

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

March 23, 2022 – 6:00 p.m.

Conducted via Videoconference & In-Person

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

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

OTHER ATTENDEES

Carl Jones	Citrus Heights Water District Legal Counsel
Mitch Dion	Customer
Mark Hildebrand	Hildebrand Consulting
Bradford Radonich	
John	
Marcellus Mosley	
Sharon Burke	

AGENDA ITEMS

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

President Miller 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-person: Ted Costa, Ken Miller and Dan Rich. The following directors were present via teleconference: Pam Tobin and Manuel Zamorano.

II. PUBLIC FORUM

Mr. Mitch Dion addressed the Board and announced that Chris Petersen was appointed to the Fair Oaks Water District Board. In addition, Mr. Dion voiced concern regarding the cost of the ACWA Spring Conference and appreciates the General Manager's frugality regarding the District expenses.

III. CONSENT CALENDAR

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

1. Determination of State of Emergency for Remote Meetings (W & R)

Recommendation: Declare making the Legally Required Findings to Authorize the Conduct of Remote "Telephonic" Meetings During the State of Emergency

2. Minutes of the Board of Directors Special Meeting, February 22, 2022 (W & R)

Recommendation: Approve draft minutes

3. Minutes of the Board of Directors Meeting, February 23, 2022 (W & R)

Recommendation: Approve draft minutes

4. Eureka Road Replacement Project (R)

Recommendation: For authorization and approval to award a construction contract to Flowline Contractors, Inc. for the construction of the Eureka Road Pipeline Replacement Project

5. Eureka Road Replacement Project (R)

Recommendation: For authorization and approval of Contract Amendment N. 2 with Domenichelli & Associates, Inc. for inspection services during construction of the Eureka Road Pipeline Replacement Project

6. Baldwin Channel Improvements (W)

Recommendation: For authorization and approval to award a construction contract to Sierra National Construction, Inc. for the construction of the Baldwin Channel Improvements Project

7. Baldwin Reservoir Fire Break (W)

Recommendation: For authorization and approval to award a construction contract to Tree Pro Tree Services Inc. for the construction of the Baldwin Reservoir Fire Break Improvements Project

Vice President Rich moved to approve the Consent Calendar. President Miller seconded the motion and it motion carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Abstain: None

Director Costa suggested that the Board look into having a policy that items with a large cost not be on the Consent Calendar even if they were reviewed in a committee and instead have the full Board review the items. President Miller stated that he feels the same way and has some questions on the Eureka Road project which he will address later.

GM Helliker requested that agenda item V-2, Retail Capital Fees Update, be moved up on the agenda since the consultant needs to leave early. President Miller agreed to the request. The meeting minutes will remain in the original order.

IV. NEW BUSINESS

1. Appoint SGA Representative (W & R)

GM Helliker informed the Board that a motion was needed to appoint Ted Costa as the SGA Representative for the next four-year term.

Vice President Rich moved to confirm appointment of Ted Costa as Representative to the SGA Board of Directors, for submittal to Sacramento County Board of Supervisors for ratification. President Miller seconded the motion and it motion carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Abstain: None

2. Legislation – AB 2142, AB 2639 and SB 1157 (W & R)

GM Helliker reviewed legislative bills AB 2142 which would exempt turf rebates from California state taxes, and SB 1157 which would reduce the standards for residential water use in 2025 to 47 GPCD then to 42 GPCD starting in 2030. Based on the Board's previous direction, GM Helliker signed the coalition letters in support of AB 2142 and in opposition unless amended for SB 1157.

GM Helliker reviewed AB 2639 which regards water quality control plans and water rights permits. He explained that it would: require the State Water Board to adopt a final update of the San Francisco Bay/Sacramento–San Joaquin Delta Estuary WQCP (Bay-Delta Plan or Plan) by December 31, 2023; require the State Water

Board to implement the final San Joaquin River/Southern Delta update of the Bay-Delta Plan, through regulation or other appropriate implementation methods, by December 31, 2023; and it would prohibit the State Water Board from approving any new water right permits or extensions of time for any existing permits resulting in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed until the Board has taken the two previous actions. He plans to take the same position on this as ACWA is taking, which is to oppose unless the Board objects – there were no objections to taking this position.

3. Water Treatment Plant (WTP) Filter Basins Rehab Project – Sealant Removal in North Filter Basin (W)

GM Helliker provided a staff report which will be attached to the meeting minutes. He reported that he informed the Engineering Committee regarding the urgent need to remove the failed sealant material from the north filter basin at the Water Treatment Plant. He explained that according to the District's Procurement Policy, he was authorized to approve this emergency expenditure by informing at least 2 Board members of the issue, which is what he did.

In response to Director Costa's comments, GM Helliker informed the Board that staff is exploring all cost recovery options for this extra cost and have consulted with the District's Legal Counsel. Director Tobin voiced concern that this item was only brought to three Board members and not the whole Board. GM Helliker explained that he followed the emergency procurement policy last week and then brought the item to the full Board tonight. He explained that the emergency was the need to remove the material expeditiously. Mr. Barela added that it is urgent to get the filter basin back online prior to the high demand season.

Mr. Dion addressed the Board and agreed of the urgency to have both basins operable going into the summer months and inquired who was going to inspect the new sealant that is being installed. Mr. Pierson informed the Board that Kennedy Jenks will oversee the construction management and inspection.

In response to Director Zamorano's comment, GM Helliker explained that the sealant material disintegrates rapidly when exposed to turbulent flow and it is not expected to be seen in the distribution system downstream but staff does not want to take that risk.

Vice President Rich moved to approve a time and materials contract with ERS Industrial Services, Inc. (ERS) to remove failed sealant material from the North Filter Basin underdrain for a not to exceed amount of \$575,850 with a construction contingency of \$57,585 (10%) for an authorized total construction budget of \$633,435. Director Costa seconded the motion and it motion carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Abstain: None

V. OLD BUSINESS

1. Mid-Year Financial Report – Fiscal Year 2021-22 and Amendment of the Wholesale Capital Budget (W & R)

Ms. Silva reviewed her staff report which will be attached to the meeting minutes. She explained that Wholesale Operations revenues and expenses are tracking close to the budget, which will result in an anticipated transfer to Wholesale Capital reserves of around \$1.4 million. She explained that the original budget for Wholesale Capital revenue was \$4,223,000 and at mid-year staff is estimating fiscal year revenues of \$1,636,100. The budget anticipated drawing down \$2.75 million from the State Revolving Loan Fund for the Hinkle Reservoir project but with that project delayed, the “revenue” to cover that project will be seen in the next fiscal year.

Ms. Silva explained that, absent the loan proceeds, revenues are greater than anticipated due to capital facility fees received in excess of the budget, slightly offset by interest income lower than expected. She informed the Board that due to the additional work needed on the WTP Filter Basin along with the delay of five projects, the expenditures in Wholesale Capital will exceed the budget by \$136,500 and therefore, staff recommends a budget amendment of \$136,500 to ensure there are authorized funds for all projects.

Ms. Silva reported that Retail Operations revenues are anticipated to be slightly higher than the budget while expenses are tracking lower than the budget. Ms. Silva explained that this should result in an anticipated transfer to Retail Capital reserves of around \$2.35 million.

Ms. Silva reported that Retail Capital revenues are anticipated to come in 86% higher than the budget due to an increase in unexpected capital facility fees. She explained that a reserve for capital facility fees may need to be created. She explained that the Retail Capital expenditure budget anticipated expenses of \$8.6 million to fund 32 projects: 7 are already complete, 18 more are expected to be completed by the end of the year, 3 are expected to start but not finish by years’ end, and 2 will be pushed to next fiscal year. The mid-year estimated expenses are \$4,187,400.

Director Costa moved to approve Resolution 22-05 increasing the Fiscal Year 2021-22 expenditure budget for the Wholesale Capital Fund by \$136,500 to incorporate the emergency filter basin sealant project. Vice President Rich seconded the motion and it motion carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Abstain: None

2. Retail Capital Fees Update (R)

Ms. Silva reviewed her staff report which will be attached to the meeting minutes. She explained that a Retail Capital Facility Fee Study was conducted in 2021 and she introduced Mr. Mark Hildebrand. Mr. Hildebrand conducted a brief presentation which will be attached to the meeting minutes. He reviewed Common Capacity Charge Approaches and explained that the District uses a Hybrid approach. He

reviewed the Changes in Assumptions from the previous presentation, the Hybrid Calculation, the Proposed Retail Capital Facility Fee Schedule and the Survey of Regional Capital Facility Fees for 1” meter connections. He informed the Board that the increase to the fees is 2.3%. Ms. Silva explained that the resolution before the Board is to approve the proposed Retail Capital Facility Fees, authorize the General Manager to implement annual inflationary adjustments based on the CCI (Construction Cost Index) and approve inflationary adjustments to the Wholesale Capital Facility Fees based on the CCI.

Director Tobin inquired if there were any figures that shows what it really costs the District for the connections. Mr. Hildebrand explained that the methodology is intended to reflect the cost of serving new customers and making sure that growth pays for growth. If the District charged less than the recommended fees, then rate payers would have to cover what developers didn't pay to join the system.

In response to Director Zamorano's question, Ms. Silva explained that Mr. Pierson has been in contact with the existing contractors and they were fully informed of a potential fee increase.

Director Costa moved to adopt Resolution 22-06 approving proposed Retail Capital Facility Fees and annual inflationary fee adjustments. Vice President Rich seconded the motion.

Vice President Rich inquired if the proposed fees were adopted, when will the CCI adjustment be made and from what time period are the baseline fees from. Ms. Silva stated that the next annual fee adjustment would happen in January based on the November 2022 CCI. Mr. Hildebrand explained that the baseline fees are from January 2020 but could be revised.

The motion carried with the following roll call vote:

Ayes: Directors Costa, Miller, Rich, Tobin and Zamorano

Noes: None

Abstain: None

3. Facility Needs Pre-Design Update (W & R)

GM Helliker reported that the Board began discussions of a potential new building in 2017. At that time, discussions were placed on hold and staff started the Accessibility Transition Plan. The plan was completed and implementation began shortly thereafter.

Mr. Barela conducted a presentation and provided a staff report, which will both be attached to the meeting minutes. He explained that the preliminary Facility Needs Assessment started in 2017, followed by the Accessibility Transition Plan in 2018. He reviewed the buildings and areas that the assessment covered and the Accessibility Transition Plan recommendations, which showed the issues with the District's Admin and Maintenance buildings. In addition, he mentioned that, since that study was completed, another regulation is coming out from the California Air Resources Board regarding Advanced Clean Fleet. This new regulation will affect

the District with regard to purchasing new vehicles that are zero-emission vehicles, which would require charging stations.

Mr. Barela reviewed the site constraints and the four options and challenges for the District's facility needs. He reviewed the site plan and potential building layout for option four, which is staff's recommendation. He explained that the recommended site plan would secure the District's corporation yard, along with securing the customer service lobby.

Mr. Barela reviewed the cost comparisons of options two, three and four, since option one is not a viable option that cost information was omitted. He informed the Board that no action was requested at this time, as this was information only. In response to Director Rich's question, Ms. Silva informed the Board that the option four cost was included in the District's retail financial plan and will be included in the wholesale financial plan for 2028-29. The Board discussed the various options, staffing in the offices, the ADA requirements, and the potential cost of the project. Staff will work with a consultant to bring forward more information to the Board including cost and ADA compliance requirements.

4. 2022 Board Committee Assignments (W & R)

Director Tobin addressed that Board and stated that in the past the Board had open discussion regarding committee assignments and this year it was completed differently. She stated that the committee assignments were not included in the Board packet as they had been in the past and were instead emailed after the Board meeting. She voiced dismay that she was not assigned any internal committee assignments and that the process was not transparent. Director Costa commented that the Board President sets the committees and if a Board member is not happy, then communication with the Board President is needed.

5. 2022 Hydrology and Operations Update (W & R)

GM Helliker informed the Board that the Sacramento Valley is at 33 inches of precipitation for this water year which is 79% of average and snowpack for our region is 54% of average. He reviewed data on Folsom Reservoir, which included the current storage level at 94% of historical average, data on releases, temperature information and storage projections.

GM Helliker reviewed the water supply and demand data for the District, which showed that contract supply is 55,000 af and demands were at 35,793 af in 2021. He informed the Board that the District has contracts with Sacramento Suburban Water District (SSWD) and Carmichael Water District (CWD) to supply water this year. There is a water transfer agreement with SSWD for up to 6,000 AF and they estimate that they will take 4,000 AF, while CWD's agreement would only be in effect if they were to be curtailed which has not happened. In addition, he informed the Board that staff is working with FOWD and CHWD to conduct a groundwater substitution transfer, which would offset the surface water that would normally be delivered.

GM Helliker reported that Reclamation and DWR just delivered an Urgency Change Petition on March 18th which would reduce Delta outflow requirements in April and

May, change salinity compliance location further upstream, and reinstall the Delta salinity barrier. If the petition is approved, then it will reduce the demands on Folsom Reservoir. He reported that the Interim Operations Plan was approved which includes Shasta temperature management plan changes, Sacramento river temperature compliance, and health and safety deliveries in Sacramento Valley. He stated that this plan mainly effects the Sacramento River; however, it could have an impact on the American River if they have to reserve more water to meet temperature requirements.

GM Helliker reported that there are zero percent CVP allocations for agriculture service north and south of the Delta, and the State Water Project allocation was reduced from 15% to 5%.

GM Helliker reviewed the State Water Board's data on the progress towards the Governor's 15% voluntary conservation request. He reviewed a chart that showed conservation targets in the region from agencies taking water from the American and Sacramento rivers.

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 February which will be attached to the meeting minutes.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker reported that he sent the Board members some information that a group of general managers are developing an outreach plan on various issues such as groundwater and surface water, interties, voluntary agreements, and habitat projects. He and Mr. Greg Zlotnick provided them with a proposed list of topics and the group is reviewing the list and has reduced the cost to join to \$15,000.

GM Helliker reported that a meeting was held on the Voluntary Agreements and it looks like the Governor's office is interested in starting discussions again. He informed the Board that there is a document that they want signed by Tuesday which commits staff to bring the term sheets to their boards.

GM Helliker reported that Kerry Schmitz informed the Water Forum that Sacramento County would not have the funds (\$1.1 million) to pay their dues starting July 1st. He informed the Board that years ago the county agreed to pay the Sacramento County water agencies' shares since there is a tax that Sacramento County residences are charged for Zone 13. Ms. Schmitz informed the Water Forum that the Sacramento County water agencies would need to start paying their portion of the Water Forum costs. At this time, the District only pays the Placer County portion of the Water Forum cost. He reported that the Sacramento County water agencies, including the District, will meet with Sacramento County to discuss this issue.

Director Costa commented that he may have a conflict of interest with the project that GM Helliker is working on with the general managers in the south since he is the CEO of the People's Advocate. He stated that the People's Advocate is also negotiating and he will remove himself from discussions at the District's Board meetings if there are any conflicts.

2. DIRECTOR OF FINANCE'S REPORT

2.1 Miscellaneous District Issues and Correspondence

No report.

3. OPERATIONS MANAGER'S REPORT

3.1 Miscellaneous District Issues and Correspondence

No report.

4. ENGINEERING SERVICES MANAGER'S REPORT

4.1 Miscellaneous District Issues and Correspondence

Mr. Pierson stated he would be happy to answer any questions that Director Miller had on the Eureka Road Replacement Project from earlier in the meeting. Director Miller would like to meet with GM Helliker and Mr. Pierson regarding the project. GM Helliker suggested that Director Costa join the meeting as well.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

Legal Counsel Jones reported that the State is starting to roll back some executive orders related to Covid-19, so he will monitor the impact on the District and advise accordingly.

VII. DIRECTORS' REPORTS

1. SACRAMENTO GROUNDWATER AUTHORITY (SGA)

Director Costa reported that SGA continues to discuss governance and recently had a 3x3 meeting but the location and date will not be disclosed. In addition, he stated that he believes that SGA is equally divided on the merger issue.

2. REGIONAL WATER AUTHORITY (RWA)

Director Rich reported that he met with Dan York and Jim Peifer two weeks ago and discussed the Executive Committee's role and space planning. In addition, a written report was provided and will be attached to the meeting minutes.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

3.1 ACWA - Pam Tobin

No report.

3.2 Joint Powers Insurance Authority (JPIA) - Pam Tobin

No report.

3.3 Energy Committee - Ted Costa
No report.

4. CVP WATER USERS ASSOCIATION
No report.

5. OTHER REPORTS, CORRESPONDENCE, COMMENTS, IDEAS AND SUGGESTIONS
There were no other matters discussed.

VIII. COMMITTEE MEETINGS

- 1. Engineering Committee – March 15, 2022**
The committee meeting minutes will be attached to the original board minutes.
- 2. Finance Committee – March 22, 2022**
The committee meeting minutes will be attached to the original board minutes.

IX. UPCOMING EVENTS

- 1. Cap-to-Cap**
April 30 – May 4, 2022
Washington, DC
- 2. 2022 ACWA Spring Conference**
May 3-6, 2022
Sacramento, CA

At 8:14 p.m., President Miller announced that the Board was adjourning to Closed Session.

X. CLOSED SESSION

- 1. Conference with legal counsel** – existing litigation (Government Code §54956.9(d)(1), (d)(4)) - California Natural Resources Agency v. Raimondo, Eastern District of California case no. 1:20-cv-00426 and Pacific Coast Fed'n of Fishermen's Assn. v. Raimondo, Eastern District of California case no. 1:20-cv-00430.
- 2. Conference with legal counsel** – existing litigation (Government Code §54956.9(d)(1), (d)(4)) - Center for Biological Diversity, et al. v. U.S. Bureau of Reclamation, Eastern District of California case no. 1:20-cv-00706.
- 3. Public Employee Performance Evaluation** (§ 54957) Title: General Manager
- 4. CONFERENCE WITH LABOR NEGOTIATORS**
Pursuant to Government Code Section 54957.6
Agency designated representatives: Ted Costa and Dan Rich
Employee group: Unrepresented employee (General Manager)

XI. OPEN SESSION

There was no reportable action.

XII. ADJOURN

The meeting was adjourned at 9:12 p.m.

ATTEST:

KENNETH MILLER, President
Board of Directors
San Juan Water District

TERI GRANT, Board Secretary

STAFF REPORT

To: Board of Directors
 From: Mark Hargrove, Senior Engineer
 Date: March 23, 2022
 Subject: Eureka Road Pipeline Replacement Project, Construction Contract

RECOMMENDED ACTION

Staff requests a recommendation for a Board motion to approve a construction contract with Flowline Contractors, Inc. (Flowline) for the amount of \$2,710,202.20 with a construction contingency of \$271,020 (10%) for a total authorized budget of \$2,981,222.20. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

The existing steel pipeline that is to be replaced along Eureka Road is over 50 years old. It consists of approximately 250-ft of 18-in and 3,750-ft of 16-in steel pipe. The Project will replace the steel pipeline with an 18-in ductile-iron pipeline. The pipeline serves water within the Bacon Pressure Zone to the area along Eureka Road between Barton Road and Auburn Folsom. The pipeline was recommended for replacement in the 2005 Retail Water Master Plan Update. The reasons for replacement are to rectify low pressures in the Eureka Road and Auburn-Folsom Road areas, as well as to replace an older steel pipeline that currently experiences high head loss, leakage, and has high potential for breaks. The Engineer’s construction estimate was \$2.5 million.

CURRENT STATUS

Thirteen (13) contractors attended the mandatory pre-bid meeting and six (6) bids were received on March 10, 2022. The Bid outcomes are summarized as follows:

Bidder	Bid Amount
Flowline Contractors Inc.	\$2,710,202.20
T & S Construction	\$2,782,075.00
Steve P. Rados, Inc.	\$2,981,000.00
C & D Contractors, Inc.	\$2,984,099.00
McGuire & Hester	\$3,215,910.00
Mountain Cascade, Inc.	\$3,711,130.00

Flowline was the lowest responsive, responsible bidder. Flowline’s bid documents were reviewed and found to be complete and in order, including license, insurance, and bonds. Flowline also submitted documentation (i.e. outreach) and completed forms with their bid to meet the Drinking Water State Revolving Fund’s Disadvantage Business Enterprise (DBE) requirements.

FINANCIAL CONSIDERATIONS

The Project is included in FY 2021/2022 and FY 2022/2023 Retail Budgets. The Project is being funded through Drinking Water State Revolving Fund.

STAFF REPORT

To: Board of Directors
From: Mark Hargrove, Senior Engineer
Date: March 23, 2022
Subject: Eureka Road Pipeline Replacement Project, Construction Inspection Services

RECOMMENDED ACTION

Staff requests a recommendation for a Board motion to approve Amendment No. 2 to Domenichelli & Associates, Inc. (D&A), to provide construction inspection services for the Eureka Road Pipeline Replacement Project (Project) in the amount of \$106,500, bringing their total contract amount to \$315,987, with a total authorized budget of \$329,111 which includes a 10% contingency. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

The existing steel pipeline that is to be replaced along Eureka Road is over 50 years old. It consists of approximately 250-ft of 18-in and 3,750-ft of 16-in steel pipe. The Project will replace the steel pipeline with an 18-in ductile-iron pipeline. The pipeline serves water within the Bacon Pressure Zone to the area along Eureka Road between Barton Road and Auburn Folsom. The pipeline was recommended for replacement in the 2005 Retail Water Master Plan Update. The reasons for replacement are to increase low pressures in the Eureka Road and Auburn-Folsom Road areas, as well as to replace an older steel pipeline that currently experiences high head loss, leakage, and has high potential for breaks.

CURRENT STATUS

The construction contract for the project was bid on March 10, 2022. The District expects construction to start in May 2022, and to be completed before December 2022.

In response to the District's Request for Proposals (RFP) for professional engineering services for design of the Project, D&A submitted a proposal and was awarded the design contract. Included with D&A's and the other consultant's proposals was the optional task to provide inspection services during construction. This amendment implements the option for D&A to provide full time construction inspection services through the completion of the Project.

FINANCIAL CONSIDERATIONS

The Project is included in FY 2021/2022 and FY 2022/2023 Retail Budgets.

STAFF REPORT

To: Board of Directors

From: Tony Barela, PE
Operations Manager

Date: March 23, 2022

Subject: Baldwin Channel Improvements Project – Sierra National Construction, Inc.
Contract

RECOMMENDED ACTION

Staff requests a recommendation for a Board motion to award a construction contract to Sierra National Construction, Inc. for \$547,000 with a construction contingency of \$54,700 (10%) for an authorized total construction budget of \$601,700. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

The Baldwin Channel is the main conveyance for Hinkle Reservoir and water treatment plant (WTP) emergency overflows to Baldwin Reservoir. There are two 28" culverts located at the main entrance to the solar field that are insufficiently sized to convey emergency overflows that may discharge from our main site. These culverts will be removed and a new headwall and culvert structure will be constructed at the entrance. The new culvert will be sized to convey emergency overflows from both Hinkle Reservoir and the WTP.

Additionally, the invert of the channel located on our main site will also be concrete lined to eliminate weed control maintenance, capacity impediments from bulging cattail root balls, and sedimentation erosion during releases to the channel. In conjunction to the lining of the channel, there will be a small concrete alcove constructed to direct overflow from the 48" bypass pipeline to the channel. See the discharge piping in Figure 2. This discharge is critical during the temporary operations for the Hinkle Reservoir Cover and Lining Replacement Project.



Figure 1: Existing Solar Field Culvert



Figure 2: Baldwin Channel at WTP looking West

STATUS

The Project was advertised for bidding on February 10, 2022. Seventeen prospective contractors attended the pre-bid conference on February 22nd. Bids for the project were received on March 10, 2022 and are summarized as follows:

Bidder	Bid Amount
Sierra National Construction	\$547,000
Westcon Construction Corp.	\$698,420
PBM Construction, Inc.	\$724,724
Mountain G. Enterprises, Inc.	\$748,800
McGuire and Hester	\$797,000

Sierra National Construction, Inc. was the lowest responsive, responsible bidder. Sierra National Construction, Inc.'s bid documents were reviewed and found to be complete and in order, including license, insurance and bonds.

