05/2024	EFT	0.00	1,517.00	409169
01242	Bureau of Reclamation-MPR	02/27/2024	EFT	0.00	13,990.00	409160
01242	Bureau of Reclamation-MPR	03/12/2024	EFT	0.00	17,281.00	409187
01289	California Special Districts Association	02/21/2024	Regular	0.00	9,275.00	59766
03078	CalPERS Health	03/07/2024	Bank Draft	0.00	55,196.23	1002595107
03078	CalPERS Health	03/07/2024	Bank Draft	0.00	46,310.51	1002595107
03078	CalPERS Health	03/07/2024	Bank Draft	0.00	57,455.99	1002595107
03913	Castanar, Sophanra J	03/12/2024	Regular	0.00	689.00	59818
03221	Chemtrade Chemicals Corporation	02/21/2024	EFT	0.00	9,416.44	409142
03221	Chemtrade Chemicals Corporation	03/12/2024	EFT	0.00	9,721.73	409188
01368	Citrus Heights Water District	03/05/2024	Regular	0.00	77,108.97	59802
01372	City of Folsom	02/27/2024	Regular	0.00	44.32	59787
01378	Clark Pest Control of Stockton	02/21/2024	Regular	0.00	150.00	59767
01378	Clark Pest Control of Stockton	03/12/2024	Regular	0.00	2,202.00	59819
02613	Clark, Tom	02/27/2024	Regular	0.00	109.88	59788
02214	County of Placer Engineering & Surveying	03/12/2024	Regular	0.00	3,600.44	59820
01423	County of Sacramento	03/12/2024	Regular	0.00	151.00	59821
03890	Datalink Networks, Inc.	02/21/2024	EFT	0.00	3,301.00	409143
03890	Datalink Networks, Inc.	02/27/2024	EFT	0.00	1,691.21	409161
03890	Datalink Networks, Inc.	03/05/2024	EFT	0.00	1,658.00	409170
01521	DataProse, LLC	02/21/2024	EFT	0.00	4,509.31	409144
01521	DataProse, LLC	03/12/2024	EFT	0.00	3,553.66	409189
03891	DC Solar Electric Inc	03/12/2024	EFT	0.00	11,456.63	409190
03968	De Nora Water Technologies, LLC	03/12/2024	Regular	0.00	295.00	59822
03776	EETS Inc.	02/21/2024	EFT	0.00	3,850.00	409145
03776	EETS Inc.	03/12/2024	EFT	0.00	4,550.00	409191
03749	Eide Bailly LLP	02/21/2024	EFT	0.00	1,930.00	409146
01569	Employee Relations, Inc.	03/05/2024	EFT	0.00	292.72	409171
03699	Environmental System Research Institute, Inc.	02/21/2024	EFT	0.00	28,281.92	409147
01601	Fair Oaks Water District	03/05/2024	Regular	0.00	751.19	59803
03702	Flowline Contractors, Inc.	02/21/2024	EFT	0.00	275,139.62	409148
03702	Flowline Contractors, Inc.	02/27/2024	EFT	0.00	119,856.00	409162
01630	FM Graphics, Inc.	02/21/2024	Regular	0.00	525.33	59768

Check Report

Date Range: 02/17/2024 - 03/13/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01644	Franchise Tax Board	02/21/2024	Regular	0.00	75.00	59769
01644	Franchise Tax Board	03/05/2024	Regular	0.00	75.00	59804
01651	Future Ford, Inc.	03/05/2024	EFT	0.00	426.08	409172
01651	Future Ford, Inc.	03/12/2024	EFT	0.00	45,714.16	409192
03870	Genuine Parts Company	02/27/2024	Regular	0.00	197.77	59789
01684	Government Finance Officers Association	03/05/2024	Regular	0.00	150.00	59805
03091	Granite Bay Ace Hardware	02/21/2024	Regular	0.00	999.59	59770
03091	Granite Bay Ace Hardware	03/12/2024	Regular	0.00	354.67	59823
01706	Graymont Western US Inc.	02/21/2024	EFT	0.00	8,848.76	409149
01721	Hach Company	03/12/2024	EFT	0.00	1,028.60	409193
01741	HDR Engineering, Inc.	02/21/2024	EFT	0.00	9,172.10	409150
03072	HUNT & SONS INC.	03/12/2024	Regular	0.00	3,432.47	59824
03383	Inferrera Construction Management Group, Inc	02/21/2024	Regular	0.00	785.00	59771
01803	International Mailing Equipment, Inc.	02/21/2024	EFT	0.00	207.07	409151
01895	Joseph G Pollard Co, Inc	03/12/2024	EFT	0.00	16.09	409194
01917	Kennedy/Jenks Consultants, Inc.	03/12/2024	EFT	0.00	31,105.60	409195
03816	Land IQ LLC	03/12/2024	EFT	0.00	20,690.00	409196
03628	Lees Automotive Repair Inc.	03/12/2024	EFT	0.00	291.80	409197
03934	Loewen, Mark V	02/27/2024	EFT	0.00	17,100.00	409163
03868	Lords Electric Inc	02/21/2024	EFT	0.00	327,180.00	409152
03980	Mason, Zachariah N	03/05/2024	Regular	0.00	290.00	59806
02024	MCI WORLDCOM	02/21/2024	Regular	0.00	53.20	59772
02027	Mcmaster-Carr Supply Company	02/27/2024	EFT	0.00	1,583.07	409164
02027	Mcmaster-Carr Supply Company	03/12/2024	EFT	0.00	948.89	409198
01472	Mel Dawson, Inc.	03/12/2024	EFT	0.00	3,212.15	409199
02069	Motion Industries	03/12/2024	EFT	0.00	4,781.93	409200
02093	NDS Solutions, Inc	02/27/2024	Regular	0.00	411.67	59790
02131	ODP Business Solutions, LLC	02/21/2024	Regular	0.00	959.85	59773
02131	ODP Business Solutions, LLC	02/27/2024	Regular	0.00	289.09	59791
02131	ODP Business Solutions, LLC	03/05/2024	Regular	0.00	392.36	59807
02131	ODP Business Solutions, LLC	03/12/2024	Regular	0.00	301.72	59825
02150	Pace Supply Corp	02/21/2024	Regular	0.00	1,796.26	59774
02150	Pace Supply Corp	02/27/2024	Regular	0.00	1,432.86	59792
02150	Pace Supply Corp	03/12/2024	Regular	0.00	7,725.94	59826
02158	Pacific Storage Company	02/21/2024	Regular	0.00	94.24	59775
03474	Paco Ventures, LLC	02/27/2024	EFT	0.00	1,134.99	409165
02146	PG&E	02/27/2024	Regular	0.00	10.00	59793
02146	PG&E	03/12/2024	Regular	0.00	13,753.13	59827
03917	Philips, April R	02/21/2024	Regular	0.00	299.74	59776
02210	Placer County Water Agency	03/05/2024	Regular	0.00	103,031.25	59808
03961	Prosio Communications	03/05/2024	Regular	0.00	5,692.50	59809
01736	Quadient Leasing USA, Inc. - Lease	03/05/2024	EFT	0.00	462.81	409173
03896	R.S. Hughes Co., Inc	02/21/2024	EFT	0.00	570.00	409153
02275	Ramos Oil Recyclers Inc	03/12/2024	Regular	0.00	621.41	59829
02283	Recology Auburn Placer	02/27/2024	Regular	0.00	70.00	59794
02283	Recology Auburn Placer	03/12/2024	Regular	0.00	784.79	59830
02223	Rexel Inc (Platt - Rancho Cordova)	03/12/2024	Regular	0.00	1,559.45	59831
02293	RFI Enterprises, Inc.	02/21/2024	EFT	0.00	54.46	409154
03782	RGM Kramer Inc	03/12/2024	Regular	0.00	1,288.00	59832
03828	Richard D. Jones, A Professional Law Corporatio	02/21/2024	Regular	0.00	4,342.50	59777
02328	Rocklin Windustrial Co	02/21/2024	Regular	0.00	918.07	59778
02328	Rocklin Windustrial Co	02/27/2024	Regular	0.00	402.64	59795
03385	S J Electro Systems Inc	03/12/2024	EFT	0.00	3,525.00	409201
02357	Sacramento Municipal Utility District (SMUD)	02/27/2024	Regular	0.00	12,719.32	59796
01391	Sinnock, Cody	03/12/2024	Regular	0.00	60.00	59833
02504	Starr Consulting	03/12/2024	EFT	0.00	3,500.00	409202
02514	State Water Resources Control Board - SWRCB	02/21/2024	Regular	0.00	39,336.16	59779
03830	Stoel Rives LLP	03/05/2024	EFT	0.00	30,679.45	409174
03830	Stoel Rives LLP	03/12/2024	EFT	0.00	30.00	409203
01641	Sun Life Assurance Company of Canada	02/22/2024	Bank Draft	0.00	11,187.96	1198014
01411	SureWest Telephone	02/21/2024	Regular	0.00	3,393.08	59780