BUDGET IMPACT

Portion of the Project is included in the District's approved Wholesale CIP budget for Fiscal Year 21/22 and the remainder of the project will be included in the Fiscal Year 22/23 budget, as the project will extend beyond July 1, 2022. The total bid amount is greater than the Engineer's estimate; however, based on the preliminary review of the Mid-Year Budget there appears to be sufficient funding to accommodate this additional expense.

AGENDA ITEM III-7

STAFF REPORT

To: Board of Directors

From: Adam Larsen, Field Services Manager

Date: March 23, 2022

Subject: Baldwin Reservoir Fire Break

RECOMMENDED ACTION

Staff requests a recommendation for a Board motion to award a professional services contract to Tree Pro Tree Service, Inc. for professional services related to providing a fire break and vegetation management for the area surrounding Baldwin Reservoir, in the amount of \$129,000 plus a 10% contingency, for a total authorized amount of \$141,900. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

On February 22, 2022, the District requested proposals to provide a fire break and vegetation management for the area surrounding Baldwin Reservoir. This project involves a fire break around the perimeter of the Baldwin Reservoir in accordance with the recommendations of South Placer Fire District and for the vegetation management on the Baldwin Reservoir levee.

Proposals were received on March 10, 2022 from the following (1) firm:

- Tree Pro Tree Service, Inc.

Each proposal submitted included a Technical Proposal and a Cost Proposal. The Technical Proposal was evaluated based on project understanding, work plan, experience and qualifications, and other project-specific criteria. Based on review of the proposals, Tree Pro Tree Service, Inc. was the top technical proposal.

Subsequent to the technical ranking, the cost proposals were reviewed. The following table summarizes the proposed costs from each company.

Consultant	Professional Services
Tree Pro Tree Service, Inc.	\$129,000

Because of Tree Pro Tree Service, Inc. technical qualifications and proposed cost for service, Tree Pro Tree Service, Inc. is the best suited for the completion of this project.

FINANCIAL CONSIDERATIONS

Project costs are 100% Wholesale. This maintenance project is included in the District's approved Wholesale operations budget for Fiscal Year 21/22; however, the total bid is greater than the budgeted estimate. Based on the preliminary review of the Mid-Year budget, there appears to be sufficient funding to accommodate this additional expense.

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: March 23, 2022
Subject: 2022 California Legislation

RECOMMENDED ACTION

Discussion of legislation

BACKGROUND

In response to ACWA Alerts on two bills, we have asked them to add us to their coalitions, including being a signatory on letters concerning the two bills (AB 2142 and SB 1157). Those letters, and the advocacy flyers on those bills, are attached.

One other bill is worth discussing:

AB 2639: Water quality control plans and water rights permits
Author: Quirk (D: Hayward)

AB 2639 would:

- 1) Require the State Water Board to adopt a final update of the San Francisco Bay/Sacramento–San Joaquin Delta Estuary WQCP (Bay-Delta Plan or Plan) by December 31, 2023;
- 2) Require the State Water Board to implement the final San Joaquin River/Southern Delta update of the Bay-Delta Plan, through regulation or other appropriate implementation methods, by December 31, 2023; and
- 3) Prohibit the State Water Board from approving any new water right permits or extensions of time for any existing permits resulting in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed until the Board has taken the actions summarized in 1) and 2).



March 14, 2022

The Honorable Jacqui Irwin
 Chair, Assembly Revenue and Taxation Committee
 1020 N Street, Room 167A
 Sacramento, CA 95814

RE: AB 2142 (Gabriel) – Income taxes: exclusion: turf replacement water conservation program – Support

Dear Chair Irwin:

The undersigned organizations are pleased to support AB 2142 (Gabriel). This bill will reinstate an important exemption for turf replacement rebates from gross income in California, aligning it with certain other permanently exempt water efficiency rebates.

The State has permanently exempted some other water efficiency rebates, recognizing their effectiveness in advancing efficiency objectives. Rebates for water efficient toilets and clothes washers, certain plumbing for recycled water, and energy conservation are all permanently exempt from both personal and corporate taxes in California. (Cal. Rev. & Tax Code §§ 17138, 17138.1, 24308.1.) Turf replacement programs, like these other rebates, play an important role in continued water efficiency and conservation efforts.

California is in its second drought within a decade and it is critical for the state to continue to invest in both immediate conservation and ongoing water efficiency as we adapt to climate change. Water efficiency incentive programs are an effective tool in this effort. For example, since 1990, The Metropolitan Water District of Southern California (MET) has invested more than \$840 million in rebates and other conservation incentives, resulting in an estimated water savings of nearly 3.5 million acre feet, enough to provide water for more than 10 million households.

Even when the state is not facing drought conditions, California has made a commitment to “Conservation as a California Way of Life” through the enactment of SB 606 (Hertzberg, 2018) and AB 1668 (Friedman, 2018). As part of that commitment, the Administration is in the process of establishing a water use objective for urban water agencies that will create numeric goals that each agency must meet, and incentive programs will be key to its success.

Taxing water efficiency rebates is a disincentive for households to participate in these critical programs. Even with incentives, most households will need to invest a significant amount of their own income to replace lawns with drought-tolerant landscaping. And taxing these rebates is an especially significant barrier for low-income households who participate in these programs.

California Law previously exempted turf rebates from taxable income, but those provisions were allowed to sunset in December 2019. Part of the rationale at that time was that California was not in a drought, but the environment is changing rapidly due to the impacts of climate change and it is important that the State’s public policy reflects this changing reality.

For these reasons, the undersigned organizations respectfully request your “Aye” vote when the bill is heard in the Assembly Committee on Revenue and Taxation.

Sincerely,

Jennifer M. Capitolo
Executive Director
California Water Association

Jessica Gauger
Director of Legislative Advocacy & Public Affairs
California Association of Sanitation Agencies

Danielle Blacet
Deputy Executive Director
California Municipal Utilities Association

Rosario Cortes Kapeller
Senior Legislative Representative
California Special Districts Association

Justin Skarb
Director of Community Affairs & Government Relations
California Water Service

Gary Link
Legislative Affairs Director
Northern California Water Association

Derek Dolfie
Legislative Affairs, Lobbyist
League of California Cities

Sean Bothwell
Executive Director
California Coastkeeper Alliance

Garry Brown
Founding Director
Orange County Coastkeeper
Inland Empire Waterkeeper
Coachella Valley Waterkeeper

Charles Wilson
Executive Director
Southern California Water Coalition

Nicole Sasaki
Staff Attorney
San Francisco Baykeeper

Mary Ann Dickinson
CEO
Dickinson Associates

Adel Hagekhalil
General Manager
Metropolitan Water District of Southern
California

Gary Arant
General Manager
Valley Center Municipal Water District

Donald M. Zdeba
General Manager
Indian Wells Valley Water District

Paul Helliker
General Manager
San Juan Water District

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

John Mura
General Manager/CEO
East Valley Water District

Peter Sanchez
General Manager-Secretary
Fresno Metropolitan Flood Control District

Jessaca Lugo
City Manager
City of Shasta Lake

Chris Rogers
Mayor
City of Santa Rosa

Krista Bernasconi
Mayor
City of Roseville

William Busath
Director
City of Sacramento, Department of Utilities

Robert Grantham
General Manager
Rancho California Water District

Paul A. Cook, P.E.
General Manager
Irvine Ranch Water District

Steven J. Elie
Board President
Inland Empire Utilities Agency

Anthony Goff
General Manager
Calleguas Municipal Water District

Dan Muelrath
General Manager
Diablo Water District

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Thomas A. Love
General Manager
Upper San Gabriel Valley Municipal Water District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Grant Davis
General Manager
Sonoma County Water Agency

Nina Jazmadarian
General Manager
Foothill Municipal Water District

Erik Hitchman
General Manager
Walnut Valley Water District

Stephen L. Cole
Assistant General Manager
Santa Clarita Valley Water Agency

Ed Stevenson
General Manager
Alameda County Water District

Jim Barrett
General Manager
Coachella Valley Water District

CC: The Honorable Jesse Gabriel
Members, Assembly Revenue and Taxation Committee

AB 2142 (Gabriel)

Water Efficiency Tax Relief Helps California Adapt to Climate Change

California is in the middle of its second drought within a decade, and California water agencies have been tasked with making water conservation a California way of life to help adapt to climate change and mitigate future droughts. It's more important than ever to increase participation in consumer rebate programs that save water year round. **AB 2142 would reinstate an important exemption for turf replacement rebates from gross income in California, aligning it with certain other permanently exempt water efficiency rebates, like efficient toilets and clothes washers.**

BACKGROUND

California has a long history of enacting urban water conservation and efficiency legislation. More recently, in May 2018, SB 606 (Hertzberg) and AB 1668 (Friedman) were enacted as part of then-Governor Brown's initiative to make "Water Conservation a California Way of Life" in response to California's longest drought in history.

Water provider financial incentives, including consumer rebates, are among the most important and cost-effective tools available to local water providers to achieve water use efficiency objectives, particularly for turf replacement, and other high cost water-saving options. However, the rebate funds that individuals and businesses receive in connection with these programs are taxable under state law.

Consumer rebate programs not only allow water providers to save money while building resilience, they can also stimulate local economies and have a profound collective impact upon environmental and energy sustainability. When the state is not faced with drought conditions or water use restrictions, it can be difficult to maintain momentum with public participation in water efficiency programs.

Rebate programs across the state provide a much needed incentive to become more efficient regardless of water supply conditions. Taxing rebates reduces financial incentives is a major disincentive for consumer participation and undermines their success.

ECONOMIC IMPACT

There is no doubt that consumer incentives are an effective tool in advancing efficiency objectives statewide. California law permanently exempts rebates for water efficient toilets and clothes washers, certain plumbing for recycled water, and energy conservation from both personal and corporate taxes (Cal. Rev. & Tax Code §§ 17138, 17138.1, 24308.1.).

California law previously exempted turf rebates, but the exemption was allowed to sunset in 2019 because the State was not experiencing drought. By proposing to reinstate this exemption, AB 2142 recognizes that climate change is increasing the frequency and severity of drought and adaptation is a necessary long-term goal.



Consumer rebates are a proven, cost effective tool for increasing participation in water efficiency programs

For example, since 1990, The Metropolitan Water District of Southern California (Metropolitan) has invested more than \$840 million in rebates and other conservation incentives, resulting in an estimated water savings of nearly 3.5 million acre feet, enough to provide water for more than 10 million households.



Taxing water rebates is a disincentive for consumers to participate in these important rebate programs

An exemption from taxable income helps incentivize participation in these proven water-saving programs. Even with incentives, most households will need to invest a significant amount of their own income to replace lawns with drought-tolerant landscaping. And taxing these rebates is an especially significant barrier for low-income households who participate in these programs.



Rebates provide year-round water efficiency benefits

When the state is not faced with drought and water use restrictions, it can be difficult to maintain public participation in efficiency programs. Rebates provide a much needed financial incentive to be more efficient year-round. Reducing that incentive by making rebates taxable income is a major disincentive for households and businesses and will undermine water efficiency goals.

CO-SPONSORS OF AB 2142 (GABRIEL)





March 11, 2022

The Honorable Henry Stern
 Chair, Senate Committee on Natural Resources and Water
 1021 O Street, Room 3220
 Sacramento, CA 95814

RE: SB 1157 (Hertzberg) – Indoor Residential Water Use – OPPOSE UNLESS AMENDED

Dear Chair Stern:

The undersigned coalition is writing to respectfully express our position of oppose unless amended on SB 1157 (Hertzberg). This bill incorporates joint recommendations by the Department of Water Resources (DWR) and State Water Resources Control Board (State Water Board), which do not account for the

adverse impacts or significant costs to which these revised standards will lead. This coalition is seeking amendments that would delay the implementation of a 2030 standard and require additional quantitative analysis of an appropriate standard for 2030 and beyond. These amendments are included as an attachment at the end of this letter.

AB 1668 (Friedman) and SB 606 (Hertzberg) were a package of bills signed in 2018 that called for the creation of new urban water use efficiency standards for indoor residential use, outdoor use, water loss, and variances for unique conditions. Many members of this coalition worked intently on this issue with all the interested parties, including legislators, staff, and other stakeholders, during the long negotiations on these bills in 2017-18.

A critical component in the outcome of these negotiations was that DWR would conduct studies and investigations to identify a standard for indoor residential water use that appropriately reflects best practices for indoor water use with broad input from all stakeholders. DWR and the State Water Board released their Final Report in November 2021. While a study was completed, the analysis of adverse impacts and other relevant information, including affordability and changing populations and patterns, were not quantitatively considered; nor did they inform the final recommendations.

The Final Report indicates that, on average, current indoor residential water use is 48 gallons per capita daily (GPCD). Given this finding, the recommended standard for 2025-2030 of 47 GPCD, which is included in SB 1157, seems close to existing statewide average water use. However, significantly, the Final Report largely relied on data from before the Covid-19 pandemic, and indicated that the pandemic led to a three to five GPCD increase. While outside the scope of the Final Report, the pandemic has fundamentally changed work, shifting some jobs remote, which will lead to increased residential GPCD. Given this new reality, many suppliers will need to make substantial investment to achieve the proposed 2025 standard.

The reduction to 42 GPCD in 2030, however, is significantly lower than current water use, especially when accounting for longer-term pandemic workforce changes, and there will be substantial negative impacts to water providers, sanitation agencies, and recycled water providers. In addition, the impacts to affordability are likely to be serious and detrimental.

The California Water Efficiency Partnership estimated during the regulatory process that the “the total anticipated cost range for reasonably complying with a 2030 standard in which all providers achieve a residential indoor per capita volume of 42 GPCD by 2030 is likely between \$2.8 and \$4.6 billion.” While the indoor residential water use standard is only one component of the overall water use objective, given the separately enforceable component of water loss, it is anticipated that public water agencies will need to make significant additional investments to reduce indoor residential use to meet the overall objective. Ultimately this substantial financial investment will only save 354,000 acre feet of water per year over the current 2030 standard – approximately half a percent of statewide water use.

In addition to these direct costs, there will be substantial secondary costs. The Final Report indicates that the adverse impacts to wastewater and recycled water providers could be significant. A few examples of potential impacts include increased sewer gas production, accelerated rate of corrosion of pipes and manholes, increased occurrences of sewer blockages and overflows, degradation of wastewater influent quality, and reductions in recycled water quantity. Mitigating these impacts will require considerable investment.

The Legislature has repeatedly endorsed and asked for evidence-based decision making. While the Final Report has the appearance of evidence-based recommendations, additional analysis is necessary to truly understand the impacts of the 2030 standard. The Final Report itself acknowledges some of these shortcomings, stating that detailed saturation and end-use studies could better inform how much active and passive conservation is available and that the standards will have an unknown effect on affordability and the human right to water.

For these reasons, this coalition has serious concerns regarding the 2030 standard SB 1157 would implement and requests amendments that would require quantitative analysis of these impacts prior to the implementation of the 2030 standard. Without these amendments, we respectfully request your “No” vote when the bill is heard in the Senate Committee on Natural Resources and Water.

Sincerely,

Julia Hall
Senior Legislative Advocate
Association of California Water Agencies

Jennifer West
Managing Director
WateReuse

Danielle Blacet-Hyden
Deputy Executive Director
California Municipal Utilities Association

Gary Arant
General Manager
Valley Center Municipal Water District

Jessica Gauger
Director of Legislative Advocacy & Public Affairs
California Association of Sanitation Agencies

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Jennifer M. Capitolo
Executive Director
California Water Association

Jerry Vilander
General Manager
Serrano Water District

Anthony Goff
General Manager
Calleguas Municipal Water District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Brett Hodgkiss
General Manager
Vista Irrigation District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Don Perkins
General Manager
Tuolumne Utilities District

Kimberly A. Thorner, Esq.
General Manager
Olivenhain Municipal Water District

Donald M. Zdeba
General Manager
Indian Wells Valley Water District

Paul Helliker
General Manager
San Juan Water District

Peter Sanchez
General Manager-Secretary
Fresno Metropolitan Flood Control District

Paul A. Cook, P.E.
General Manager
Irvine Ranch Water District

Sean Barclay
General Manager
Tahoe City Public Utility District

Robert McDonald
General Manager
Carpinteria Water District

Tony Stafford
General Manager
Camrosa Water District

Steven J. Elie
Board President
Inland Empire Utilities Agency

Craig Miller
General Manager
Western Municipal Water District

Dennis P. Cafferty
General Manager
El Toro Water District

John Mura
General Manager/CEO
East Valley Water District

David Youngblood, P.E.
General Manager
East Orange County Water District

Allen Carlisle
CEO/General Manager
Padre Dam Municipal Water District

Thomas A. Love
General Manager
Upper San Gabriel Valley Municipal Water District

Robert Grantham
General Manager
Rancho California Water District

Jose Martinez
General Manager
Otay Water District

Anthony L. Firenzi, P.E.
Director of Strategic Affairs
Placer County Water Agency

Chris Rogers
Mayor
City of Santa Rosa

Krista Bernasconi
Mayor
City of Roseville

Larry B. McKenney
General Manager
Amador Water Agency

Gary Link
Legislative Affairs Director
Northern California Water Association

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Cathy Lee
General Manager
Carmichael Water District

Michael T. Hogan
Board President
Santa Fe Irrigation District

Mary Rogren
General Manager
Coastside County Water District

J. Wayne Miller
President
Yorba Linda Water District

Greg A. Hammett
General Manager
West Kern Water District

CC: The Honorable Robert Hertzberg
Members, Senate Committee on Natural Resources and Water

SB 1157 – As Introduced 2/17/22
DRAFT Proposed Amendments – ~~Strikeout~~ and Underline

SECTION 1.

Section 10609.4 of the Water Code is amended to read:

10609.4.

(a) (1) Beginning January 1, 2023, and until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be 47 gallons per capita daily.

~~(3) Beginning January 1, 2030, the standard for indoor residential water use shall be 42 gallons per capita daily.~~

(3) The standard for indoor residential water use shall be no lower than (a)(2) until after the requirements of subdivision (b) are complete. -

(b) (1) The department shall conduct a study on the impact of the 2030 recommended standard in the report titled “Results of the Indoor Residential Water Use Study.” A report on the results of the study shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2026.

(3) The study shall be done in collaboration and coordination with a technical advisory committee to be appointed by the director as follows:

(A) Two urban water provider representatives;

(B) Two wastewater provider representatives;

(C) Two recycled water provider representatives;

(D) Three nongovernmental organization representatives;

(E) A representative of a disadvantaged community or organization representing a disadvantaged community; and,

(F) Two academics with expertise in water efficiency and wastewater engineering.

(2) The department shall hold public meetings to provide updates and solicit input from stakeholders at least four times a year until the final report is made to the Legislature.

(3) The study must include the following components:

(A) (i) A quantitative analysis of the cost to meet the standard and the cost to mitigate the impacts of the standard, including: water delivery system flushing and treatment, stranded assets, and deterioration of water quality; water recycling and reuse impacts on influent quality and quantity and stranded assets; and impacts on wastewater systems including but not limited to increased sewer gas production, increased or

accelerated corrosion of sewers, increased blockages and overflows, increased maintenance needed to avoid blockages and overflows, stranded assets, changes to influent quality, treatment plant efficacy, the need for treatment plant modifications to achieve continued compliance with permits and regulations.

(ii) The impacts of these costs on affordability of water and wastewater services.

(iii) An analysis of alternative investments that could be made to achieve water supply goals, including a quantitative analysis of cost per acre foot of water.

(C) A quantitative analysis of how much active and passive conservation is available utilizing saturation and end-use studies.

(D) An analysis of population data and water use projections through 2050, including updated population data from the 2020 United States Census, permanent shifts to telecommuting, and aging populations.

(4) The report shall include recommendations for establishing a cost-effective, feasible indoor residential water use standard for 2030. The recommendation may not be lower than the recommendation in the report titled "Results of the Indoor Residential Water Use Study." The report shall identify an estimate of the costs to comply with any recommended standard and an analysis of who would bear the costs and how much time would be needed to avoid or address the impacts of implementation of the recommended standard.

(c) Public meetings held pursuant to this section shall not be subject to the Bagley Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

~~(b) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and may jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in subdivision (a). A report on the results of the studies and investigations shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one. The studies and investigations shall also include an analysis of the benefits and impacts of how the changing standard for indoor residential water use will impact water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies.~~

~~(2) The studies, investigations, and report described in paragraph (1) shall include collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, and water, wastewater, and recycled water agencies.~~

SB 1157: RECOMMENDED STANDARD FOR 2030 LACKS ADEQUATE QUANTITATIVE ANALYSIS

AB 1668 (Friedman, 2018) tasked the Department of Water Resources (DWR) with conducting studies of best practices for indoor residential water use. As part of this study, DWR was required to collaborate with stakeholders and provide an analysis of the benefits and impacts of a changed standard.

The study conducted was based on information from eighteen water agencies, and while the study provided qualitative information on the potential impacts, it did not evaluate and quantify the impacts of the recommended standard. **A quantitative study of the adverse impacts of 42 GPCD in 2030 must be completed.**

DWR Proposed Indoor Water Use Standard Compared with Existing Standard

Time Frame	Existing Standard	Proposed Standard
Before Jan. 1, 2025	55 GPCD	55 GPCD
Jan. 1, 2025 - Jan. 1, 2030	52.5 GPCD	47 GPCD
After Jan. 1, 2030	50 GPCD	42 GPCD

GPCD - Gallons Per Capita Daily

IMPORTANT IMPACTS WERE NOT FULLY CONSIDERED



AFFORDABILITY & HUMAN RIGHT TO WATER

When public agencies invest ratepayer funds to meet the proposed 2030 standard, it will lead to higher costs, and the State Water Board cannot adjust the standard based on its economic analysis.

DWR'S REPORT STATES:

"No cost and benefits analysis was conducted."

The recommended standards will have an "Unknown Effect on Affordability of Water and Human Right to Water."

Water agencies will "need to increase customer rates to compensate."

"[The State] Water Board will conduct economic analysis [of the full objective] before adopting long term standards."



RECYCLED WATER & WASTEWATER

The report does not adequately consider the potential impacts to recycled water and wastewater, nor are the recommendations informed by them. Additional work is needed to determine the feasibility of these standards.

DWR'S REPORT STATES:

"Reduced recycled water availability for environmental flows or contract obligations are potential adverse impacts that were not addressed."

"Detailed saturation and End-Use studies could better inform how much active and passive conservation is available."

Other Identified Impacts: increased occurrence of sewer blockages and overflows; impacts to wastewater effluent quality and increased chemical use; reductions in recycled water quantity.



COVID-19 & WORKING FROM HOME

Covid-19 has changed the way people work and live, which will impact water use in the home.

DWR'S REPORT STATES:

"[The] study included results showing that indoor residential water use increased about 3 to 5 GPCD during the pandemic 'stay at home' mandates. The report acknowledged that little is known about how persistent this may be and effects will be variable."



INVESTMENTS IN RESILIENCE MUST BE COST-EFFECTIVE

Water efficiency is a priority for local agencies and many have made significant investments in indoor residential water use efficiency over the past several decades. Local agencies will continue to make investments in efficiency, but for many agencies additional efficiency will be less cost-effective than other investments.

Local public agencies provide approximately 84% of all funding for water management in California,³ and public agencies are required by law to charge the cost of service equally to all customers. As California works toward increasing water resilience, one of the biggest challenges will be for local agencies to achieve the greatest resilience with the limited resources available, balancing the demands of water quality, supply, and delivery with affordability.

PROPOSED 2030 STANDARD

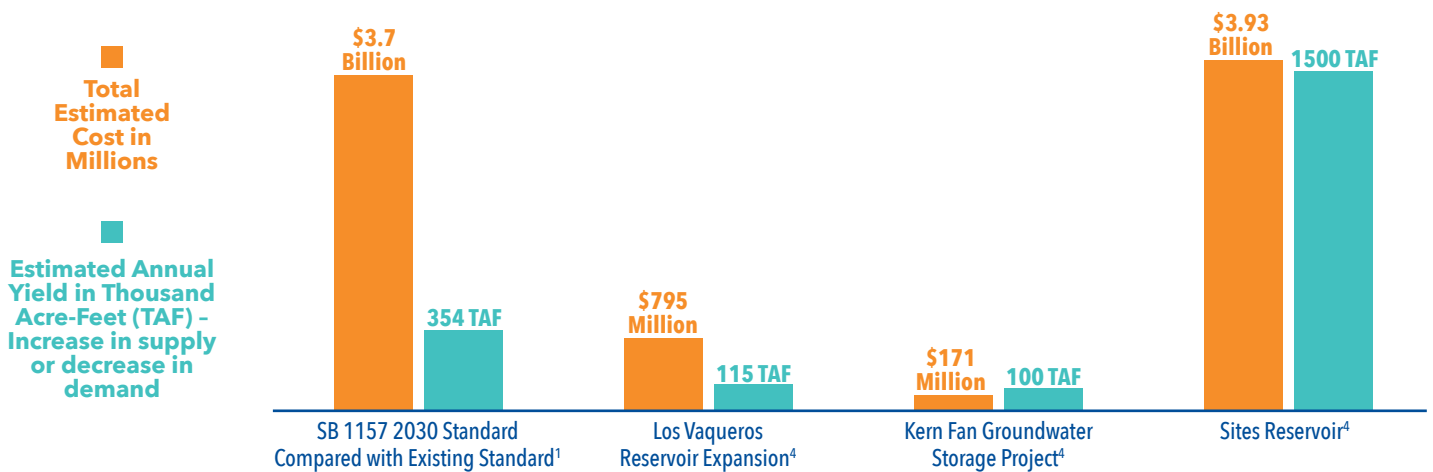


Estimated Cost
\$2.8-\$4.6 BILLION¹



Annual Savings as a percent of statewide water use²
0.5%

COMPARISON OF DIFFERENT WATER INVESTMENTS



HOW WILL CALIFORNIANS MEET THE 2030 STANDARD?

The Department of Water Resources found that average indoor water use is about 48 GPCD. If a California family uses the most current efficient fixtures in their home for the average amount of time,⁵ they might need to do a combination of the following in order to reduce their indoor water use to 42 GPCD:

SHOWER ONCE EVERY OTHER DAY

Save 7.5 GPCD



FLUSH 1 TIME PER PERSON PER DAY

Save 6.4 GPCD



RUN DISHWASHER EVERY OTHER DAY

Save 6.1 GPCD



See how much water you use in your home using this [calculator](#) from the Alliance for Water Efficiency. Think about what habits you might have to change or fixtures you might have to replace to meet the standard.

¹ Based on California Water Efficiency Partnership cost estimates: \$2.8-\$4.6 billion

² Based on DWR Water Plan Update 2018 Data

³ www.ppic.org/publication/paying-for-californias-water-system

⁴ Proposition 1 Funded Projects: cwc.ca.gov/Water-Storage

⁵ Water Research Foundation, Residential End Uses of Water, Version 2, Report #4309b, 2016

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: March 23, 2022
Subject: Water Treatment Plant (WTP) Filter Basins Rehab Project – Sealant Removal in North Filter Basin

RECOMMENDED ACTION

Staff recommends a motion to approve a time and materials contract with ERS Industrial Services, Inc. (ERS) to remove failed sealant material from the North Filter Basin underdrain for a not to exceed amount of \$575,850 with a construction contingency of \$57,585 (10%) for an authorized total construction budget of \$633,435.

BACKGROUND

The District recently completed construction of the Water Treatment Plant Filter Basins Rehab Project. After performing routine filter inspection and maintenance in the North Filter Basin, an unidentified substance was discovered in the filter underdrain. After further investigation it was determined the unidentified substance was the NSF-61 certified elastomeric joint sealant used to secure the stainless steel filter plates to the supporting structure which keeps the filter media in place above the filter underdrain. This time and materials contract will include all work to remove filter media in 24 cells, remove the stainless steel filter plates, cleanup and removal of the failed sealant material, reinstallation of all filter plates and media, and disinfecting the filter basin in accordance with District standards.

STATUS

In accordance with *Policy Fin. 5.7 Procurement Policy, Section 8 Emergency Purchases*, on March 15, the General Manager notified two Board Members (the members of the Engineering Committee) of the failed sealant material in the North Filter Basin underdrain and requested approval to move forward executing a time and materials contract with ERS for the removal. Directors Rich and Zamorano consented to the General Managers' approach. The General Manager also communicated the status of the project to the full Board on March 16.

FINANCIAL CONSIDERATIONS

This emergency project was not included in the current fiscal year Wholesale Capital Budget, however, sufficient funds are on hand. The Fiscal Year 2021-22 Mid-Year Budget Review agenda item requests approval of a resolution to amend the current year budget to incorporate this project.

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: March 23, 2022
Subject: Mid-Year Financial Report – Fiscal Year 2021-22 and Amendment of the Wholesale Capital Budget

RECOMMENDED ACTION

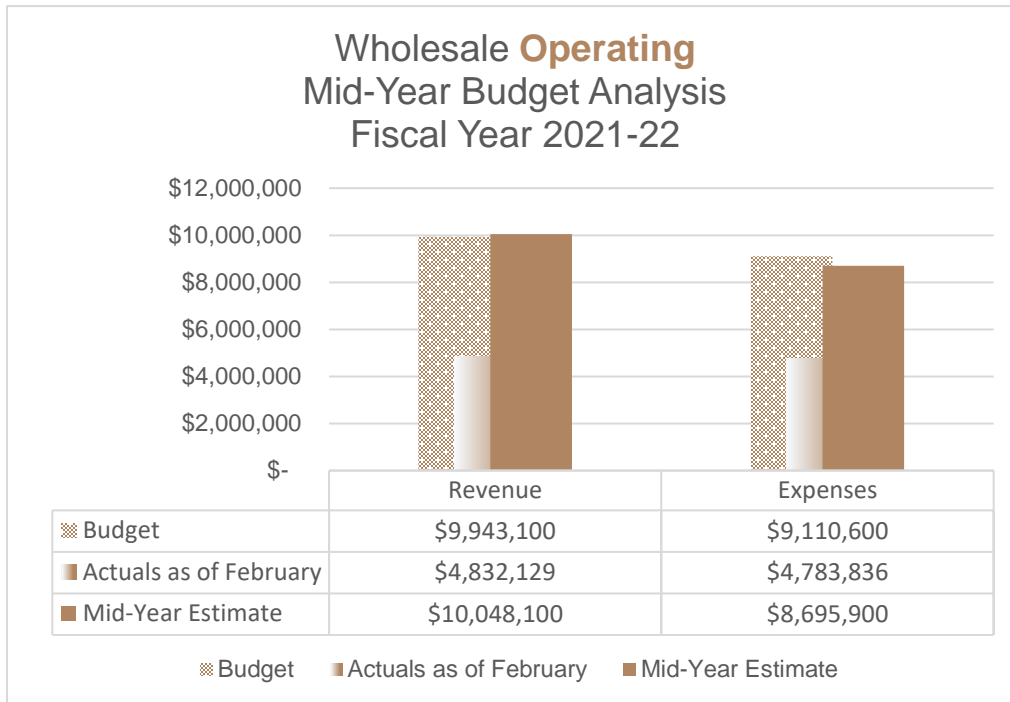
Receive report and approve Resolution No. 22-05 increasing the Fiscal Year 2021-22 Expenditure Budget for the Wholesale Capital Fund by \$136,500 to incorporate the emergency filter basin sealant project.

BACKGROUND

The Board of Directors adopted the Fiscal Year 2020-21 Operating and Capital Budget on July 28, 2021. The Board of Directors receives monthly 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 correct course, 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 that analysis for the Board of Directors.

Wholesale Operations:

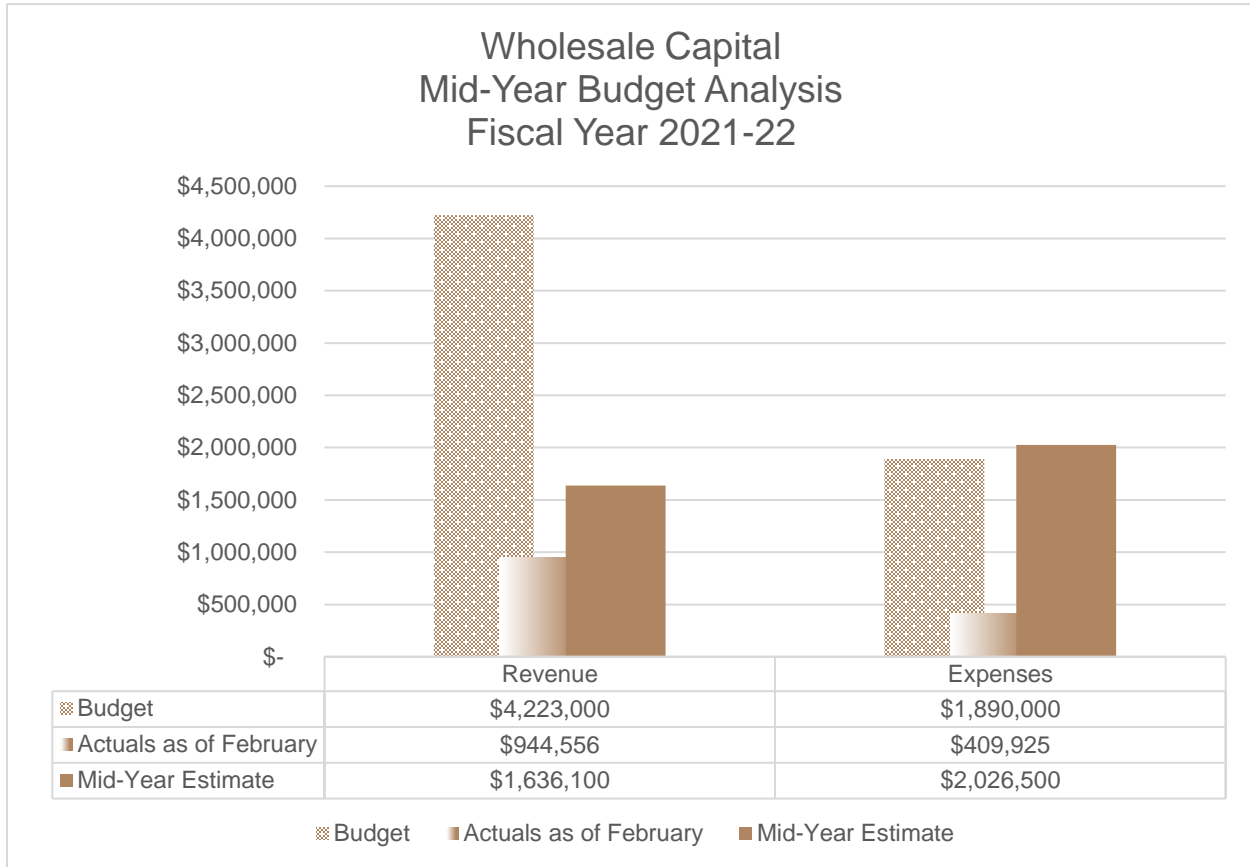


As illustrated in the graph above, both wholesale revenues and expenses are tracking nicely with the budget. Estimated revenues are 1.1% greater than budgeted and expenses are estimated to be 4.6% less than budgeted. Water sales to the regular wholesale customer agencies are lower than was anticipated in the budget, but the difference is made up by sales to the Sacramento Suburban Water District and the Carmichael Water District. Any revenues from a potential water transfer are not factored into the revenue estimate, as they will be for sales of water after July 1.

The budget anticipated a transfer to capital reserves of \$726,400. Based on the mid-year budget analysis, the transfer is now expected to be around \$1.4 million.

Wholesale Capital:

The original budget for Wholesale Capital revenue was \$4,223,000. District staff is currently estimating fiscal year revenues of \$1,636,100, which is a decrease of \$2,586,900, or -61.3%. The budget anticipated drawing down \$2.75 million from the State Revolving Loan Fund for the Hinkle Reservoir project, beginning in November, 2021. While the loan agreement is on track to be executed prior to year’s end, it is unlikely that the District will draw down on the loan by the end of the fiscal year. Absent the loan proceeds, revenues are greater than anticipated due to capital facility fees received in excess of the budget, slightly offset by interest income lower than expected.



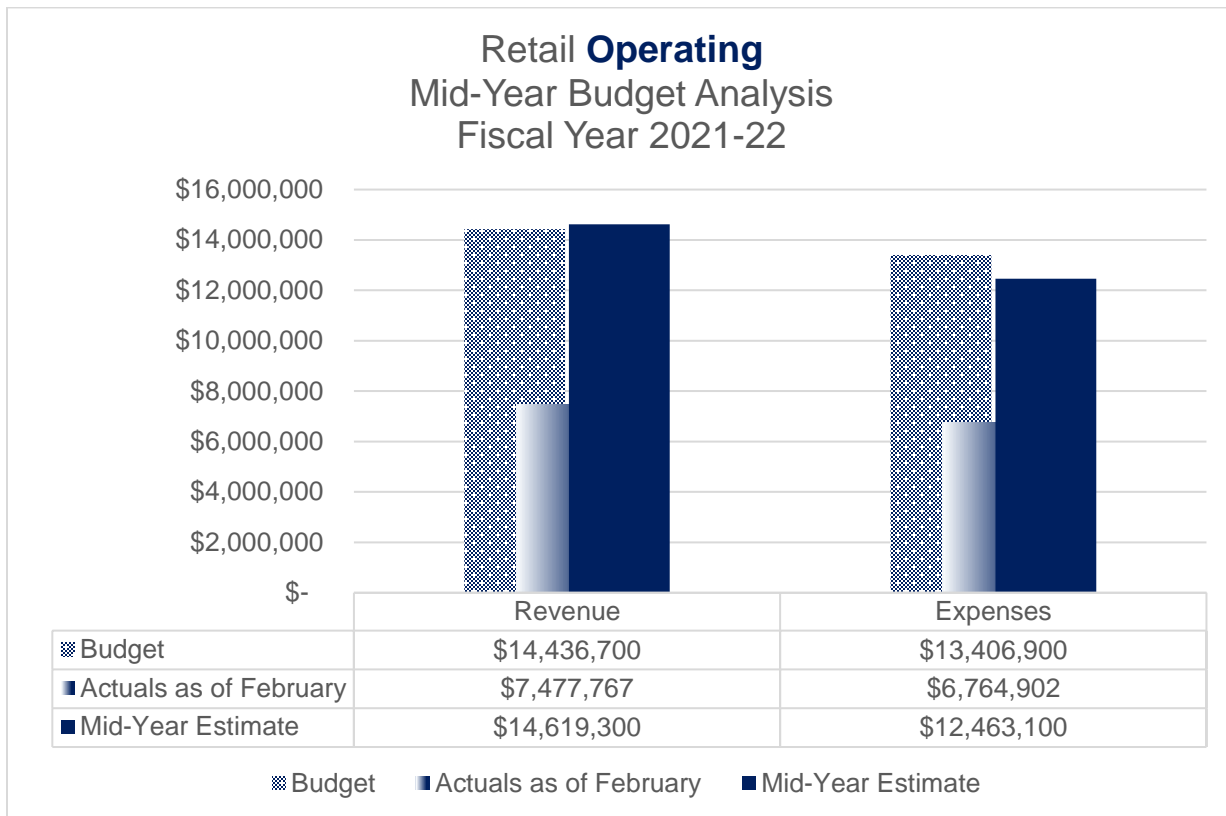
The wholesale capital expenditure budget funded 15 projects/equipment purchases totaling \$1,890,000. Staff estimates that all but 5 will be completed by the end of year. All but one of the 5 projects should commence this year. As a result, wholesale capital expenditures were expected to come in approximately 27% under budget. However, the emergence of an emergency project to remove and replace failed sealant in the North Filter Basin has added an additional \$633,435 to the projected expenditures. The anticipated savings are not adequate to fully offset these unexpected costs. Staff recommends a budget amendment of \$136,500 to ensure there are authorized funds for all projects.

The budget anticipated wholesale capital reserves of \$18.68 million. Because staff does not expect to draw on the SRF loan by the end of the year, and because of the emergency filter basin project, ending reserves are projected to be \$17.3 million. This level of reserves is well in excess of what was anticipated in the last financial plan. The next wholesale financial plan will commence as soon as the Wholesale Master Plan Update is complete and will result in recommendations on the best use of reserves.

Retail Operations:

Retail operations are on track with the budget, with a comfortable positive variance. Revenues were budgeted for \$14,436,700 which anticipated a 5% decline in demand due to conservation messaging. Mid-year modeling suggested the decline in demand is likely to be approximately 10%, however, the February 1st rate increase is more than offsetting the decline in demand, generating estimated revenues approximately \$210,000 greater

than budget. This results in the mid-year estimate being 1.3% greater than projected in the budget.



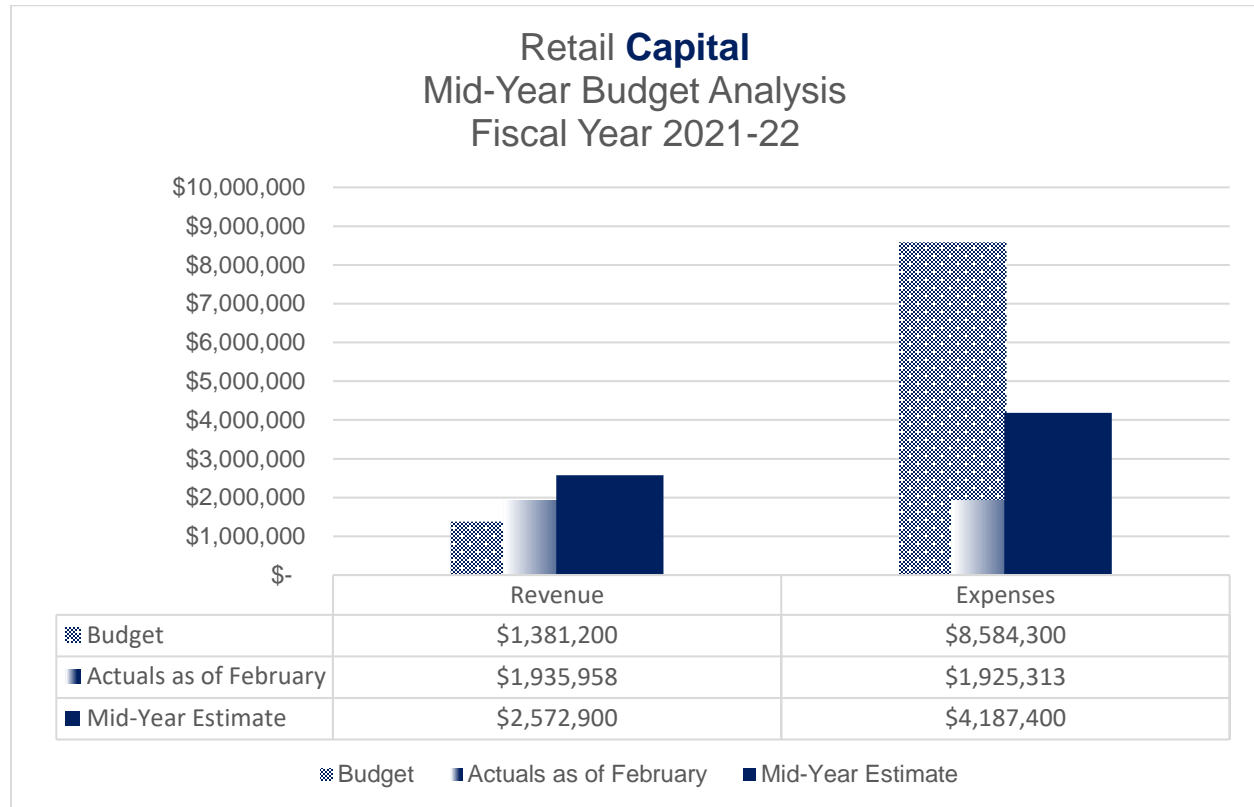
Operating Expenses were budgeted for \$13,406,900 and are now projected to be about \$12,463,100, which is \$944,000, or 7% less than the budget. The primary driver of this expected variance is a change in accounting guidance from the Governmental Accounting Standards Board (GASB). The maintenance and materials budget included funding for the new meter replacement program, which was originally budgeted in the operating fund as each individual meter is less than the capitalization threshold. Subsequent to the budget preparation, GASB issued Implementation Guide No. 2021-1 which changes the accounting for bundled assets such as meters. In conformance with the new guidance, staff will be treating each route as one bundled meter asset. Therefore, the expense for the purchase of meters and end points will be recorded in the retail capital fund. But for this variance, expenses are expected to be approximately 3.2% less than budgeted.

The budget anticipated a transfer out to capital reserves of \$803,900. 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 \$2.35 million.

Retail Capital:

The Retail Capital Fund has budgeted revenues of \$1,381,200. Staff's mid-year analysis estimates actual revenues will be at least 86% greater than budget, generating extra revenues of over \$1.1 million. This increase is due to the receipt of \$1.237 million in capital facility fees. This is the second year of extraordinary development activity in the

District. The category is extremely difficult to predict and budget as it is solely dependent upon developers and the progress of their projects, which then drive the payment stream of these fees.



The retail capital expenditure budget anticipated expenses of \$8.6 million to fund 32 projects: 7 are already complete, 18 more are expected to be completed by the end of the year, 3 are expected to start but not finish by years’ end, and 2 will be pushed to next fiscal year. The mid-year estimated expenses are \$4,187,400.

The Retail Capital Fund started fiscal year 2021-22 with greater reserves than anticipated, due to projects being delayed from the prior year. That, combined with a higher than anticipated transfer of funds from the operating budget, higher than anticipated capital revenues and the need to push some projects into next year, will result in an increase in the expected ending reserves from \$4,796,051 to \$12,519,097. These additional reserves will pay for projects that have been delayed and will assist in providing funding for future capital needs recently identified in the Retail Master Plan. A portion of the capital facility fees received will need to be reserved to pay for the projects that support the fee.

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

Attachments:
 Resolution 22-05

RESOLUTION NO. 22-05

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN JUAN WATER DISTRICT
AMENDING THE ANNUAL BUDGET
FOR THE FISCAL YEAR 2021-2022**

WHEREAS, District prepared a budget for the fiscal year 2021-2022 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District; and

WHEREAS, the San Juan Water District Board of Directors adopted Resolution 21-10 on the 28th day of July 2021 passing and adopting the Annual Budget for Fiscal Year 2021-22; and

WHEREAS, subsequent to the budget adoption, the District discovered that the sealant used in the Water Treatment Plant Filter Basin Rehab Project had failed, thus requiring the emergency removal and replacement of the filter plates, sealant and filter media; and

WHEREAS, utilizing the emergency procedures of Board Policy Fin 5.7 Procurement Policy, Section 8 Emergency Purchases, the District entered into a contract with ERS Industrial Services, Inc. in the amount of \$575,850 with a construction contingency of \$57,585 (10%) for a total of \$633,435; and

WHEREAS, it is necessary to approve an amended budget reflecting this unanticipated expense. An analysis of budget to actual expenditures in the wholesale capital fund indicates lack of sufficient budget to cover the emergency repair contract; and

WHEREAS, Wholesale Capital Reserves are sufficient to fund this emergency project;

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

The Wholesale Capital Expenditure budget for Fiscal Year 2021-22 is hereby amended with an increase of \$136,500 from \$1,890,000 to \$2,026,500 to ensure authorized funding for the emergency project.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 23rd day of March 2022, by the following vote:

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

KENNETH MILLER
President, Board of Directors
San Juan Water District

ATTEST

TERI GRANT
Secretary, Board of Directors

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: March 23, 2022
Subject: Retail Capital Facility Fee Update

RECOMMENDED ACTION

Adopt Resolution 22-06 approving proposed Retail Capital Facility Fees as described in Table 9 of the attached Capital Facility Fee Study Report and approving annual fee adjustments in line with the Construction Cost Index.