Check Report

Date Range: 02/17/2024 - 03/13/2024

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02564	Telstar Instruments	03/12/2024	Regular	0.00	3,955.20	59834
02572	Thatcher Company of California, Inc.	02/21/2024	EFT	0.00	16,773.60	409155
02581	The Ferguson Group, LLC	02/27/2024	EFT	0.00	6,750.00	409166
03799	Thirkettle Corporation	02/21/2024	EFT	0.00	6,801.95	409156
01844	Thorne, Jedediah	03/12/2024	Regular	0.00	105.00	59835
02162	Tobin, Pamela	03/05/2024	EFT	0.00	38.32	409175
02622	Total Compensation Systems, Inc.	02/27/2024	Regular	0.00	1,755.00	59797
03729	Tree Pro Tree Services, Inc.	03/05/2024	Regular	0.00	13,182.54	59810
03763	Trucksmart	02/21/2024	Regular	0.00	2,397.38	59781
03846	U.S. Bancorp Asset Management, Inc.	03/05/2024	EFT	0.00	1,028.77	409176
02651	United Parcel Service, Inc.	02/21/2024	Regular	0.00	32.90	59782
02651	United Parcel Service, Inc.	03/05/2024	Regular	0.00	66.65	59811
02651	United Parcel Service, Inc.	03/12/2024	Regular	0.00	65.80	59836
02667	US Bank Corporate Payments Sys (CalCard)	02/20/2024	Bank Draft	0.00	53,079.95	474-84579-24
02690	Verizon Wireless	02/27/2024	Regular	0.00	5,126.33	59798
02700	Viking Shred LLC	03/05/2024	Regular	0.00	64.00	59812
01687	W. W. Grainger, Inc.	02/21/2024	Regular	0.00	578.98	59783
01687	W. W. Grainger, Inc.	03/05/2024	Regular	0.00	275.86	59813
01687	W. W. Grainger, Inc.	03/12/2024	Regular	0.00	610.23	59837
02710	WageWorks, Inc	02/21/2024	EFT	0.00	104.00	409158
02710	WageWorks, Inc	03/05/2024	EFT	0.00	122.00	409177
03387	WageWorks, Inc	02/21/2024	EFT	0.00	438.07	409157
03387	WageWorks, Inc	03/05/2024	EFT	0.00	438.07	409178
01068	Walker, Glenn C.	03/12/2024	Regular	0.00	1,382.36	59838
01486	WAPA - Department of Energy	03/05/2024	EFT	0.00	1.00	409179
01486	WAPA - Department of Energy	03/05/2024	EFT	0.00	701.48	409182
03791	Water Systems Consulting, Inc.	02/27/2024	EFT	0.00	1,307.50	409167
03791	Water Systems Consulting, Inc.	03/05/2024	EFT	0.00	6,511.76	409180
02730	Western Area Power Administration	03/05/2024	EFT	0.00	2,180.00	409181
02743	Wienhoff & Associates, Inc.	03/05/2024	Regular	0.00	75.00	59814
02766	Youngdahl Consulting Group, Inc.	03/05/2024	Regular	0.00	3,630.00	59815