BACKGROUND

San Juan Water District's Ordinance #14000 establishes a connection fee, which includes, at a minimum, a capital facilities fee, annexation fee (if applicable), a meter installation inspection fee and a deposit for installing a service tap (as applicable). The ordinance specifies that the amount of fees and charges, shall be determined according to rates set by the Board of Directors and set forth in the District's current Schedule of Rates, Fees, Charges, and Deposits.

Government Code Section 66013 establishes that capital facility fees shall not exceed the estimated reasonable cost of providing the serve for which the fee is imposed, (unless approved by voters).

In the fall of 2018, the San Juan Water District contracted with The Reed Group, Inc., to conduct a Wholesale and Retail Capital Facility Fee Study. The Reed Group engaged Hildebrand Consulting as a subcontractor for the project. The overall purpose of the study was to review the District's existing Capital Facility Fees and update those fees as appropriate. The last comprehensive capital facility fee studies were conducted in 2006 (retail) and 2007 (wholesale).

After commencement of the study, it was concluded that the wholesale capital facility fees should be updated, but the retail capital facility fees should not be revisited until the District's completion of the next Retail Master Plan, which was planned to be completed in the near term. The Retail Master Plan would likely identify the need for projects that would have a material impact on the retail capital facility fees. As such, the wholesale fees were updated in 2018, but the retail capital facility fees were not.

Upon completion of the Retail Master Plan in 2020, the District re-engaged Hildebrand Consulting to complete the Retail Capital Facility Fee Study.

The results of the study were first presented to the Board and the public at the August 25, 2021 board meeting. Based on the estimates and calculations the fees were recommended to decrease by approximately 15%. The Board gave staff direction to re-evaluate the estimates used in the study and provide a comparison of fees charged by other local jurisdictions.

After evaluating the estimates and assumptions used, staff and the consultant recommend the following modifications:

- Remaining Existing Capacity:
There are several methodologies that can be utilized to calculate a capital facility fee. Because the District is substantially built out, but does have significant capital projects planned that will increase system capacity, the study utilizes a hybrid methodology that blends two approaches, the buy-in approach and the incremental approach. Under the buy-in method the fee is calculated by determining the current depreciated value of the existing system, to reimburse existing rate payers for the historical investments they have made in the system. Under the incremental method, the fee is based upon the portion of future planned projects that will increase the capacity of the system. A critical component of the hybrid method is the determination of the estimated remaining capacity in the existing system. The study presented to the Board on August 25, 2021 assumed the existing system has 15% remaining capacity. Calculating the number of additional connections that could theoretically be served with the District' existing capacity would require a very complex and expensive hydraulic flow analysis that is outside the scope of the current study. Based on input from the District's engineers, the rate consultant reduced his initial estimate of 15% remaining capacity to 10% remaining capacity. The consultant feels this is a reasonable estimate.
- Number of Equivalent Meters: The District has historically grouped all customers with a 1" meter or smaller into a single customer class. By recognizing that some of those meters are in fact 3/4" and 5/8" meters, the number of calculated equivalent meters in the existing system has decreased, which thereby increases the Buy-In methodology results (and consequently the Hybrid results as well).

CURRENT STATUS

The study, attached for review and consideration, recommends a 2.3% increase in the fee for most meter sizes. Hildebrand Consulting recommends annual inflationary increases to the fee, tied to the Construction Cost Index (CCI). The resolution presented for approval authorizes the new fees, as well as an annual inflation of the fees in accordance with the November CCI.

Resolution 17-02 directs the General Manager to annually adjust the wholesale and retail capital facility fees by the November Consumer Price Index. The consumer price index tracks the change in consumer prices for “a representative basket of goods and services” for urban consumers. The basket of goods and services includes a combination of food, beverages, housing, apparel, transportation, medical care, recreations, education and communication, and other goods and services. A better index that more specifically applies to capital infrastructure projects is the Construction Cost Index (CCI). CCI is calculated by Engineering News-Record (ENR) and tracks the change in prices for a specific combination of construction labor, steel, concrete, cement and lumber using data from 20 cities across the United States. This index is probably much closer to the actual costs that the District will pay for its future infrastructure projects than the CPI, and staff recommends using this index going forward to adjust both the wholesale and the retail capital facility fees.

Attachments:

Retail Capital Facility Fee Study – September 3, 2021
Resolution 22-06
Retail Capital Facility Fee Study Presentation



Retail Capital Facility Fee Study

Draft Revision Report

September 3, 2021



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APPENDIX A – GOVERNMENT CODE SECTIONS 66013, 66016, 66022, AND 66023

APPENDIX B - RETAIL SYSTEM ASSET LIST

1. INTRODUCTION AND BACKGROUND

In the Spring of 2021, the San Juan Water District (District) contracted with Hildebrand Consulting, LLC to conduct a Retail Capital Facility Fee Study (Study). Hildebrand Consulting engaged The Reed Group as a subcontractor for this project. The overall purpose of the study was to review the District's existing Retail Capital Facility Fees which apply to new connections within the retail service area and update those fees as appropriate. **Table 1** summarizes the District's current Retail Capital Facilities Fees.

Table 1 - Current Retail Capital Facility Fees

1" meter	\$15,726
1 1/2" meter	\$31,452
2" meter	\$50,323
3" meter	\$100,648
4" meter	\$156,191
6" meter	\$314,525
8" meter	\$566,157
10" meter	\$912,141
12" meter	\$1,352,485

The last comprehensive capital facility fee study for the Retail system was conducted in 2006. The District has generally adjusted the fees for inflation each year. With the recent development of the 2020 Retail Water Master Plan the District determined that it was time for a comprehensive review and update of the Retail Capital Facility Fees. Wholesale water system facilities are excluded from the analysis herein.

This report summarizes the analysis and recommendations of the Retail Capital Facility Fee update, including the legal requirements and the Study's methodology for calculating the Capital Facilities Fees.

2. ACRONYMS

The acronyms used in this study include:

CAFR	Comprehensive Annual Financial Report
CCI	Engineering News Record's 20-cities Construction Cost Index
COP	Certificate of Participation
EM	equivalent meter
ENR	Engineering News Record
RCNLD	Replacement cost new less depreciation

3. CAPITAL FACILITY FEE AUTHORITY

Capital facility fees are the one-time charges paid by new development for capacity in the water system. The District currently charges capital facility fees to both its retail customers and wholesale customers. California state law gives the District broad authority to charge for capital facilities. The limitations of that authority are encompassed by the requirement that charges on new development bear a reasonable relationship to the needs created by, and the benefits accruing to that development. California courts use that reasonableness standard to evaluate the constitutionality of exactions on new development, including capital facility fees.

Government Code Section 66013 (see **Appendix A**) contains specific requirements related to the imposition of capital facility fees (referred to as “capacity charges” in the code). In general, capital facility fees must not exceed the estimated reasonable cost of providing service.

4. INTRODUCTION TO FEE METHODOLOGIES

There are various methods that can be used to calculate capital facility fees. Each method has varying advantages and disadvantages, as well as applicability in a given situation. Within all of the available methodologies there are two primary approaches. Other methodologies are usually some variation or combination of these two methods. The two primary methods are described below to illustrate the different perspectives that can be used to determine appropriate fees.

4.1. SYSTEM BUY-IN METHODOLOGY

The system Buy-In method is based on the average investment in the capital facilities by current customers. The ‘Buy-In’ concept means that existing system users, through service charges and fees, have financed a valuable public capital facility. The charge is designed to recognize the previous investments into the capacity/condition of the system and equitably charge developers for “joining” the system. The Buy-In fee is calculated by establishing the system’s current fixed asset value (accounting for depreciation), adding applicable assets (such as cash reserves), and deducting relevant liabilities (long-term debt, loans, etc.). The number of available units of service is then divided into this value (considered to be the utility’s equity) to establish the capital facility fees. By calculating the capital facility fees in this manner, new development buys into the existing capital facilities on par with existing development. The cost of future repair and replacement of the existing assets are then shared equally by all customers going forward (through user rates). The system Buy-In methodology has four distinct advantages:

- The Buy-In methodology is a common and generally well accepted methodology for calculating capital facility fees. The method is popular with developers in part because it can result in lower fees than other methods (since the capacity that is being purchased has been partially depreciated).

- The Buy-In methodology is simple because it includes only the cost of existing facilities and excludes the costs of future or planned facilities; therefore, it does not require a formal capital improvement program.
- The Buy-In methodology includes only the cost of existing facilities and excludes the cost of future or planned facilities; it therefore does not require a formal capital improvement plan to support the fee calculation.
- Capital facility fees based on the Buy-In method are a reimbursement for past capital costs. Therefore, the use (as defined in the Government Code) of the fee is to reimburse the District. Once reimbursed, the District is able to spend fee revenue as it desires (normally on capital projects), and the requirement for detailed accounting of fee revenues is greatly simplified.

The system Buy-In method is best applied in areas that are largely buildout and with infrastructure already in place.

4.2. INCREMENTAL METHODOLOGY

The Incremental cost methodology is also a common approach for capital facility fees, particularly for communities experiencing considerable new growth. The approach is based on the cost of new or planned capital facilities. The cost of growth-related facilities is allocated to the new development to be served by the facilities. The assumption is that the existing system is being used at full capacity by existing customers and that any new development will necessitate expansion of the system. As such, new customers pay for the Incremental costs for expanding the system.

The Incremental methodology is based on the cost of adding new capacity, which is derived from the District's capital improvement plan. To the extent that expansion-related projects also rehabilitate or improve the existing system (e.g., an aging 4" line is replaced with a new 6" line or a new transmission line is added where no line previously existed but also provides some redundancy value to the existing system), a portion of the cost of the project should be borne by existing customers. As a result, it is fairly common for only a portion of new capital facility costs to be included in fee calculations. The amount of capacity that will be provided by those projects is either based on an engineering analysis of the cumulative capacity provided by the totality of the projects or simply based on the amount of growth that those projects are designed to serve.

Capital facility fees based on the Incremental cost methodology are subject to statutory accounting requirements because fee revenue must be accounted for until the specific capital improvements are constructed. For reference, Appendix A includes statutory requirements for accounting for capital facility fees.

4.3. HYBRID METHODOLOGY

Many capital facility fee approaches combine both existing and planned facilities into fee calculations. This is because new development frequently benefits from both surplus capacity in existing facilities, but also requires new facilities to provide required capacity. Many facilities are oversized when initially constructed in anticipation of future development, particularly infrastructure such as water supply facilities, water treatment facilities, and transmission. Other facilities, such as distribution pipelines, water storage tanks, and others are more easily added incrementally as development proceeds.

The hybrid approach recognizes that new customers are benefitting in part from the available facilities that are already in place and the additional capacity that will be built in order to accommodate them. As such, capital facility fees that are calculated using the hybrid method reflect the weighted average unit cost of the Buy-In methodology and the Incremental methodology.

5. RECOMMENDED STUDY METHODOLOGY

After considering the District's situation and the applicability of various methods, this Study recommends using the hybrid approach to calculate the Retail Capital Facility Fees. We recommend the hybrid approach because while some capacity remains available in the existing system to meet the needs of future users, the District's 10-year capital improvement plan (based on the 2020 Retail Master Plan) includes numerous projects which add capacity to serve that future growth. The hybrid approach fairly apportions the cost of both, and results in a reasonable fee which will ensure that existing users do not bear any part of the burden of providing capacity to new users.

6. SOURCE DATA

The following data was used for calculating the proposed Retail Capital Facility Fees:

- San Juan Water District Asset Search results as of June 30, 2020, Retail Assets (see Appendix B)
 - This report was used both to calculate the existing value of the District's Retail assets as well as to calculate the cumulative cost of growth-related projects since 2006.
- Financial report for FY 2020/21 ("3 - Detailed FY 20.21 Budget Retail Capital Fund 55 With Historical Budget and Actual and Project Totals")
- Engineering New Record -- 20-Cities Construction Cost Index through January 2021
 - Meter count per FY2019/20 billing data
- Debt service schedules for:
 - a. 2003 COP (refunding of 1993 COP)
 - b. 2003 COP (San Juan Project)

- c. 2012 Bond
- d. 2017 Bond (refunding of 2009 Bond)
- 10-Year Capital Improvement Plan (2021 to 2031) based on 2020 Retail Master Plan (“SJWD 10-yr CIP List_MP Based_4-26-21”)
- 25-Year Demand Forecast and Capacity Analysis, June 2020, Tully & Young
- Comprehensive Annual Financial Reports, FY 2005/06 through FY2019/20

7. CAPITAL FACILITY FEE CALCULATION

The following describes how both methodologies were specifically applied and then combined to form the hybrid approach.

7.1. BUY-IN CALCULATION

The Buy-In portion of the Retail Capital Facilities Fees was calculated based on the District’s fixed asset records, retail customer information as found in the District’s billing data, historical and future debt financing costs, and existing reserves. Historical fixed asset costs were escalated to current values using the Engineering News Record’s 20-cities Construction Cost Index (CCI) and depreciated based on the age as reflected in the fixed asset records. The estimated service life of each asset was estimated by asset category as summarized in **Table 2**.

Table 2 - Estimated Useful Life by Asset Class

Asset Class	Estimated Useful Life (years)
Land	99
Intangible	100
Reservoirs	50
Pipelines	80
Water Treatment Plant	50
Pump Station	40
Vehicles & Equipment	10
Buildings	50
Improvements	50

Appendix B provides a comprehensive list of the assets that were included in the analysis. Wholesale water system assets were excluded from the analysis except in cases where assets are shared by the Retail and Wholesale systems.

It should be noted that, while the 2006 Retail Capital Facility Fee study considered assets funded by General Obligation bonds, which were repaid with property tax revenues, this current Study does not account for those bond payments or tax revenues because the bonds have been fully repaid and the assets that were purchased with those bonds are fully or nearly fully depreciated at this time.

Table 3 summarizes the Retail water system valuation used in capital facility fee calculations. The first column groups the District's assets into various asset classes based on the nature of each asset. The second column shows the original cost of all Retail system assets within those asset classes based on the data recorded in the District's asset register. The third column shows the calculated book value of the Retail assets based on the original cost, age, and estimated useful life of each asset (as shown in **Table 2**)¹. The fourth column shows the replacement cost of those Retail assets. The replacement cost values were calculated by inflating the original cost of each asset to present day dollars, using the CCI. The final column shows the "replacement cost new less depreciation" (RCNLD) of the District's assets. This value is a combination of the previous two columns by accounting for the increase in infrastructure costs (due to cost inflation) while also recognizing the depreciation of assets that have been in use for a certain period of time.

Table 3 - Summary of Retail Water System Fixed Assets as of June 2020

Asset Class	Total Original Cost ¹	Book Value ²	Replacement Cost ³	RCNLD
Retail				
Pipelines	\$47,977,000	\$35,538,000	\$94,445,000	\$64,895,000
Pump Station	\$11,234,000	\$8,078,000	\$16,068,000	\$10,489,000
Reservoirs	\$2,492,000	\$1,563,000	\$4,620,000	\$2,195,000
Vehicles & Equipment	\$1,653,000	\$457,000	\$2,131,000	\$508,000
Intangible	\$415,000	\$387,000	\$495,000	\$460,000
Land	\$166,000	\$106,000	\$478,000	\$301,000
Buildings	\$276,000	\$256,000	\$302,000	\$278,000
Improvements	\$95,000	\$60,000	\$166,000	\$100,000
Water Treatment Plant	\$16,000	\$9,000	\$31,000	\$17,000
Subtotals	\$64,324,000	\$46,454,000	\$118,736,000	\$79,243,000

¹ From District's fixed asset records for the fiscal year ended June 30, 2020

² Estimated book value based on original cost, purchase date and estimated useful life by asset

³ Replacement value based on the original value and escalated to 2021 value using ENR 20-cities

Table 5 completes the Buy-In calculation of the capital facility fee for 1" meter connections based on the following steps:

1. The Retail water system valuation (the RCNLD value from Table 3) was reduced by the outstanding principal on all existing debt related to general retail water system improvements.

¹ The book value shown in **Table 2** may not match the book value shown in the District's financial reporting because of differences in the estimated useful life of assets.

This includes the 2003 Certificate of Participation (San Juan Project), the 2017 Bond (which refunded the 2009 Bond), and the 2012 Bond (see Table 4).

Table 4 - Summary of Past and Existing Debt

Loan	Retail System Responsibility	Outstanding Principal*	Past Interest Expense*
2000 CEC Loan	75.0%	\$0	\$15,700
2003 COP (San Juan Project)	26.4%	\$2,480,000	\$2,612,500
2009 Bond	36.0%	\$0	\$768,600
2017 Refund of 2009 Bond	36.0%	\$8,433,000	\$1,440,900
2012 Bond	35.2%	\$3,028,000	\$1,785,700
		Total: \$13,941,000	\$6,623,000

* Retail System responsibility only

1. Historical debt interest costs related to Retail water system improvements, which includes the debts listed above in addition to the 2000 CEC Loan and the 2009 Bond (see Table 4).
2. Existing Retail enterprise capital reserves (Fund 55) were added to the water system valuation.
3. The adjusted Retail water system valuation is then divided by the estimated number of 1" equivalent meters (EM) derived from the District's customer account data from FY 2019/20 (11,300 EM). The resulting Retail Capital Facility Fee would be \$7,045 for a standard 1" water meter (rounded to the nearest dollar).

Table 5 - Buy-in Calculation of Capital Facility Fee for 1" Meter Connections

RCNLD of current assets:	\$79,243,000
Less outstanding principal on long-term debt:	-\$13,941,000
Plus past interest costs:	\$6,623,000
Plus existing Retail Fund capital reserves ¹ :	\$8,028,000
Total Retail System Valuation:	\$79,953,000
Divided by number of 1" Equivalent Meters ² :	10,400
Buy-In Methodology Capital Facility Fee for 1" Meter Connections:	\$7,688

¹ Per "Fund 55 Master FY21-22" and includes capital facilities fee reserves available for expansion projects

² Based on current number of active accounts multiplied by the meter equivalency schedule shown in Table 8.

7.2. INCREMENTAL CALCULATION

The Incremental portion of the Retail Capital Facilities Fees was calculated based on the District's 10-year capital improvement plan (as informed by the 2020 Retail Master Plan) and expected growth projections. Growth-related projects were identified and the costs for each individual project were split into "capacity" vs "repair, rehabilitation, and improvements" (see Table 6).

Table 6 - Capital Projects with a Growth Component 2021 - 2031

	Total Cost	Capacity-Related		Repair & Rehabilitation	
		Costs	Costs	Costs	Costs
Future Main Replacements (TBD based on condition and high No. of breaks)	\$7,150,000	35%	\$2,502,500	65%	\$4,647,500
5.0 MG Kokila Reservoir (Replace Hypalon w/ Concrete Tank)	\$7,469,000	60%	\$4,481,400	40%	\$2,987,600
Eureka Rd. 18" T-main (3925-LF, Barton to Aub-Fols; Steel)	\$4,000,000	60%	\$2,400,000	40%	\$1,600,000
Cavitt Stallman (Sierra Ponds to Blue Oak Ln, 4,300 LF of 12")	\$6,913,000	80%	\$5,530,400	20%	\$1,382,600
Hidden Lakes 12-in Main (950-LF, 15 Serv, 7960 W Hidden Lakes to Haley)	\$844,000	60%	\$506,400	40%	\$337,600
Douglas Pump Station & P6" to 12" Pipeline Improvements - Across AFR	\$798,000	60%	\$478,800	40%	\$319,200
Cavitt Stallman (Oak Pine to Sierra Ponds, 2,000 LF of 12")	\$1,545,000	80%	\$1,236,000	20%	\$309,000
Lakeland Dr from Douglas to East Granite (650-LF of 12-in)	\$619,000	60%	\$371,400	40%	\$247,600
Spahn Ranch Road Pipeline (2,980-LF of 8")	\$616,000	80%	\$492,800	20%	\$123,200
Cavitt Stallman (Mystery Creek to Oak Pines w/ PRS, 360-LF of 10")	\$441,000	80%	\$352,800	20%	\$88,200
Eckerman 8 inch tie-in to "The Park" Subdivision (100-LF of 8")	\$50,000	60%	\$30,000	40%	\$20,000
	\$30,445,000		\$18,382,500		\$12,062,500

The value of the capacity portion of the projects in Table 6 (\$18.4 million) was then divided by the estimated number of 1" equivalent meters that are expected to join the Retail system over the next 15 years (600 EMs). We use 15 years rather than 10 years (the span of the capital program) based on the assumption that some of the projects in the 10-year capital plan are designed to serve future growth. The resulting Retail Capital Facility Fee would be \$30,638 for a standard 1" water meter (rounded to the nearest dollar).

Table 7 - Incremental Calculation of Capital Facility Fee for 1" Meter Connections

Total Present Value Estimate of Growth-Related Costs	\$18,382,500
Planned new 1" equivalent meters ¹	600
Incremental Methodology Capital Facility Fee for 1" Meter Connections:	\$30,638

¹ Per Section 2.3.1.2 of "25-Year Demand Forecast and Capacity Analysis", June 2020, Tully & Young

7.3. HYBRID CALCULATION

The hybrid fee is calculated by taking the weighted average of the Buy-In approach and the Incremental approach. While the Buy-In approach described in Section 7.1 uses the value of all assets to calculate the value of an average existing connection, the number of *available* connections is limited to the amount of available capacity in the existing system. Calculating the exact amount of available capacity in a system is extraordinarily complex and beyond the scope of this study. Based on conversations with District staff, the author of this Study assumes that there is about 10% available capacity in the system. While arguably there may be slightly more than 10% capacity remaining the system, that capacity isn't technically available since it is important to leave some capacity cushion to account for changes in customer behavior.

This being said, the weight of both the numerator and the denominator for the Buy-In portion of the hybrid calculation is reduced by 90% as shown in Figure 1 below.

Figure 1 –Hybrid Calculation

$$\frac{(\$79,953,000 \times 10\%) + \$18,382,500}{(10,400 \text{ EM} \times 10\%) + 600 \text{ EM}} = \frac{\$26,377,800}{1,640 \text{ EM}} = \$16,084 \text{ per } 1" \text{ meter}$$

7.4. PROPOSED CAPITAL FACILITY FEE SCHEDULE

Table 8 presents the complete Retail Capital Facility Fee schedule for various size water meters (both proposed and current). Capital facility fees are assessed based on meter size, which reflects the potential demand each new service connections could place on the water system. The increase in cost between meter sizes is based on the meter equivalency schedule, which is an industry-standard factor used to represent the relative capacity associated with different types and sizes of meters. A meter equivalency schedule allows for indexing of each meter size in terms of multiples of the lowest common denominator (in this case a 1" meter). This Study has adopted a standard meter equivalency schedule taken from AWWA's M1 manual: Principles of Water Rates, Fees, and Charges as shown in Table 8.

Table 8 - Proposed and Existing Retail Capital Facility Fees

Meter Size	Meter Equivalency	Capital Facility Fee		Change
		Current	Proposed	
1" meter	1.0	\$15,726	\$16,084	2.3%
1 1/2" meter	2.0	\$31,452	\$32,168	2.3%
2" meter	3.2	\$50,323	\$51,469	2.3%
3" meter	6.4	\$100,648	\$102,938	2.3%
4" meter	10.0	\$156,191	\$160,840	3.0%
6" meter	20.0	\$314,525	\$321,680	2.3%
8" meter	36.0	\$566,157	\$579,025	2.3%
10" meter	58.0	\$912,141	\$932,873	2.3%
12" meter	86.0	\$1,352,485	\$1,383,226	2.3%

8. RECONCILIATION OF HISTORICAL SPENDING

In order to confirm whether the Capital Facility Fees that have been charged since 2006 to present were appropriate, we reviewed the District's asset register for the cost of projects built since 2006 and we reviewed the District's Comprehensive Annual Financial Reports (CAFR) for the capital facility fee revenue collected since 2006. The asset register indicates that approximately \$5.716 million expansion-related projects were built for the Retail system from FY 2005/06 through 2020/21. The CAFRs indicate that approximately \$6.562 million was collected in Retail Capital Facility Fees. Since the 2006 Incremental approach accounted for 80% of the fee, the portion of the revenue that was designated for new expansion projects was \$5.2 million, meaning that the revenues did not exceed the expenses and therefore fees were appropriate.

9. ADMINISTRATION AND UPDATES

As previously discussed, when using the Incremental methodology, the District is responsible for reporting the use of the *Incremental portion* of the capital facility fee revenue to demonstrate that the revenue is being used to fund expansion-related capital projects (although not necessarily limited to the projects listed in Table 6). Given that the available assets associated with the Buy-In approach have a value of \$8.0 million (10% of \$79.95 million) as compared to the \$18.4 million value of the planned Incremental assets, we conclude that 70% of the capital facility fee revenue should be used to pay for expansion-related projects.

For reference, Appendix A includes the statutory requirements for accounting for capital facility fees. In short, the District should deposit the Incremental portion of the capital facility fee revenue in a separate designated fund and only expend those funds on expansion-related capital projects. On an annual basis the District should report the annual capital facility fee revenue, the use of funds, the

beginning and ending balance of the designated fund, and a description of the projects that were funded with the fees. Additional reporting requirements are listed in Government Code Section 66018.

It is recommended that the District annually adjust the capital facility fees for the effects of inflation using the CCI. The Capital Facility Fees presented in Table 8 have been indexed to a CCI value of 11,628 (January 2020).

It is further recommended that the District formally update the capital facility fee calculation at least once every three to five years. Capital asset additions, depreciation, interest payments on debt, outstanding principal on debt, capital reserves, and the cost of new capacity all evolve over time and periodically updating the calculation will help ensure that new development is paying fair and proportionate share of water system costs.

APPENDIX A – GOVERNMENT CODE SECTIONS 66013, 66016, 66022, AND 66023

66013. (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) "Sewer connection" means the connection of a structure or project to a public sewer system.

(2) "Water connection" means the connection of a structure or project to a public water system, as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) "Capacity charge" means a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged.

(4) "Local agency" means a local agency as defined in Section 66000.

(5) "Fee" means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and that does not exceed the estimated reasonable cost of labor and materials for installation of those facilities.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected.

Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

(d) For a fund established pursuant to subdivision (c), a local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

(1) A description of the charges deposited in the fund.

(2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.

(3) The amount of charges collected in that fiscal year.

(4) An identification of all of the following:

(A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.

(B) Each public improvement on which charges were expended that was completed during that fiscal year.

(C) Each public improvement that is anticipated to be undertaken in the following fiscal year.

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

(e) The information required pursuant to subdivision (d) may be included in the local agency's annual financial report.

(f) The provisions of subdivisions (c) and (d) shall not apply to any of the following:

(1) Moneys received to construct public facilities pursuant to a contract between a local agency and a person or entity, including, but not limited to, a reimbursement agreement pursuant to Section 66003.

(2) Charges that are used to pay existing debt service or which are subject to a contract with a trustee for bondholders that requires a different accounting of the charges, or charges that are used to reimburse the local agency or to reimburse a person or entity who advanced funds under a reimbursement agreement or contract for facilities in existence at the time the charges are collected.

(3) Charges collected on or before December 31, 1998.

(g) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022.

(h) Fees and charges subject to this section are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Sections 66016, 66022, and 66023.

(i) The provisions of subdivisions(c) and (d) shall only apply to capacity charges levied pursuant to this section.

66016. (a) Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. At least 10 days prior to the meeting, the local agency shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. Unless there has been voter approval, as prescribed by Section 66013 or 66014, no local agency shall levy a new fee or service charge or increase an existing fee or service charge to an amount which exceeds the estimated amount required to provide the service for which the fee or service charge is levied. If, however, the fees or service charges create revenues in excess of actual cost, those revenues shall be used to reduce the fee or service charge creating the excess.

(b) Any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.

(c) Any costs incurred by a local agency in conducting the meeting or meetings required pursuant to subdivision (a) may be recovered from fees charged for the services which were the subject of the meeting.

(d) This section shall apply only to fees and charges as described in Sections 51287, 56383, 57004, 65104, 65456, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

(e) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion levying a fee or service charge subject to this section shall be brought pursuant to Section 66022.

66022. (a) Any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge, or modifying or amending an existing fee or service charge, adopted

by a local agency, as defined in Section 66000, shall be commenced within 120 days of the effective date of the ordinance, resolution, or motion.

If an ordinance, resolution, or motion provides for an automatic adjustment in a fee or service charge, and the automatic adjustment results in an increase in the amount of a fee or service charge, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 120 days of the effective date of the increase.

(b) Any action by a local agency or interested person under this section shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(c) This section shall apply only to fees, capacity charges, and service charges described in and subject to Sections 66013 and 66014.

66023. (a) Any person may request an audit in order to determine whether any fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of any product or service provided by the local agency. If a person makes that request, the legislative body of the local agency may retain an independent auditor to conduct an audit to determine whether the fee or charge is reasonable.

(b) Any costs incurred by a local agency in having an audit conducted by an independent auditor pursuant to subdivision (a) may be recovered from the person who requests the audit.

(c) Any audit conducted by an independent auditor to determine whether a fee or charge levied by a local agency exceeds the amount reasonably necessary to cover the cost of providing the product or service shall conform to generally accepted auditing standards.

(d) The procedures specified in this section shall be alternative and in addition to those specified in Section 54985.

(e) The Legislature finds and declares that oversight of local agency fees is a matter of statewide interest and concern. It is, therefore, the intent of the Legislature that this chapter shall supersede all conflicting local laws and shall apply in charter cities.

(f) This section shall not be construed as granting any additional authority to any local agency to levy any fee or charge which is not otherwise authorized by another provision of law, nor shall its provisions be construed as granting authority to any local agency to levy a new fee or charge when other provisions of law specifically prohibit the levy of a fee or charge.

RESOLUTION NO. 22-06

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN JUAN WATER DISTRICT
ADJUSTING RETAIL CAPITAL FACILITY FEES**

WHEREAS, Ordinance 14000 establishes a connection fee, which includes, at a minimum, a capital facilities fee, annexation fee (if applicable), a meter installation inspection fee and a deposit for installing a service tap (as applicable; and

WHEREAS, the ordinance specifies that the amount of fees and charges, shall be determined according to rates set by the Board of Directors and set forth in the District's current Schedule of Rates, Fees, Charges, and Deposits; and

WHEREAS, Government Code Section 66013 states that capital facility fees shall not exceed the estimated reasonable cost of providing the service for which the charges are imposed; and

WHEREAS, as study to determine the estimated reasonable costs was last done in 2006; and

WHEREAS, the Board has received and considered the Retail Capital Facility Fee Update Study (the "rate study") prepared by Hildebrand Consulting, dated September 3, 2021 and

WHEREAS, as discussed in the rate study, the District's existing retail capital facility fees are insufficient to recover past and future capital facility needs related to development; and

WHEREAS, a significant portion of the costs to be recovered will occur in the future and the fee should be adjusted annually to reflect the rising cost of construction, as best estimated by the Construction Cost Index; and

WHEREAS, Resolution 17-02, adopted by the Board on January 25, 2017, directed staff to update the Wholesale Capital Facility fee in accordance with the November Consumer Price Index for all urban customers, Western Cities, all items, not seasonally adjusted, using the standard reference base (CPI); and

WHEREAS, the CPI tracks the change in consumer prices for a "representative basket of goods and services", while the Construction Cost Index (CCI) tracks the change in price for a specific combination of construction labor, steel, concrete, cement and lumber making it a better tool for estimating the rising cost of infrastructure projects;

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

1. Approve Resolution 22-06 approving the following retail capital facility fees:

Meter Size	Retail Capital Facility Fee
1" meter	\$16,084
1 ½" meter	\$32,168
2" meter	\$51,469
3" meter	\$102,938
4" meter	\$160,840
6" meter	\$321,680
10" meter	\$579,025
12" meter	\$1,383,226

2. Direct the General Manager to update the Retail and Wholesale Capital Facility Fees annually to reflect the most recent November Construction Cost Index.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on this 23rd day of March 2022 by the following vote:

AYES:
 NOES:
 ABSENT:

ATTEST:

By: _____
 Kenneth Miller
 President, Board of Directors
 San Juan Water District

 Teri Grant
 Board Secretary



2021 Retail Capital Facility Fee Study

September **XX**, 2021



HILDEBRAND
CONSULTING

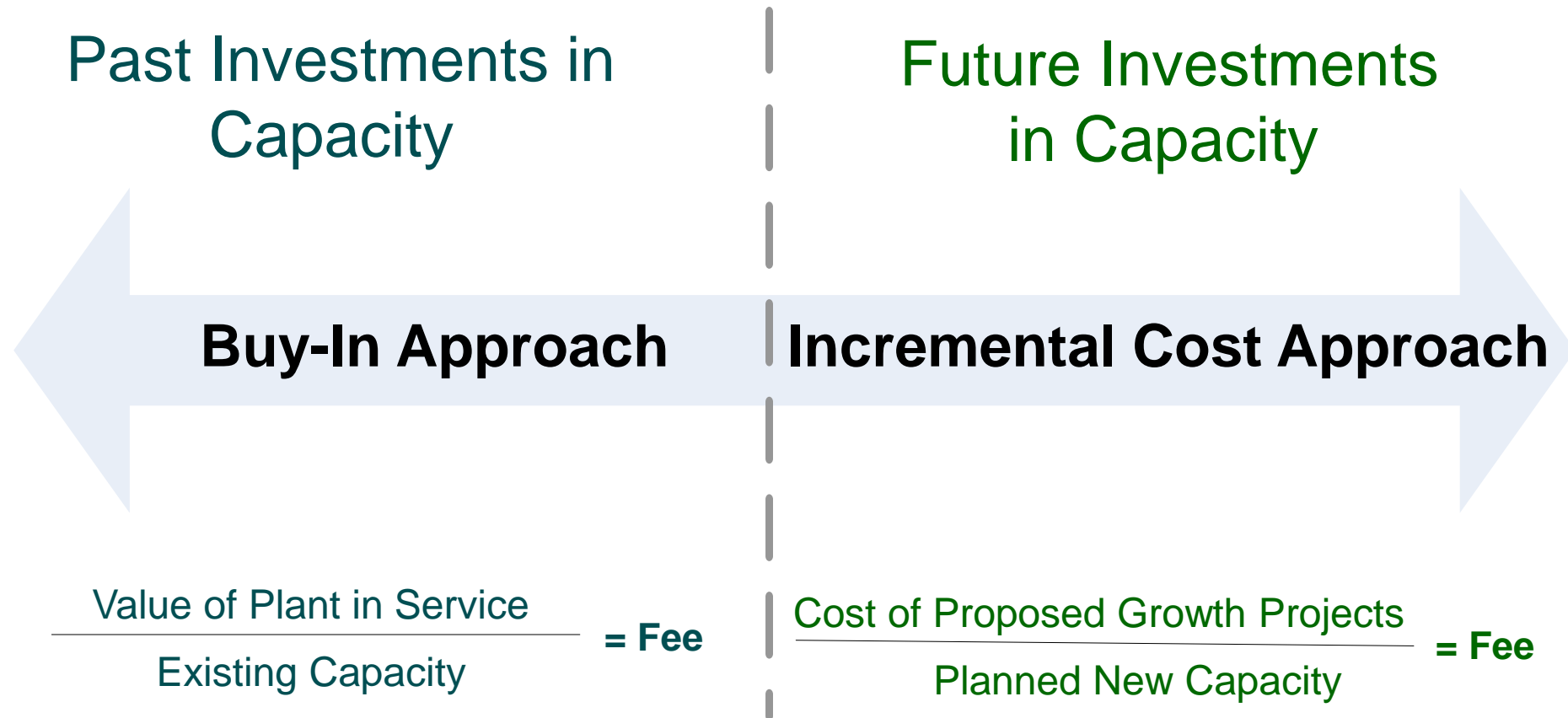
Capital Facility Fee

- Capital facility fees (capacity charges) are the one-time fees charged to new development for capacity in the water system.
- Fee calculations were last calculated in 2006; fee amounts have been adjusted annually for inflation.

Legal Standard

- Section 66013 of the Government Code states that capital facility fees shall not exceed the ***estimated reasonable cost*** of providing the service for which the charges are imposed.

Common Capacity Charge Approaches



Reviewing the 2006 Fees

This 2021 Retail Capital Facility Fee study has calculated a fee that is lower than the fee that was established (then escalated) in 2006.

- **Cause:**
 - The 2006 study was based on, in part, some planned expansion projects that were never built or that ultimately cost less than budgeted.
 - The 2006 study planned for some expensive planned growth-related capital projects which drove up the cost.
- **Confirmation of Costs**
 - In comparing the cost of expansion projects built since 2006 against the Incremental portion* of Capital Facility Fee revenue collected since that time, we found that the District has spent more on expansion projects than it has collected in fees.

* The incremental portion made up 80% of the fee

Changes in Assumptions from Previous Presentation

Since the last presentation, the analysis reflects the following modified assumptions:

- Remaining Existing Capacity – Calculating number of additional connections that could theoretically be served with the District's existing capacity would require a very complex (and expensive) hydraulic flow analysis that is outside of the scope of this study. Based on Staff engineers, the rate consultant's initial estimate of 15% remaining capacity was reduced to 10%.
- Number of Equivalent Meters - The District has historically grouped all customers with a 1" meter or smaller into a single customer class. By recognizing that some of those meters are in fact 3/4" and 5/8" meters, the number of calculated equivalent meters in the existing system has decreased, which thereby increases the Buy-In methodology results (and consequently the Hybrid results as well).

Buy-In Methodology – Retail System Value

Asset Class	Total Original Cost ¹	Book Value ²	Replacement Cost ³	RCNLD
<i>Retail</i>				
Pipelines	\$47,977,000	\$35,538,000	\$94,445,000	\$64,895,000
Pump Station	\$11,234,000	\$8,078,000	\$16,068,000	\$10,489,000
Reservoirs	\$2,492,000	\$1,563,000	\$4,620,000	\$2,195,000
Vehicles & Equipment	\$1,653,000	\$457,000	\$2,131,000	\$508,000
Intangible	\$415,000	\$387,000	\$495,000	\$460,000
Land	\$166,000	\$106,000	\$478,000	\$301,000
Buildings	\$276,000	\$256,000	\$302,000	\$278,000
Improvements	\$95,000	\$60,000	\$166,000	\$100,000
Water Treatment Plant	\$16,000	\$9,000	\$31,000	\$17,000
Subtotals	\$64,324,000	\$46,454,000	\$118,736,000	\$79,243,000

¹ From District's fixed asset records for the fiscal year ended June 30, 2020

² Estimated book value based on original cost, purchase date and estimated useful life by asset

³ Replacement value based on the original value and escalated to 2021 value using ENR 20-cities

Buy-In Calculation

RCNLD of current assets:	\$79,243,000
Less outstanding principal on long-term debt:	-\$13,941,000
Plus past interest costs:	\$6,623,000
Plus existing Retail Fund capital reserves ¹ :	\$8,028,000
Total Retail System Valuation:	\$79,953,000
Divided by number of 1" Equivalent Meters ² :	10,400
Buy-In Methodology Capital Facility Fee for 1" Meter Connections:	\$7,688

Incremental Calculation

Total Present Value Estimate of Growth-Related Costs	\$18,382,500
Planned new 1" equivalent meters ¹	600
Incremental Methodology Capital Facility Fee for 1" Meter Connections:	\$30,638

¹ Per Section 2.3.1.2 of "25-Year Demand Forecast and Capacity Analysis", June 2020, Tully & Young

Hybrid Calculation

Value of Available Capacity

Cost of Future Expansion

$$\frac{(\$79,953,000 \times 10\%) + \$18,382,500}{(10,400 \text{ EM} \times 10\%) + 600 \text{ EM}} = \frac{\$26,377,800}{1,640 \text{ EM}} = \$16,084 \text{ per 1" meter}$$

Available Capacity of Existing System

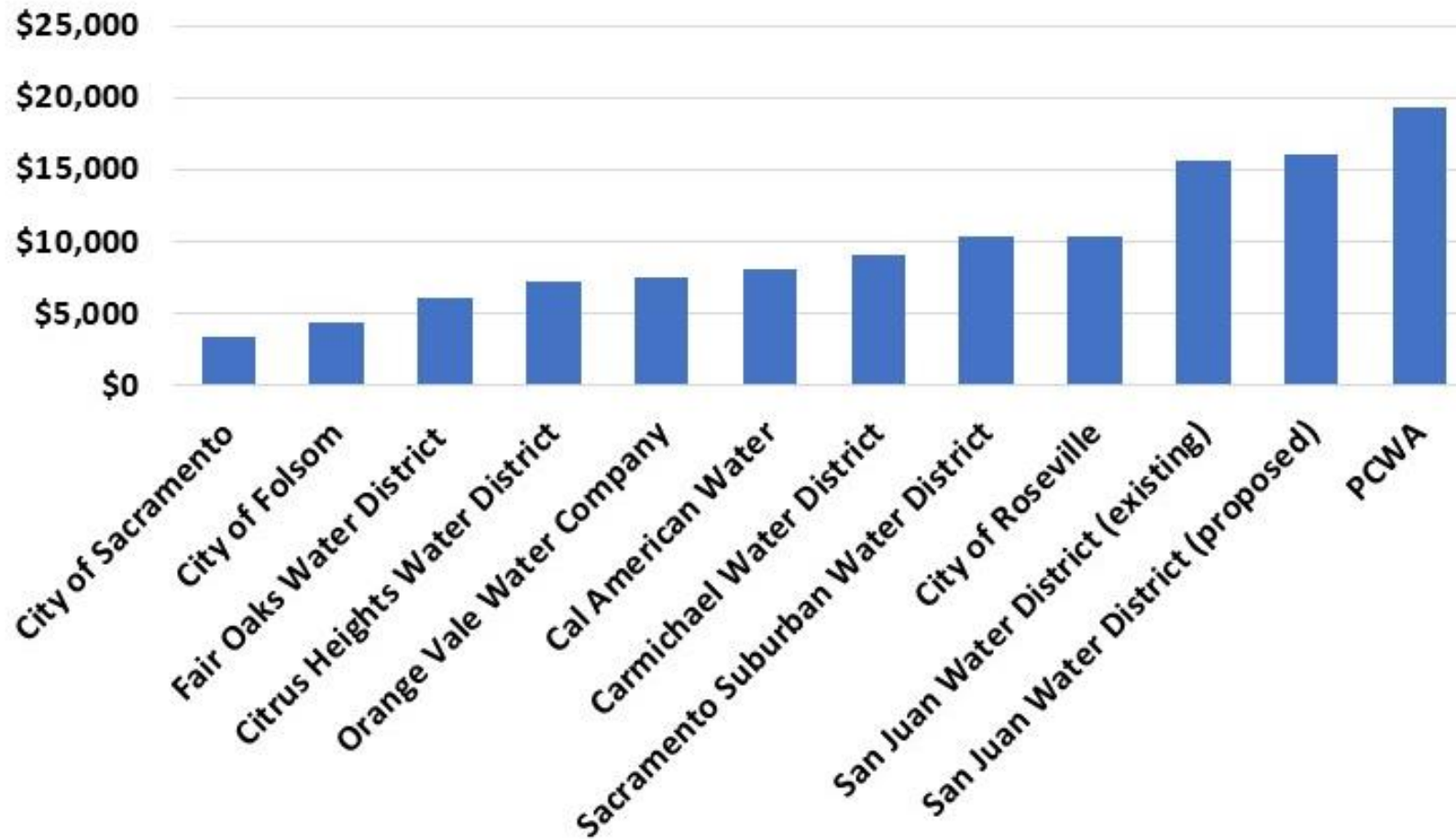
Planned Capacity Increase

The diagram illustrates the hybrid calculation formula. At the top, 'Value of Available Capacity' has an arrow pointing to the numerator's first term, and 'Cost of Future Expansion' has an arrow pointing to the numerator's second term. At the bottom, 'Available Capacity of Existing System' has an arrow pointing to the denominator's first term, and 'Planned Capacity Increase' has an arrow pointing to the denominator's second term. The final result is '\$16,084 per 1" meter'.

Proposed Retail Capital Facility Fee Schedule

Meter Size	Meter Equivalency	Capital Facility Fee		Change
		Current	Proposed	
1" meter	1.0	\$15,726	\$16,084	2.3%
1 1/2" meter	2.0	\$31,452	\$32,168	2.3%
2" meter	3.2	\$50,323	\$51,469	2.3%
3" meter	6.4	\$100,648	\$102,938	2.3%
4" meter	10.0	\$156,191	\$160,840	3.0%
6" meter	20.0	\$314,525	\$321,680	2.3%
8" meter	36.0	\$566,157	\$579,025	2.3%
10" meter	58.0	\$912,141	\$932,873	2.3%
12" meter	86.0	\$1,352,485	\$1,383,226	2.3%

Survey of Regional Capital Facility Fees for 1" meter connections



Next Steps

- Vote on proposed fees
- Consider authorizing General Manager to implement annual inflationary adjustments
- Fees would be effective **XXX**

STAFF REPORT

To: Board of Directors
From: Tony Barela, Operations Manager
Date: March 23, 2022
Subject: Facility Needs Pre-Design Update

RECOMMENDED ACTION

No Action Requested; Information Only

BACKGROUND

In August 2017, the District contracted with Arch Nexus, Inc. to conduct a Facility and Needs Assessment for the District's main grounds/facilities. This study was completed in February 2018 and the Board evaluated the proposed options in March 2018. The Board of Directors directed Staff to move forward with the following items:

1. Complete the Accessibility Transition Plan (ATP) for District facilities
2. Complete the predesign of the proposed Option B facility improvements, including:
 - a. Expansion of Existing Admin Building
 - b. Construction of a New Engineering and Field Maintenance Building
 - c. Remodeling of the Existing Maintenance Building for Material Storage

In August 2018, the District contracted with MFDB Architects, Inc. (MFDB) to complete the ATP and prepare a predesign report for District building facilities and improvements. The Draft ATP was presented to the Engineering Committee on April 9, 2019 for comment. Comments from the Engineering Committee have been incorporated into the report and MFDB submitted the final report on July 23, 2019. A supplemental report was completed in August 2020 to look at other options for cost savings related facility improvements.

Staff have completed, or are shortly scheduled to complete, the following items that were addressed in the ATP. Other items that require more extensive modifications (such as adjusting the height of light switches in the Administration and Maintenance Buildings) will be implemented during the remodeling of these buildings that would occur as part of the general options described in this report.

Site Accessibility

- Sidewalk Improvements to the WEL Patio (Widened and Railing)
- Ramp to WEL Patio (Widened and Railing)
- Contrasting Yellow Stripe at Stairs to WEL Garden

- Curb Ramp at Admin Accessible Parking Stall – *Under Construction*

Building Accessibility

- Woman’s Restroom Accessible Stall Door
- Accessible Microwave Height in Kitchen
- Knee Clearance at Kitchen Sink
- Vault Door Hardware Height Adjusted
- Men’s Restroom Urinal Alcove Width – *Under Design*

The facility needs portion of the report expands on the 2017 assessment to develop pre-design options and costs for housing staff into the future. The two main facilities discussed in the report are the Admin/Executive and the Field Services/Engineering Buildings.

DISCUSSION

As discussed in the reports and below, the main driver for evaluating modifications to our facilities is to ensure compliance with the Americans with Disabilities Act (ADA), which is primarily an issue at the Field Services/Engineering Building because many of its features are not ADA compliant. Additionally, staff considered the proposed requirement for the move to Zero Emission Vehicles (ZEV). This proposed regulation as currently defined will require 50% of new vehicles to be ZEV starting in 2024 and 100% of new vehicles by 2027. This requirement will require vehicles to be parked in a location where they can be connected to charging stations.