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	129	72	0.00	382,037.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	7	7	0.00	223,833.64
EFT's	109	65	0.00	1,127,363.08
	<b>245</b>	<b>146</b>	<b>0.00</b>	<b>1,733,234.08</b>

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	129	72	0.00	382,037.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	7	7	0.00	223,833.64
EFT's	109	65	0.00	1,127,363.08
	<b>245</b>	<b>146</b>	<b>0.00</b>	<b>1,733,234.08</b>

### Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	2/2024	1,055,370.56
999	INTERCOMPANY	3/2024	677,863.52
			<b>1,733,234.08</b>





San Juan Water District, CA

# Vendor History Report

## By Vendor Name

Posting Date Range 07/01/2023 - 02/29/2024

Payment Date Range -

Payable Number	Description	Units	Price	Post Date	1099 Account Number	Payment Number	Payment Date	Amount	Shipping	Tax	Discount	Net	Payment	
Item Description				Amount	Account Number		Account Name	Dist Amount						
<b>Vendor Set: 01 - Vendor Set 01</b>														
<b>03092 - Rich, Dan</b>														
Exp Reimb 12-2023	ACWA Fall Conf Mileage to/from Sac Airpoi			12/1/2023		409031	12/13/2023	152.87	0.00	0.00	0.00	152.87	152.87	
ACWA Fall Conf Mileage		0.00	0.00	152.87	010-010-52110		Training - Meetings, Education & Tr	76.44						
					050-010-52110		Training - Meetings, Education & Tr	76.43						
<b>02162 - Tobin, Pamela</b>														
Exp Reimb 01-2024	ACWA State Leg Meeting Mileage & Parkin			1/19/2024		409175	3/5/2024	38.32	0.00	0.00	0.00	38.32	38.32	
ACWA State Leg Meetin		0.00	0.00	38.32	010-010-52110		Training - Meetings, Education & Tr	19.16						
					050-010-52110		Training - Meetings, Education & Tr	19.16						
<b>Vendors: (2)</b>								<b>Total 01 - Vendor Set 01:</b>	<b>191.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>191.19</b>	<b>191.19</b>
<b>Vendors: (2)</b>								<b>Report Total:</b>	<b>191.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>191.19</b>	<b>191.19</b>



Payroll Set: 01-San Juan Water District

<b>Employee Number</b>	<b>Employee Name</b>	<b>Pay Code</b>	<b># of Payments</b>	<b>Units</b>	<b>Pay Amount</b>
<a href="#">0690</a>	Costa, Ted	Reg - Regular Hours	8	45.00	5,625.00
			<b>0690 - Costa Total:</b>	<b>45.00</b>	<b>5,625.00</b>
<a href="#">0670</a>	Miller, Ken	Reg - Regular Hours	8	26.00	3,250.00
			<b>0670 - Miller Total:</b>	<b>26.00</b>	<b>3,250.00</b>
<a href="#">1003</a>	Rich, Daniel	Reg - Regular Hours	8	24.00	3,000.00
			<b>1003 - Rich Total:</b>	<b>24.00</b>	<b>3,000.00</b>
<a href="#">0650</a>	Tobin, Pamela	Reg - Regular Hours	8	76.00	9,500.00
			<b>0650 - Tobin Total:</b>	<b>76.00</b>	<b>9,500.00</b>
<a href="#">1039</a>	Zamorano, Manuel	Reg - Regular Hours	8	19.00	2,375.00
			<b>1039 - Zamorano Total:</b>	<b>19.00</b>	<b>2,375.00</b>
			<b>Report Total:</b>	<b>190.00</b>	<b>23,750.00</b>