Options Evaluated:

1. Adding additional office space to the Admin/Executive Building and remodeling the Field Services/Engineering Building;
2. Adding additional office space to the Admin/Executive Building to accommodate additional Admin staff and Engineering staff and remodeling the downstairs of the Field Services Building;
3. Adding additional office space to the Admin/Executive Building and relocating Field Services/Engineering staff into modular trailers; and
4. Constructing a new Admin/Executive Building for Admin and Executive staff and relocating Field Services/Engineering staff to the remodeled Admin Building.

Admin/Executive Building

There are three possibilities related to the Admin Building depending on the option selected. Options 1, 2, & 3 include remodeling the building to increase functionality and flow. These options also include constructing a secure front lobby for customers and a small addition (1,030 SF) for additional five offices off the northeast corner of the building to meet current needs and for future growth.

Option 2 includes adding space to relocate the Engineering Department to the Admin Building for reasons noted below. This option would require an additional 1,850 SF addition to the Admin building to house Engineering Department staff and operational

space for department needs, including but not limited to printing, maps and document storage. The new Engineering addition would be connected to the addition described above for the Admin and Executive personnel.

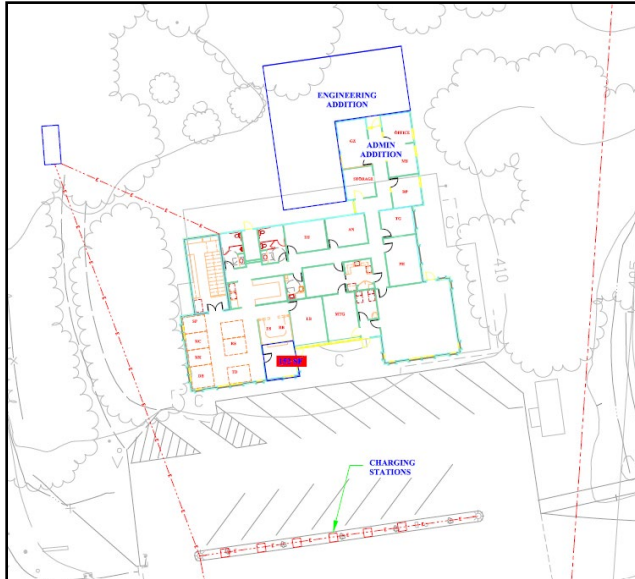


Figure 1: Admin Building Including Engineering

Maintenance/Engineering Building

Field Services/Engineering Building ADA issues is the biggest challenge defined in the reports. As defined in the Pre-Design Report and in the prior 2017 report, the Field Services/Engineering Building has multiple ADA issues that are difficult to resolve based on the configuration and use of the building. The Pre-Design Report and Addendum 1 - Subsequent Evaluation discuss multiple options that attempt to reasonably remedy this issue.

Each Field Services/Engineering Building option evaluated has its challenges related to cost, implementation, and functionality. Unfortunately, the proposed remodeling plan could not address all ADA issues because of the limitations of the existing building and remodeling options. Early in the design process, MFDB met with a Placer County (County) representative to discuss exempting portions of the building from ADA compliance requirements, due to the job requirements for physical abilities of the staff that use those portions of the building. Unfortunately, their finding was that there is no such flexibility in the ADA requirements that would allow such an exemption, thus necessitating full compliance in all areas of the building should any renovations above the regulatory minimum threshold proceed.

Additionally, in the County's cursory review of the existing building, they pointed to numerous code violations related to:

- The lack of adequate occupancy separation barrier from the hazardous shop space to the offices;
- The non ADA-compliant "exit" stairs from the second floor offices into the shop;

- The non ADA-compliant existing stair widths and handrail details.

In addition, the redesigned plan also has some issues to resolve, including:

- The lack of a defined accessible path of travel from a designated handicap parking stall to the remodeled accessible toilet rooms;
- Inadequate exits from the second floor when you disallow the stairs into the shops space;
- The lack of an elevator;
- The inability to make the entire second floor accessible even with the addition of an elevator due to existing level changes.

This determination limits the District's options related to the Field Services/Engineering Building.

The Addendum 1 – Subsequent Evaluation Report defines the options available to the District for continuing use of the Field Services/Engineering Building, which are:

- 1) Execute a remodel of only the northern end of the first floor of the Field Services/Engineering Building, north of the existing Parts Storage. This addresses most of the ADA problems for the first floor and provides ADA-accessible shower and toilets for the field Staff while maintaining the use of the existing shop and Parts Storage areas.

This option would require the Engineering Department to move to the Admin Building to provide office space for Field Services personnel and a break area for Field staff. This option would provide some room for future office space needs in the Field Services department. As noted above, the County will likely require additional improvements to this building beyond what is listed here.

- 2) Abandon the second floor spaces for office use and designate the second floor for (unoccupied) storage space. This option would require relocating Engineering and the Operations Manager from the building, would eliminate break space for the Field team, and would not accommodate any growth in the Field Services Department. This option does not address all ADA issues for the first floor.
- 3) An option for a smaller addition to the first floor of the Engineering/Maintenance building on the NE corner of the building to accommodate a large meeting room/break room and copy/work room. Upon further investigation, this option is not possible due to the overhead power transmission lines that cross this area. No permanent structures can be constructed under the power lines.
- 4) Move all Field Services and Engineering Staff to modular trailers. Potential trailer locations are identified in the Addendum 1 Subsequent Evaluation Report. This option is not considered a permanent solution as it would adversely affect the functionality of the Field Team. Additional services will be required to provide power, sewer or sewer services, and water to the trailers.

As mentioned in the Subsequent Evaluation Report, achieving full ADA compliance for the Engineering/Maintenance Building is difficult, if not impossible.

New Administration Building

The proposed new Administration Building would be located at the south end of the District’s Corp Yard (See Exhibit A). As defined in the report, the new ADA compliant building will include space for existing Admin/Executive Staff and room for future growth. Additionally, the new improvements will include a functional parking lot, a secure front office, and larger boardroom to accommodate special board meetings, all Staff meetings, and other gatherings.

Under this option, both Field Services and Engineering would relocate to the existing Admin/Executive Building. The Admin/Executive Building will be remodeled to house Field Services and Engineering staff. This remodel would be contained within the existing footprint; therefore, the small addition noted above is not included in the design. This option meets current needs and provides some room for future office space.

This option also provides functionality benefits related to the transition of Staff during construction and on-going separation of maintenance facilities and equipment from the general public. Under this scenario, with the new Admin/Executive Building being located closer to the entrance, a gate can be installed north of the main entrance to limit interactions between the public and the District’s maintenance facilities and equipment. Currently, the Field Services/Engineering Building is the most susceptible related to safety from a bad actor or disgruntled customer.

FINANCIAL CONSIDERATIONS

Table 1 below identifies the costs for the three different probable options identified in the reports.

1. Remodeled administration building to accommodate Admin/Exec and Engineering and remodel downstairs of Field Services Building for additional ADA compliance.
2. Remodel Administration Building to accommodate Admin/Exec. Staff and rent modular trailers for Field Service and Engineering staff.
3. New Administration Building, Existing Admin building remodeled for Field Services and Engineering staff.

Table 1: Facility Improvement Options

Option	Cost	Notes
Option 1 – Admin/Exec/Eng. at Remodeled Admin Building, Maint. Bldg D/S Remodel	\$3,734,000	Additional Costs expected upon Placer County Review. Unknown code improvement costs not included.
Option 2 – Admin/Exec at Remodeled Admin, FS/Eng Trailers	\$1,865,000	~\$95,000/Year Trailer Rental. Additional annual cost for trailer sewer maintenance may apply
Option 3 – New Administration Building, FS/Eng. at Remodeled Admin Building	\$6,095,000	

STAFF RECOMMENDATION

The complexity of managing the Field Services/Engineering Building for future use is difficult due to the numerous ADA issues, multilevel office spaces, and shop storage. Placer County rejected the larger addition with the remodel of the upper office spaces. Therefore, for the cost of the improvement and the unknown cost to complete this upgrade, if it would even be possible at all, becomes less desirable from a cost-benefit standpoint.

Remodeling the existing Admin/Executive Building and moving Field Services/Engineering Staff to trailers is a potentially viable temporary option, but should not be considered a permanent solution, since such modular buildings are not designed for long-term occupancy.

The construction of a new Admin/Executive Building and moving Field Services/Engineering to the existing Admin Building is the recommendation of Staff. This option achieves ADA compliance for the entire District, provides adequate space for existing staff, and significantly increases office and site security. This option is most in line with the vision of the District to enhance safety and operational security of the site.

FACILITY NEEDS EVALUATION

Board of Directors

March 23, 2022



PROJECT REPORTS

- August 2017 – Arch Nexus, Inc. - Facility and Needs Assessment
 - Completed February 2018
- August 2018 – MFDB Architects, Inc. –
 - Accessibility Transition Plan (ATP)
 - Completed June 2019
 - Pre-Design Report Development
 - Completed July 2019
 - Supplemental Report
 - Completed August 2020



EVALUATION OVERVIEW



ACCESSIBILITY TRANSITION PLAN

- **15 Recommended ADA Improvements**
 - **Completed Items:**
 - **Site Accessibility**
 - Sidewalk Improvements to the WEL Patio (Widened and Railing)
 - Ramp to WEL Patio (Widened and Railing)
 - Contrasting Yellow Stripe at Stairs to WEL Garden
 - Curb Ramp at Admin Accessible Parking Stall – *Scheduled This Week*
 - **Building Accessibility**
 - Woman's Restroom Accessible Stall Door
 - Accessible Microwave Height in Kitchen
 - Knee Clearance at Kitchen Sink
 - Vault Door Hardware Height Adjusted
 - Men's Restroom Urinal Alcove Width – *Contract Development*
 - **Remaining Items:**
 - Handrail at Stair to WEL Garden
 - Accessible Parking Stall at Maint. Bldg
 - Wall Device Mounting Height
 - Exhaust Fan Control Height
 - Vault Work Counter Height
 - Maint. Bldg Access to 2nd Floor

ACCESSIBILITY TRANSITION PLAN

- Engineering/Maintenance Building
 - Significant ADA Issues
 - Stair Access
 - Multi-Level 2nd Floor
 - Bathroom and Hallway Accessibility
 - Lack of Separation barrier between hazardous shop space to offices
 - Lack of an elevator
 - Lack path of travel from handicap parking to bathrooms



CALIFORNIA AIR RESOURCES BOARD - ADVANCED CLEAN FLEET

Section 95693.1 Public Fleets ZEV Purchase Requirements

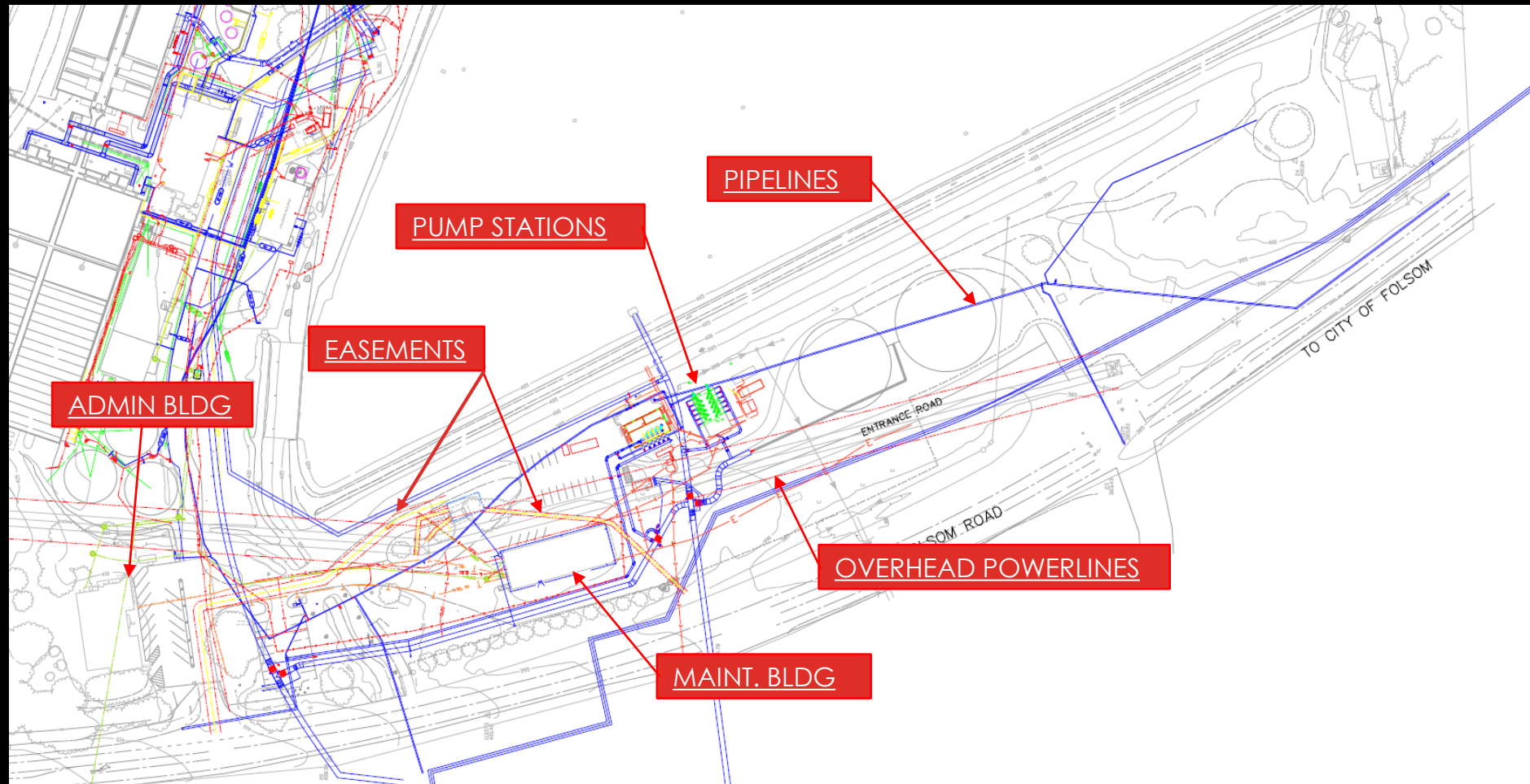
(1) *ZEV purchase requirements.* In any given calendar year, public agencies must purchase ZEVs as specified by the following schedules:

(A) For a public agency whose jurisdiction is not solely in a designated low population county:

1. **Starting January 1, 2024, 50 percent** of the total number of new motor vehicle purchases in each calendar year must be ZEVs; and
2. **Starting January 1, 2027, 100 percent** of the total number of new motor vehicle purchases in each calendar year must be ZEVs.

SITE CONSTRAINTS

- Underground Facilities (Pipes & Conduits)
- Easements
- Overhead Transmission Lines
- Hinkle Res. Embankment



OPTIONS BENEFITS/CHALLENGES

- **Option 1: Admin/Exec. Expansion & Maint. Bldg Remodel**
 - 1030 SF Expansion at Administrative Bldg
 - Secure Lobby for Customer Service
 - Due to constructability issues, this option is considered not probable
- **Option 2: Admin/Exec. Expansion for Admin staff and Engineering staff & Maint. Bldg Remodel**
 - Option 1 Improvements
 - 1,850 SF Expansion for Engineering Dept.
 - Not Sound for Engineering/Field Services Operations
 - Does not address all ADA issues at Maint. Bldg
- **Option 3: Admin/Exec. Expansion & Eng./FS Relocated into Trailers**
 - Option 1 Improvements
 - Purchase or Rent Trailer Located On Site (Site Limitations)
 - Addresses ADA by including ramps, adequate bathrooms, etc.
 - Power, Sewer, & Water Improvements Required
 - Not considered a permanent solution for Operational Purposes
- **Option 4: New Admin/Executive Building & Eng/FS Relocated to Remodeled Admin Building.**
 - Address all ADA issues
 - Functionally Optimal for Operations
 - Provides Site and Building Security
 - Provides Space for Future Growth
 - Best Transition Strategy for Staff during Building Remodels

ENGINEERING/FIELD SERVICES BUILDING



COST COMPARISONS

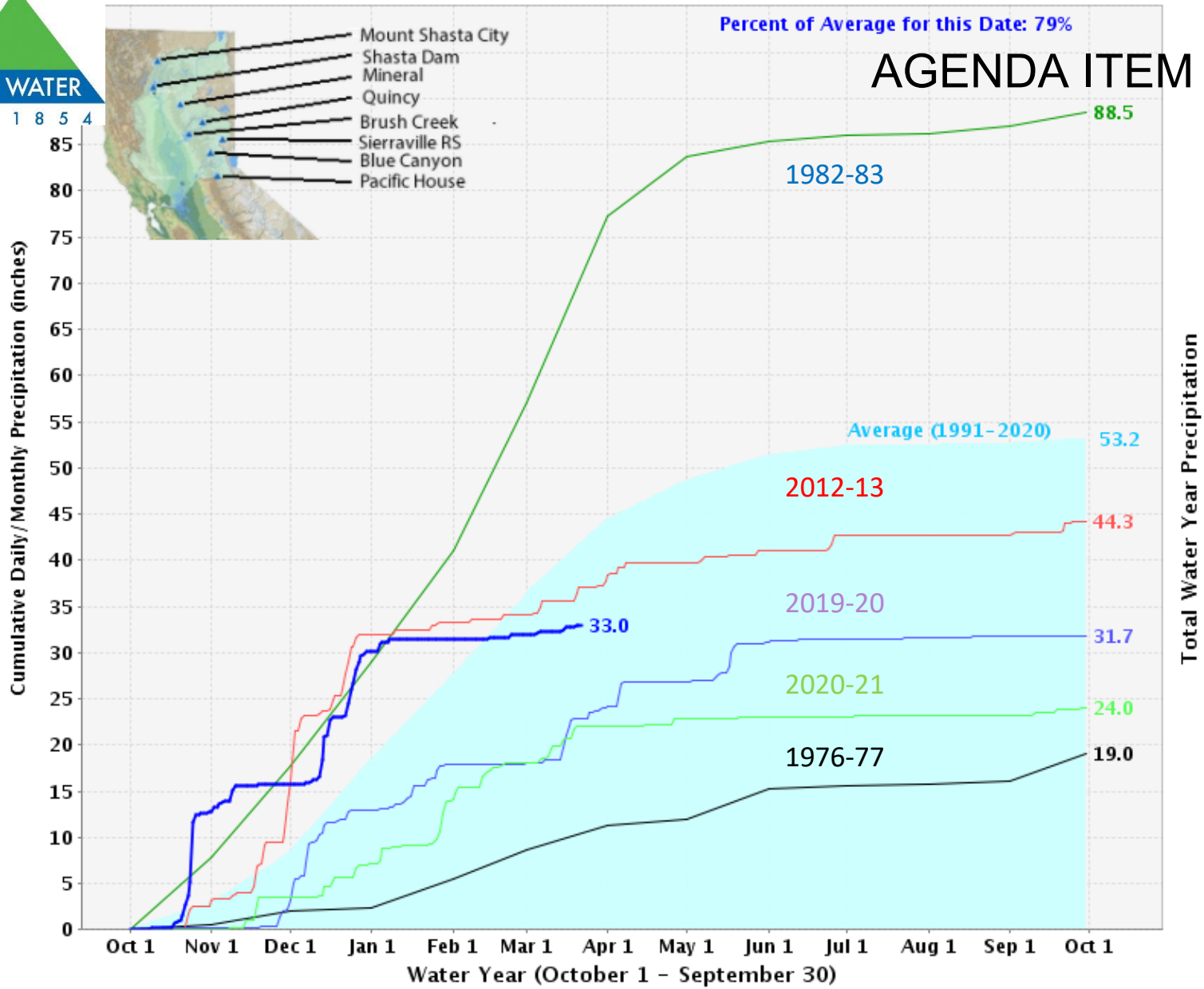
1. Remodeled Admin/Exec Bldg. and Engineering & remodel D/S of FS Bldg
2. Remodel Admin/Exec Bldg and Relocate FS and Eng. staff to Modular Trailers
3. New Administration Building, Existing Admin building remodeled for FS & Eng.

Option	Cost	Notes
Option 1 – Admin/Exec/Eng. at Remodeled Admin Building, Maint. Bldg D/S Remodel	\$3,734,000	Additional Costs expected upon Placer County Review. Unknown code improvement costs not included.
Option 2 – Admin/Exec at Remodeled Admin, FS/Eng Trailers	\$1,865,000	~\$95,000/Year Trailer Rental. Additional annual cost for trailer sewer maintenance may apply
Option 3 – New Administration Building, FS/Eng. at Remodeled Admin Building	\$6,095,000	

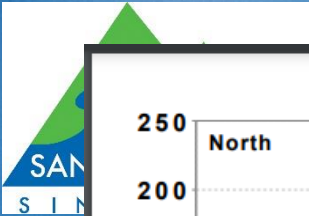


Northern Sierra Precipitation: 8-Station Index, March 22, 2022

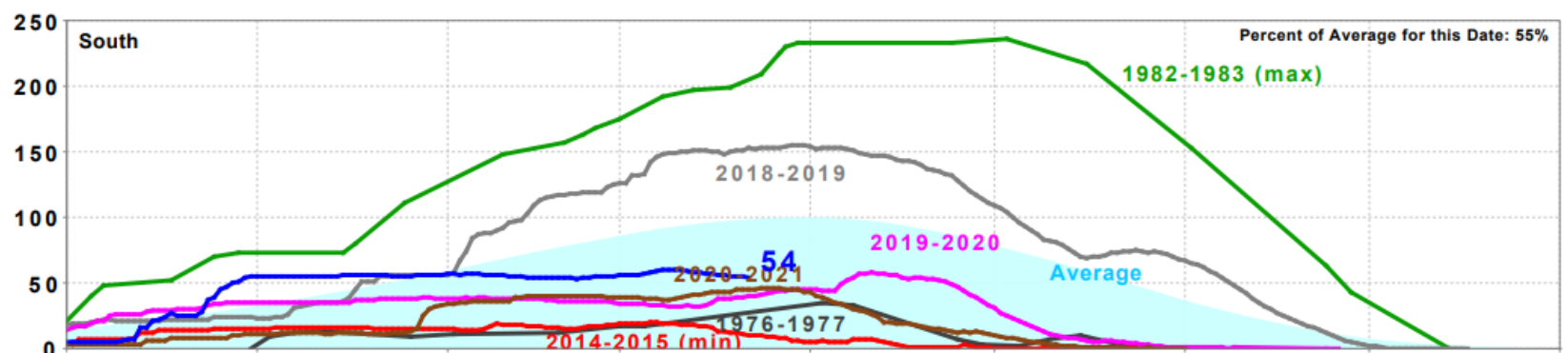
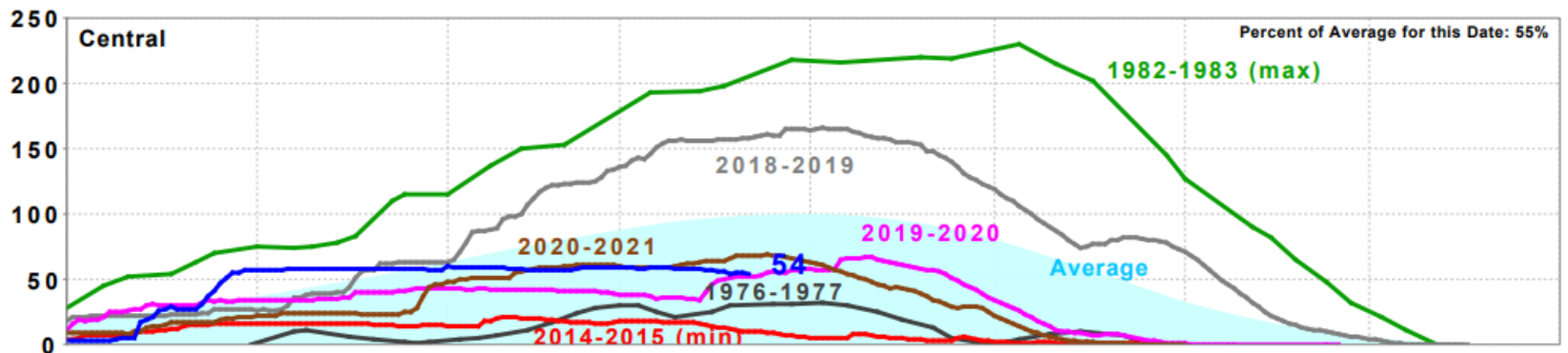
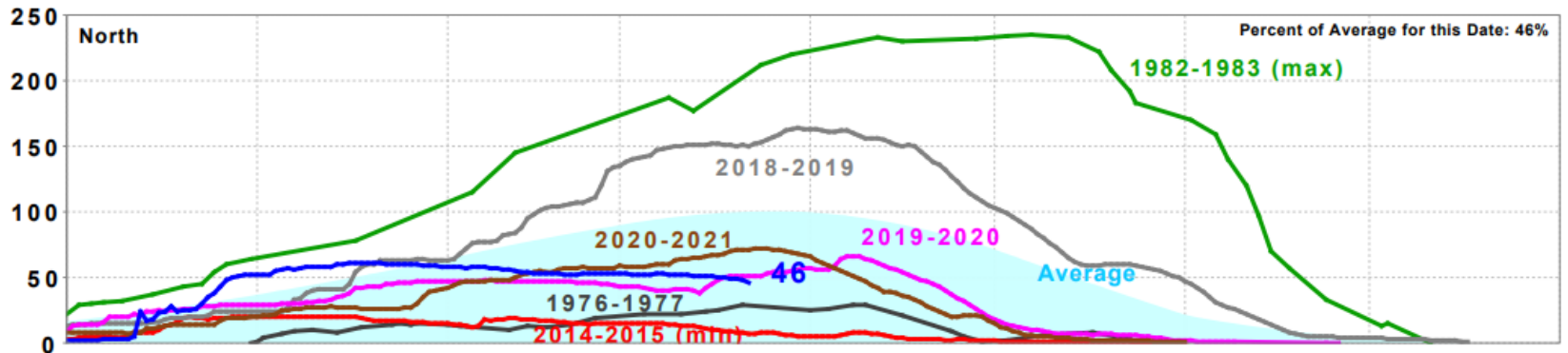
AGENDA ITEM V-5