Payroll Set: 01-San Juan Water District

<b>Account</b>	<b>Account Description</b>	<b>Units</b>	<b>Pay Amount</b>
<a href="#">010-010-58110</a>	Director - Stipend	95.00	11,875.00
	<b>010 - WHOLESALE Total:</b>	<b>95.00</b>	<b>11,875.00</b>
<a href="#">050-010-58110</a>	Director - Stipend	95.00	11,875.00
	<b>050 - RETAIL Total:</b>	<b>95.00</b>	<b>11,875.00</b>
	<b>Report Total:</b>	<b>190.00</b>	<b>23,750.00</b>



Payroll Set: 01-San Juan Water District

<b>Pay Code</b>	<b>Description</b>	<b># of Payments</b>	<b>Units</b>	<b>Pay Amount</b>
Reg - Regular Hours	Regular Hours	40	190.00	23,750.00
		<b>Report Total:</b>	<b>190.00</b>	<b>23,750.00</b>

## 2023/24 Actual Deliveries and Revenue - By Wholesale Customer Agency

July 2023 -February 2024								
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	7,422	\$ 2,194,178	7,722.58	\$ 2,213,231	300	4.0%	\$ 19,053	0.9%
Citrus Heights Water District	6,057	\$ 1,962,428	6,897.87	\$ 2,003,375	841	13.9%	\$ 40,947	2.1%
Fair Oaks Water District	4,196	\$ 1,354,694	4,366.20	\$ 1,365,350	170	4.1%	\$ 10,656	0.8%
Orange Vale Water Co.	2,540	\$ 728,600	2,541.76	\$ 726,310	2	0.1%	\$ (2,290)	-0.3%
City of Folsom	668	\$ 208,935	726.88	\$ 212,931	59	8.8%	\$ 3,995	1.9%
Granite Bay Golf Course	202	\$ 7,137	232.56	\$ 8,221	31	15.2%	\$ 1,084	15.2%
Sac Suburban Water District (SSWD)	6,150	\$ 1,353,984	10,008.26	\$ 2,249,775	3,858	62.7%	\$ 895,791	66.2%
<b>TOTAL</b>	<b>27,236</b>	<b>\$ 7,809,957</b>	<b>32,496</b>	<b>\$ 8,779,194</b>	<b>5,260</b>	<b>19.3%</b>	<b>\$ 969,237</b>	<b>12.4%</b>

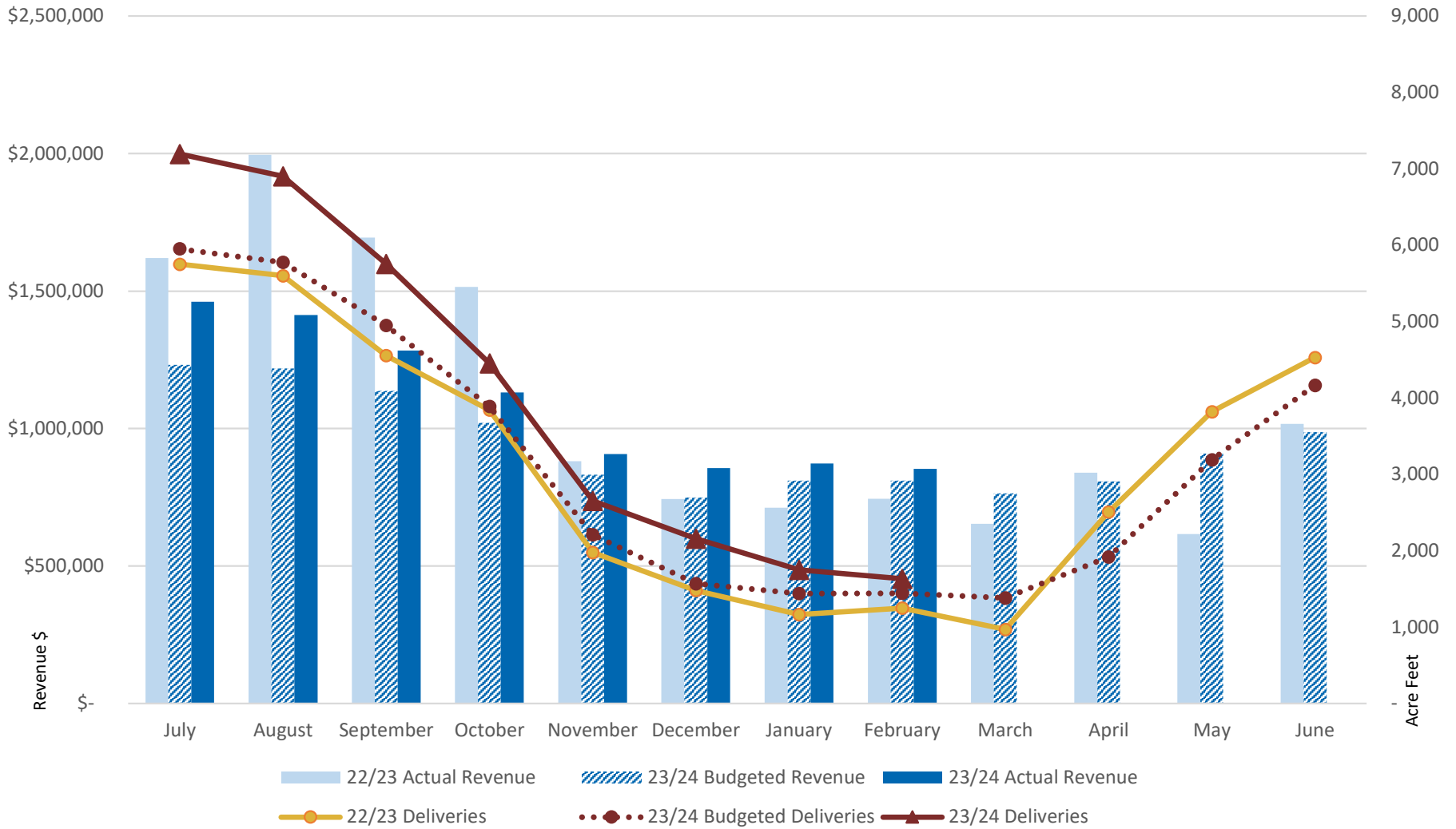
Budgeted Deliveries	27,236
Actual Deliveries	32,496
Difference	5,260
	19.3%
Budgeted Water Sale Revenue	\$ 7,809,957
Actual Water Sale Revenue	\$ 8,779,194
Difference	\$ 969,237
	12.4%