■ Average (1991-2020)
 — 1976-1977 (2nd Driest)
 — 1982-1983 (2nd wettest)
 — 2012-2013
 — 2019-2020
 — 2020-2021
 — 2021-2022 (current)



California Snow Water Content, March 22, 2022, Percent of April 1 Average



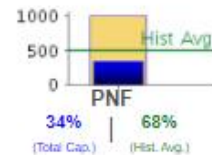
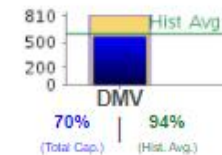
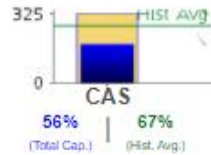
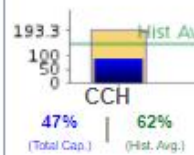
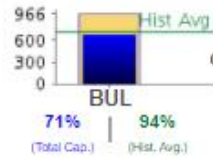
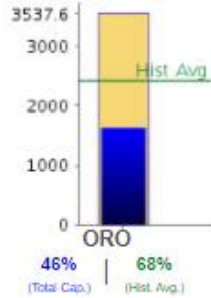
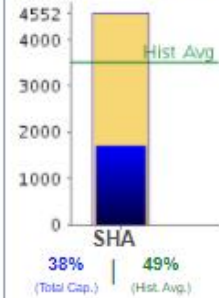
Statewide Percent of April 1: 52%

Statewide Percent of Average for Date: 52%

CURRENT CONDITIONS MAJOR WATER SUPPLY RESERVOIRS: 21-MAR-2022



Data as of Midnight: 21-Mar-2022

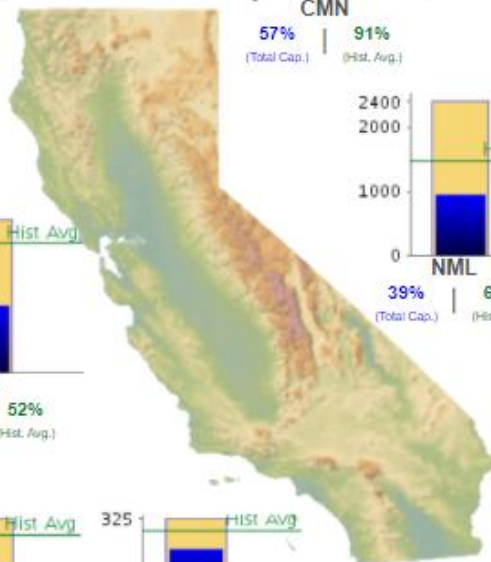


Change Date: 21-Mar-2022

LEGEND

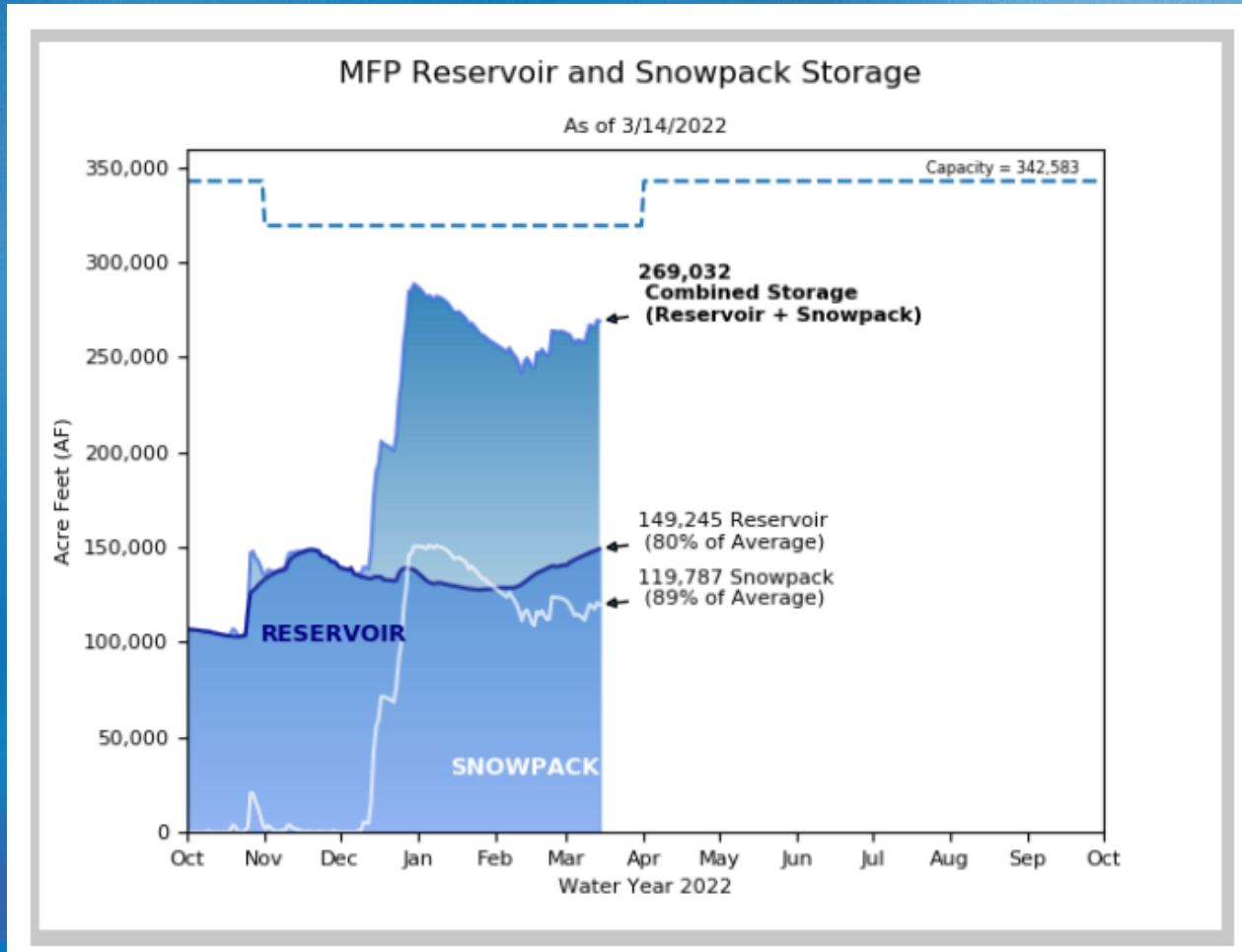
- Blue Bar: Storage level for date
- Gold Bar: Total reservoir capacity
- Green Line: Historic level for date.

% of Capacity | % Hist. Avg.
(Click res. 3 char. code for details)





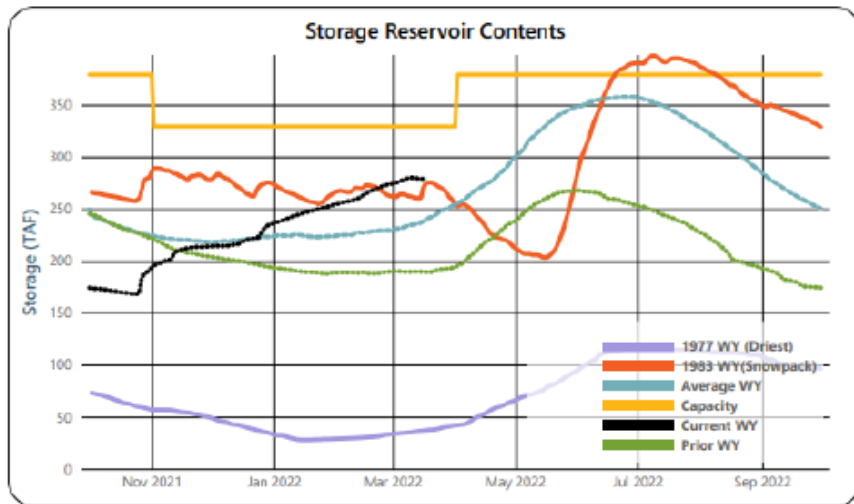
PCWA Storage 3-14-22



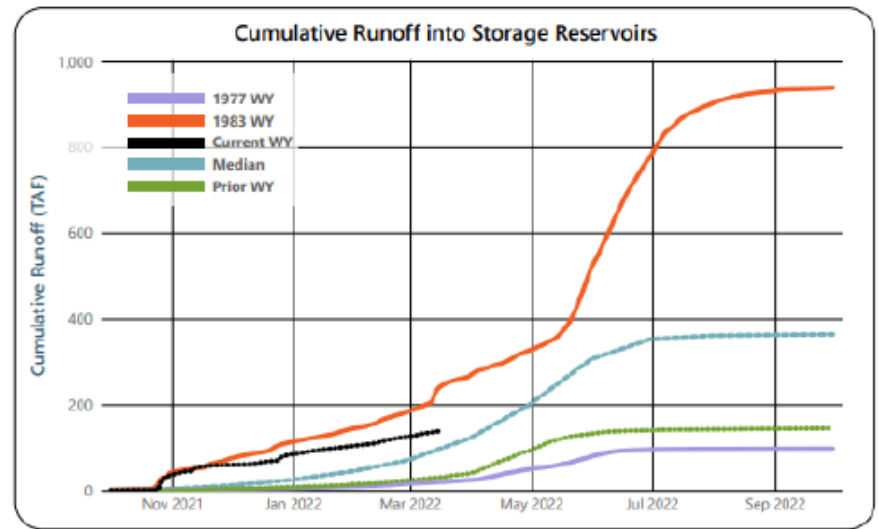


SMUD Storage 3-15-22

March 15, 2022 reservoir storage: (Figure 1)



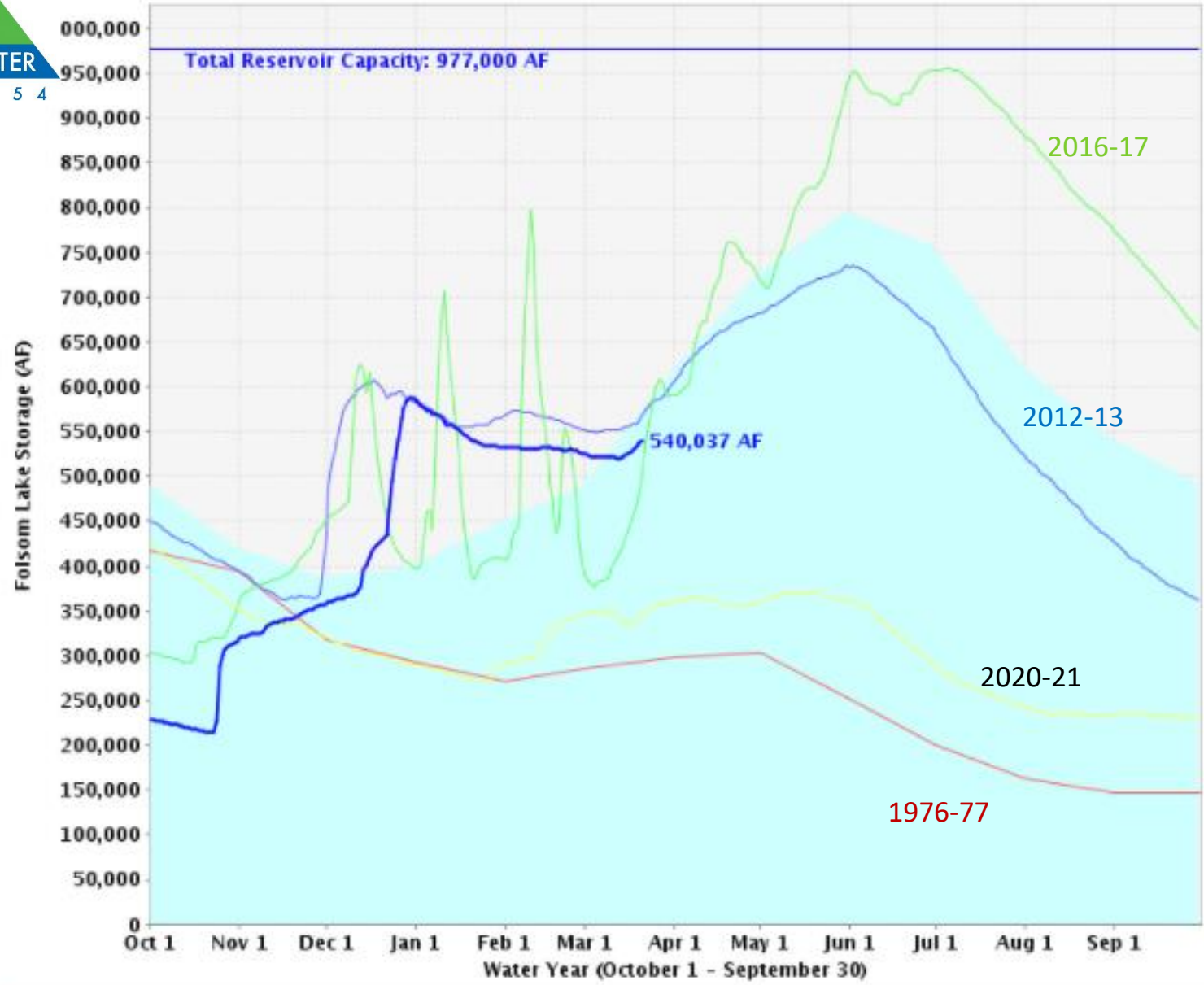
March 15, 2022 runoff into SMUD storage: (Figure 2)





(Click for multiple selections)

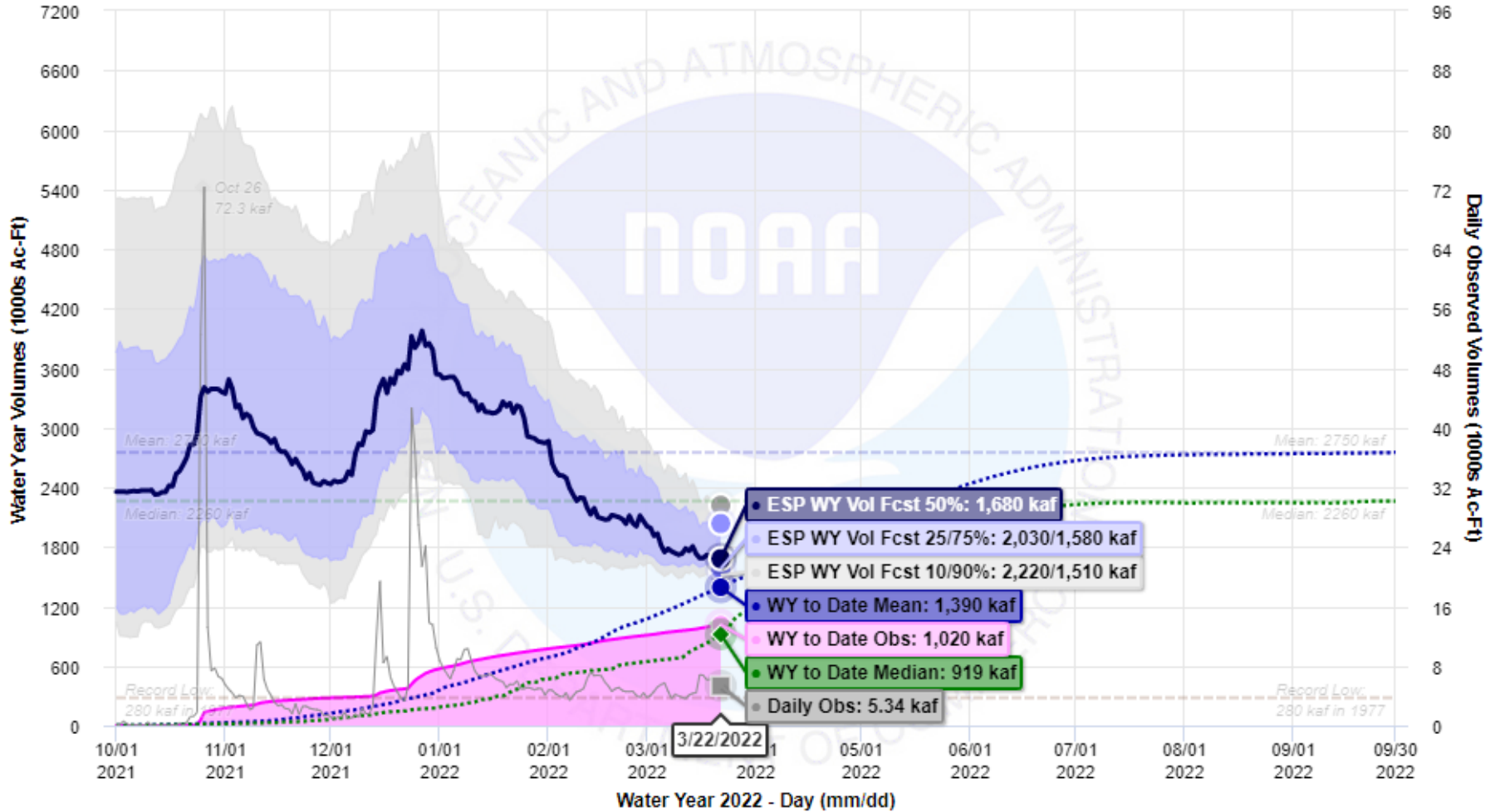
Folsom Lake Storage Levels



— Historical Average
 — Total Reservoir Capacity
 — 1976-1977 (dry)
 — 2012-2013
 — 2016-2017
 — 2020-2021
 — 2021-2022(current)

AMERICAN - FOLSOM RESERVOIR (FOLC1) 03/22/2022
Median Forecast: 1680 kaf | 61% of Mean | 74% of Median

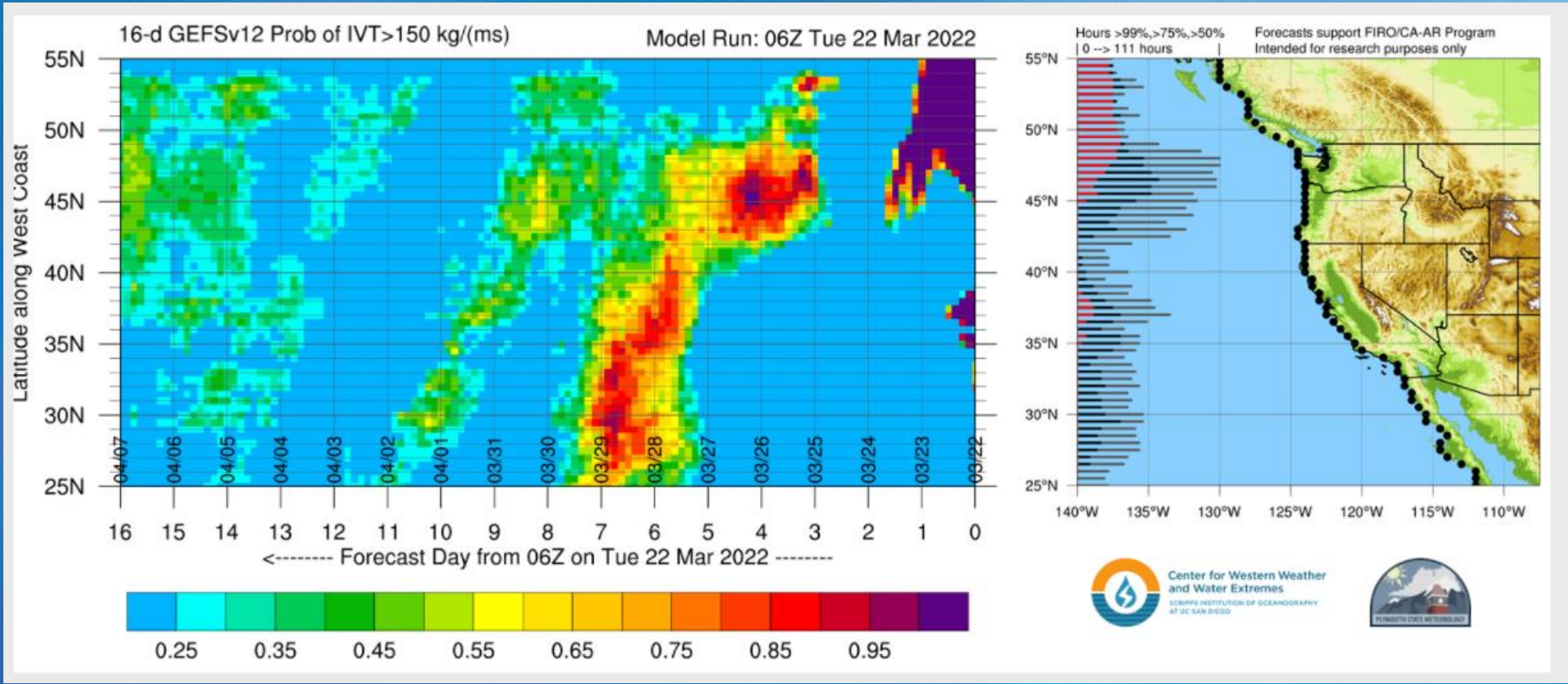
Created: 03/22/2022 at 08:19 AM PDT



Observed to Date Percent of Mean: 73% (1020 kaf) Water Year to Date Mean: 1390 kaf
Historical Water Year Vol Max: 7390 kaf in 2017 Historical Water Year Vol Min: 280 kaf in 1977
 This product only considers meteorological uncertainty and does not account for hydrologic uncertainty.