**Conclusion:**

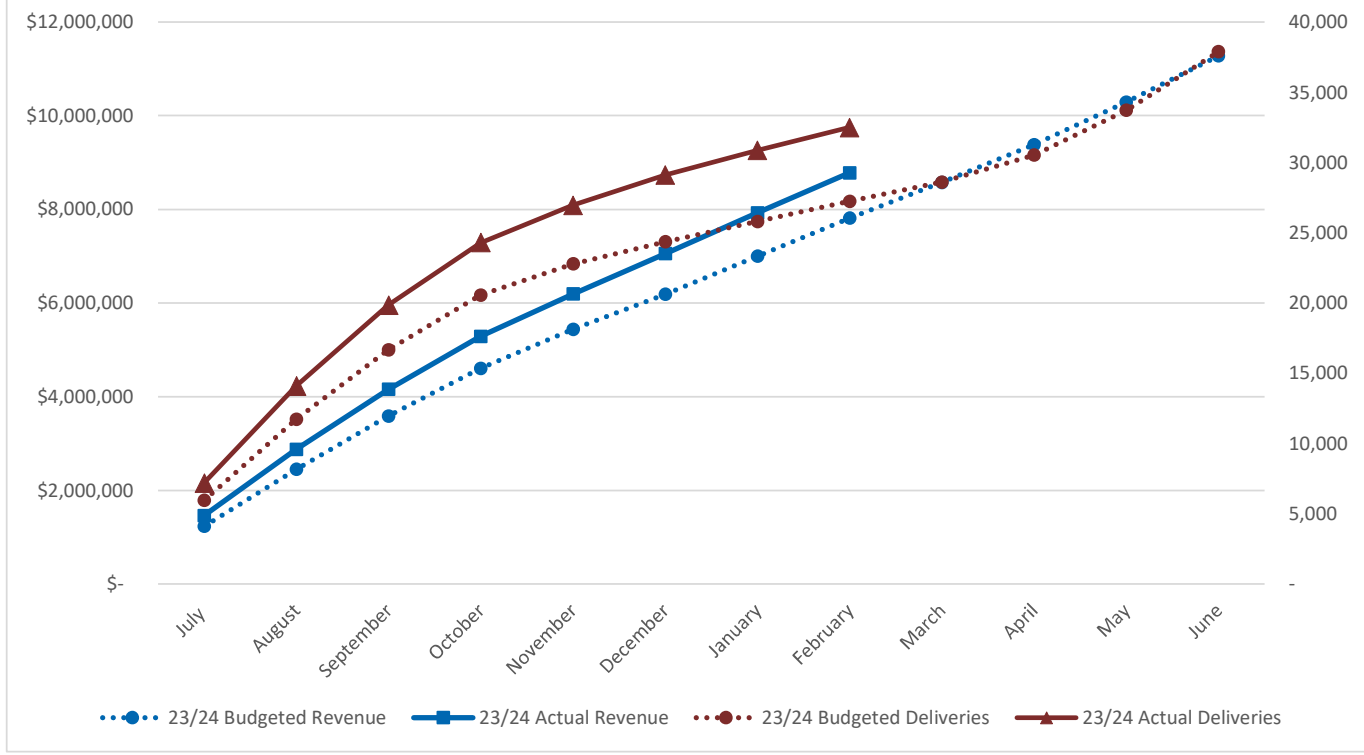
July through February deliveries were higher than anticipated by 5,260 acre feet or 19.3%. As shown in the table above the main drivers of the positive variance are deliveries to SSWD and thee Citrus Heights Water District. Deliveries to SSWD are 62.7% greater than anticipated for this point in the year and deliveries to Citrus Heights Water District are 13.9% higher than anticipated.

The 19.3% positive variance in deliveries results in year to date revenues that are 12.4% greater than anticipated in the budget for this point in the year.

## Comparison of Fiscal Year 2022/2023 Actuals to 2023/2024 Projections and Actuals of Deliveries and Revenue



### Cumulative Water Deliveries and Revenues FY 2023-24



**Finance Committee Meeting Minutes  
San Juan Water District  
March 19, 2024  
4:00 p.m.**

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

**District Staff:** Paul Helliker, General Manager  
Donna Silva, Finance Director  
Teri Grant, Board Secretary/Administrative Assistant

**Members of the Public:** Attendee

**1. Review General Manager Reimbursements (W & R)**

The committee reviewed the January credit card charges for the General Manager and found them to be in order and there was no reimbursement request from the General Manager.

**2. Review Check Register from February 2024 (W & R)**

The committee reviewed the February 2024 check register and found it to be in order.

**3. Investment Policy FIN-5.6 Revision (W & R)**

Ms. Silva provided a staff report which will be included in the Board packet. She explained that staff, and the District's Investment Advisors at PFM Asset Management, Inc. reviewed the Investment Policy and are recommending changes to the policy as indicated in the staff report.

Ms. Silva pointed out that there will be a correction made to the staff report for the Board packet in the Additional Recommendation section.

*The Finance Committee recommends consideration of a motion to approve amendments to the Investment Policy FIN-5.6 for the San Juan Water District.*

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

In response to Director Miller's question, Ms. Silva reviewed the process for issuing District credit cards for employees, and she explained the benefit and efficiency of providing credit cards for District use. In addition, she assured the committee that there are ample accounting controls in place regarding the use and approval process for the District credit cards.

**5. Public Comment**

There were no public comments.

The meeting was adjourned at 4:27 p.m.