Center for Western Weather and Water Extremes

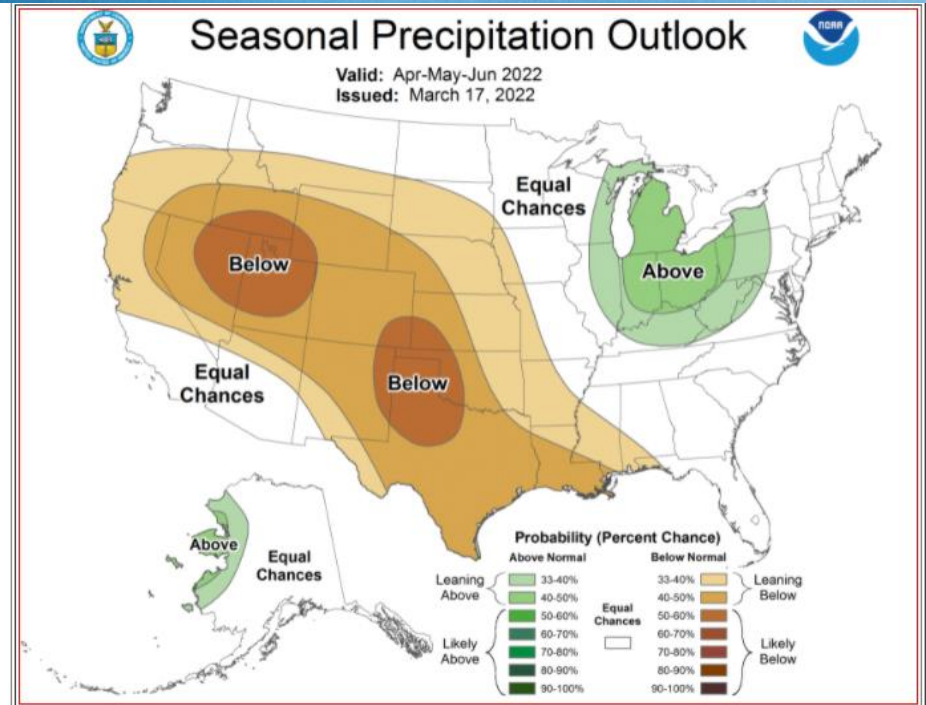
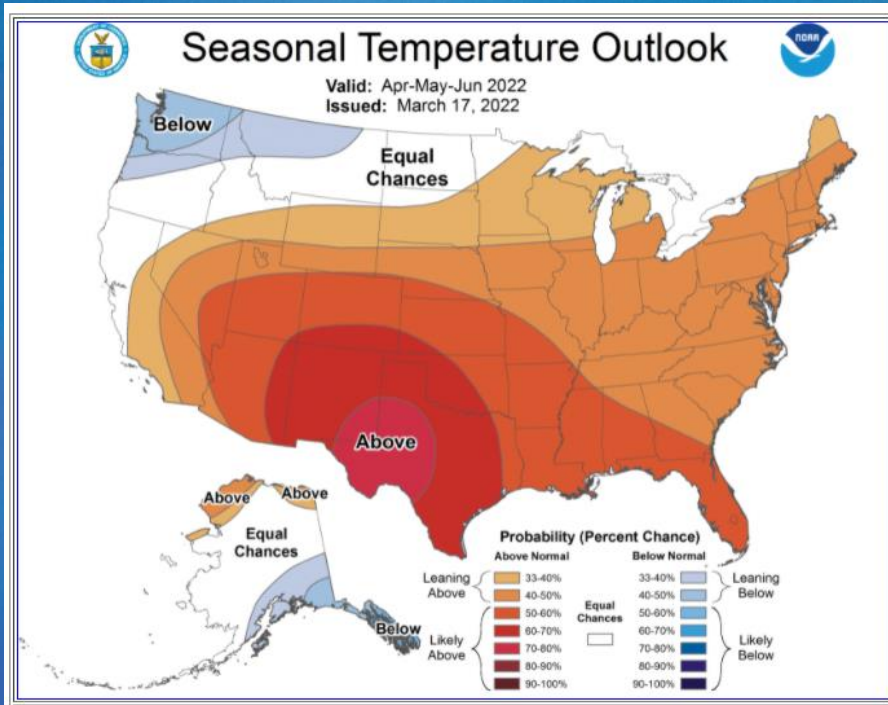




NOAA 3-Month Outlook

Temperature

Precipitation





SJWD Supply/Demand Status

March 23, 2022

Supply (AF)

Demand – 2021 Deliveries



Reclamation/State Actions

Temporary Urgency Change Petition 3/18/22

- Reduce Delta outflow requirements in April and May
- Change salinity compliance location further upstream
- Reinstall Delta salinity Barrier

Interim Operations Plan

- Shasta temperature management plan changes
- Sacramento river temperature compliance
- Health and safety deliveries in Sacramento Valley

Allocations

- Sacramento River Settlement - ? (probably not 75%)
- CVP 0% Ag service N and S of Delta
- M&I – health and safety- Sac Valley, 25% elsewhere
- SWP – 5%



SWRCB Data 3-22-22

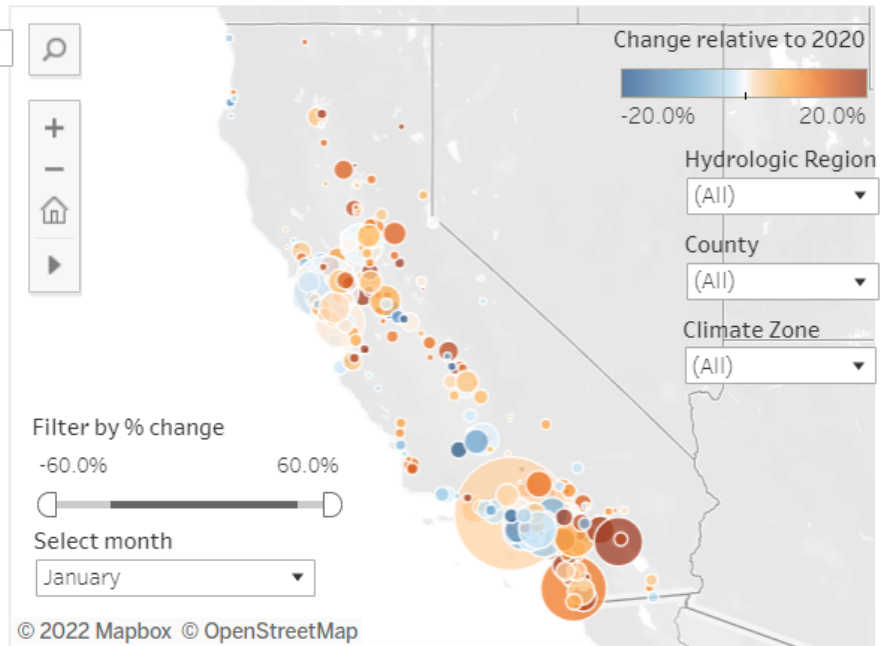
Statewide Use and Production Cumulative Savings Supplier Results Drought Reporting Conservation Actions

Progress Towards 15% Savings

Region Type: Hydrologic Region
 Select months: (Multiple values)

Region	November	December	January	Cumulative
Central Coast	-12.2%	-15.8%	3.7%	-6.9%
Colorado River	-1.4%	-5.8%	19.0%	-2.4%
North Coast	-24.2%	-8.4%	0.3%	-14.9%
North Lahontan	-16.8%	-9.9%	6.0%	-9.4%
Sacramento River	-27.0%	-13.3%	6.3%	-9.0%
San Francisco Bay	-19.7%	-12.8%	-1.4%	-11.0%
San Joaquin River	-17.9%	-11.9%	7.1%	-5.3%
South Coast	0.7%	-18.3%	1.8%	-5.1%
South Lahontan	-0.1%	-4.5%	9.0%	-3.1%
Tulare Lake	-9.7%	-12.2%	-0.2%	-4.7%
Statewide	-7.1%	-15.6%	2.6%	-6.4%

This table shows the change in recent production relative to a 2020 baseline. The cumulative savings calculation is the sum of July to the most recent reporting month. Cumulative savings are only calculated for suppliers with complete data.



Relative bubble size reflects total monthly production.

Agency	Conservation target %	Days per week watering	Nov 2021 use vs 2020 (%)	Dec 2021 use vs 2020 (%)	Jan 2022 use vs 2020 (%)
Cal-Am	Please	3 vol	-20.1	-16.5	5.5
CWD	20 man	3	-32.4	-18.1	3.4
CHWD	10		-25.9	-13.4	1.9
EID	15		-29.6	-18.5	13.7
EGWD	15	3 vol	-31.7	-19.6	6.6
FOWD	20	3 vol	-38.4	-21.7	4.7
Folsom	20 man	2	-33.7	-16.5	-1.2
GSWC	15	3 vol	-32.2	-18.2	-10.2
OVWC	15	3 vol	-35.8	-3.1	7.1
PCWA (ret tr)	15		-26.6	-12.1	10.3
RLECWD	Please				
Roseville	20 man	3	-27.4	-13.0	10.6
Sacramento	15	2	-22.8	-9.6	3.5
SCWA	15	3 vol	-26.9	-12.7	7.5
SJWD	15	3 vol	-45.3	-28.9	19.1
SSWD	15	3 vol	-27.9	-3.4	4.4

STAFF REPORT

AGENDA ITEM VI-1.1

To: Board of Directors
From: Paul Helliker, General Manager
Date: March 23, 2022
Subject: General Manager's Monthly Report (February)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production

Item	2022	2021	Difference
Monthly Production AF	2,040.98	1,341.21	52.2%
Daily Average MG	23.75	15.61	52.2%
Annual Production AF	3,989.88	2,992.41	33.3%

Water Turbidity

Item	February 2022	January 2022	Difference
Raw Water Turbidity NTU	2.18	2.82	-23%
Treated Water Turbidity NTU	0.024	0.025	-4%
Monthly Turbidity Percentage Reduction	99.05%	98.83%	

*Folsom Lake Reservoir Storage Level AF**

Item	2022	2021	Difference
Lake Volume AF	524,563	346,483	51%

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

* Total Reservoir Capacity: 977,000 AF

Other Items of Interest:

- None

SYSTEM OPERATIONS

Distribution Operations:

Item	February 2022	January 2022	Difference
Leaks and Repairs	7	8	-1
Mains Flushed	25	45	-20
Valves Exercised	0	0	0
Hydrants Maintenance	0	0	0
Back Flows Tested	385	0	+385
Customer Service Calls	30	40	-10

Distribution System Water Quality:

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

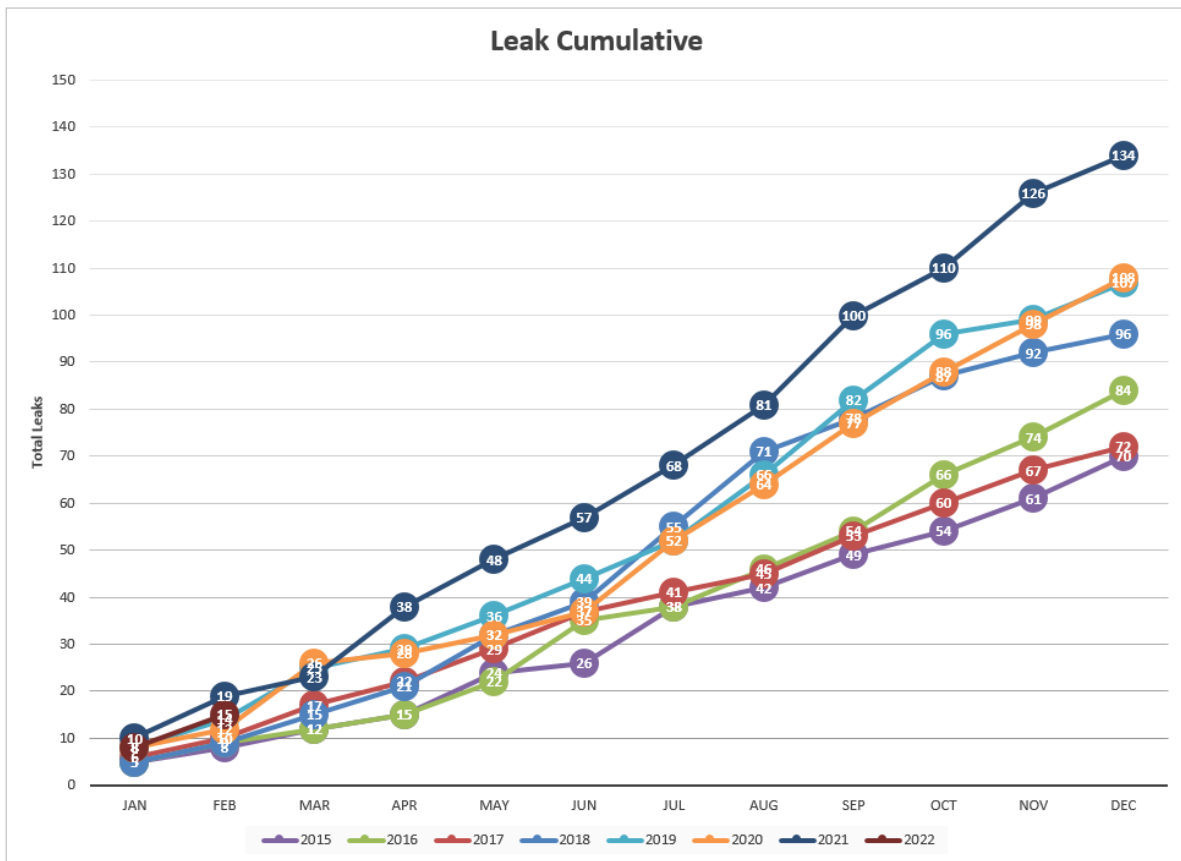


Figure 1: Annual Distribution System Leaks

Other Items of Interest:

- None

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
5021	613	0	0

Water Efficiency Activities for January

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
8	201	2	51

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.
GB Memory Care	Commercial Business (6400 Douglas Blvd)	In Design Review	Planning to begin construction in 2022
Premier Soleil (formerly Granite Bay Townhomes)	52-Lot Subdivision (Douglas, east of Auburn Folsom)	Construction complete	In project close-out
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)	In Construction	Construction started October 2021
Pond View	Commercial Business (5620 5630 5640 Douglas Blvd)	Approved for Construction	Planning to begin construction in 2022
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	In Design Review	Mass grading done. Plans resubmitted for review/approval.
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)	In Construction	Initially will only have one source of supply connection, planning for a future 2 nd connection
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	In Construction	Construction started January 2022
Rancho Del Oro Estates	89-Lot Subdivision (Olive Ranch Rd, east of Cavitt Stallman)	In Construction	Construction started June 2020
Canyon Terrace Apartments	Apartment Complex (7 new buildings; 1600 Canyon Terrace Lane)	In Design Review	Design submitted, under review now
Sierra College Self Storage (8455 Sierra College Blvd)	New 4-building self-storage facility	In Design Review	Comments returned, waiting on resubmittal

ENGINEERING - CAPITAL PROJECTS

Status Update for Current Retail Projects

Project Title	Description	Status	Issues / Notes
Eureka Rd Transmission Main Replacement	Replace approximately 3,925 LF of aged steel transmission pipeline.	In Bid	Construction to start in FY 21/22
SCADA Radio Replacements – North Phase	Replace outdated 900 MHz radios with 173 MHz equipment	In Construction	Radio router issues have now been resolved
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design	Construction in FY 24/25
Cavitt Stallman 12" (Mystery Cr to Oak Pines)	Install new pipeline on Cavitt Stallman between Mystery Creek Ln and Oak Pines Ln.	Complete	In project close-out
Woodminister Circle & Margo Drive Services Replacements	Replace 26 aged residential services and 2 commercial services	Complete	In project close-out
Kokila (SJWD/PCWA) 12-Inch Intertie Pipeline	Interconnection with PCWA	Complete	In project close-out
Kokila Reservoir Replacement	Replace existing hypalon lined and covered reservoir with a new concrete tank.	In Design	Applying for SRF funding. Construction in FY 22/23 or 23/24 depending on construction of the Hinkle Liner and Cover.
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 22/23
UGB & LGB Low Flow Pumps and LGB/CP MOV	Installation of two new low flow pumps, one each at the Lower and Upper Granite Bay pump stations	Complete	In project close-out
Upper Granite Bay Pump Station Generator Replacement	Replacing generator at Upper Granite Bay Pump Station	In Construction	Construction in FY 21/22
Bacon Pump Station Generator Replacement	Replacing generators at Bacon Pump Station	In Bid	Construction in FY 22/23
Field Services 3-sided Parts Shelter	Construction of a 3-sided material storage shelter	In Bid	Construction in FY 22/23

Status Update for Current Wholesale Projects

Project Title	Description	Status (% Complete)	Issues/ Notes
WTP Filters Improvements	R&R Filter Materials, nozzles, and resurface spalled filter floor and wall areas	Complete	In project close-out
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner.	In Bid	Applying for SRF funding. Construction in FY 22/23
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	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	In Bid	Construction in FY 22/23
Wholesale Master Plan	Update of the 2005/07 Wholesale Master Plan	In Design	Plan scheduled to be completed by June 2022

SAFETY & REGULATORY TRAINING – February 2022

Training Course	Staff
Access to Medical Records	All Staff
Confined Space Entry	Field Services Staff
CPR/AED First Aid – Academic	Operations Staff

FINANCE/BUDGET

See attached



San Juan Water District, CA

Wholesale Operating Income Statement

Group Summary

For Fiscal: 2021-2022 Period Ending: 02/28/2022

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	10,043,600.00	9,802,000.00	0.00	6,883,239.47	2,918,760.53
43000 - Rebate	1,500.00	1,500.00	0.00	554.64	945.36
45000 - Other Operating Revenue	29,800.00	29,800.00	1.19	18,665.44	11,134.56
49000 - Other Non-Operating Revenue	109,800.00	109,800.00	36,381.77	55,413.94	54,386.06
Revenue Total:	10,184,700.00	9,943,100.00	36,382.96	6,957,873.49	2,985,226.51
Expense					
51000 - Salaries and Benefits	4,184,300.00	4,184,300.00	244,815.25	2,270,428.79	1,913,871.21
52000 - Debt Service Expense	756,800.00	756,800.00	0.00	511,678.25	245,121.75
53000 - Source of Supply	912,700.00	912,700.00	2,726.00	147,979.73	764,720.27
54000 - Professional Services	609,400.00	609,400.00	9,835.82	357,623.53	251,776.47
55000 - Maintenance	555,400.00	555,400.00	5,108.54	285,204.66	270,195.34
56000 - Utilities	179,700.00	179,700.00	0.00	87,437.86	92,262.14
57000 - Materials and Supplies	616,600.00	616,600.00	348.17	263,158.41	353,441.59
58000 - Public Outreach	52,400.00	52,400.00	0.00	2,640.35	49,759.65
59000 - Other Operating Expenses	478,900.00	478,900.00	3,859.16	302,159.37	176,740.63
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	1,475.00	25.00
69900 - Transfers Out	968,000.00	726,400.00	0.00	0.00	726,400.00
Expense Total:	9,315,700.00	9,074,100.00	266,692.94	4,229,785.95	4,844,314.05
Fund: 010 - WHOLESALE Surplus (Deficit):	869,000.00	869,000.00	-230,309.98	2,728,087.54	-1,859,087.54
Total Surplus (Deficit):	869,000.00	869,000.00	-230,309.98	2,728,087.54	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	869,000.00	869,000.00	-230,309.98	2,728,087.54	-1,859,087.54
Total Surplus (Deficit):	869,000.00	869,000.00	-230,309.98	2,728,087.54	



San Juan Water District, CA

Wholesale Capital Income Statement

Group Summary

For Fiscal: 2021-2022 Period Ending: 02/28/2022

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,248,000.00	1,248,000.00	1,592.57	705,477.77	542,522.23
44000 - Connection Fees	75,000.00	75,000.00	41,343.00	276,524.10	-201,524.10
49000 - Other Non-Operating Revenue	150,000.00	150,000.00	0.00	-5,776.13	155,776.13
49990 - Transfer In	968,000.00	726,400.00	0.00	0.00	726,400.00
Revenue Total:	2,441,000.00	2,199,400.00	42,935.57	976,225.74	1,223,174.26
Expense					
55000 - Maintenance	343,200.00	343,200.00	0.00	169,061.16	174,138.84
61000 - Capital Outlay	1,546,800.00	1,546,800.00	110,656.10	327,764.26	1,219,035.74
Expense Total:	1,890,000.00	1,890,000.00	110,656.10	496,825.42	1,393,174.58
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	551,000.00	309,400.00	-67,720.53	479,400.32	-170,000.32
Total Surplus (Deficit):	551,000.00	309,400.00	-67,720.53	479,400.32	

Fund Summary

Fund	Original	Current	MTD Activity	YTD Activity	Budget
	Total Budget	Total Budget			Remaining
011 - Wholesale Capital Outlay	551,000.00	309,400.00	-67,720.53	479,400.32	-170,000.32
Total Surplus (Deficit):	551,000.00	309,400.00	-67,720.53	479,400.32	



San Juan Water District, CA

Retail Operating Income Statement

Group Summary

For Fiscal: 2021-2022 Period Ending: 02/28/2022

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	13,816,000.00	13,816,000.00	853,717.66	7,244,149.82	6,571,850.18
44500 - Capital Contributions - Revenue	0.00	0.00	0.00	-0.14	0.14
45000 - Other Operating Revenue	466,500.00	466,500.00	17,643.23	192,100.90	274,399.10
49000 - Other Non-Operating Revenue	154,200.00	154,200.00	7,005.75	93,104.00	61,096.00
Revenue Total:	14,436,700.00	14,436,700.00	878,366.64	7,529,354.58	6,907,345.42
Expense					
41000 - Water Sales	0.00	0.00	205.16	2,526.43	-2,526.43
51000 - Salaries and Benefits	5,406,500.00	5,406,500.00	350,769.78	3,158,766.85	2,247,733.15
52000 - Debt Service Expense	480,300.00	480,300.00	0.00	284,710.66	195,589.34
53000 - Source of Supply	3,314,300.00	3,314,300.00	0.00	2,290,925.80	1,023,374.20
54000 - Professional Services	1,499,800.00	1,499,800.00	57,689.31	558,453.21	941,346.79
55000 - Maintenance	349,300.00	349,300.00	11,886.93	185,959.23	163,340.77
56000 - Utilities	416,100.00	416,100.00	0.00	245,015.94	171,084.06
57000 - Materials and Supplies	782,900.00	782,900.00	11,399.22	247,301.98	535,598.02
58000 - Public Outreach	113,000.00	113,000.00	0.00	33,122.51	79,877.49
59000 - Other Operating Expenses	669,700.00	669,700.00	21,676.57	389,760.69	279,939.31
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	1,474.92	25.08
69900 - Transfers Out	757,200.00	757,200.00	0.00	0.00	757,200.00
Expense Total:	13,790,600.00	13,790,600.00	453,626.97	7,398,018.22	6,392,581.78
Fund: 050 - RETAIL Surplus (Deficit):	646,100.00	646,100.00	424,739.67	131,336.36	514,763.64
Total Surplus (Deficit):	646,100.00	646,100.00	424,739.67	131,336.36	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	646,100.00	646,100.00	424,739.67	131,336.36	514,763.64
Total Surplus (Deficit):	646,100.00	646,100.00	424,739.67	131,336.36	



San Juan Water District, CA

Retail Capital Income Statement

Group Summary

For Fiscal: 2021-2022 Period Ending: 02/28/2022

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,248,000.00	1,248,000.00	1,592.57	705,477.98	542,522.02
44000 - Connection Fees	50,000.00	50,000.00	0.00	1,237,315.54	-1,187,315.54
49000 - Other Non-Operating Revenue	83,200.00	83,200.00	0.00	-5,243.39	88,443.39
49990 - Transfer In	757,200.00	757,200.00	0.00	0.00	757,200.00
Revenue Total:	2,138,400.00	2,138,400.00	1,592.57	1,937,550.13	200,849.87
Expense					
54000 - Professional Services	210,000.00	210,000.00	0.00	0.00	210,000.00
61000 - Capital Outlay	8,374,300.00	8,374,300.00	56,992.39	1,995,529.66	6,378,770.34
Expense Total:	8,584,300.00	8,584,300.00	56,992.39	1,995,529.66	6,588,770.34
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	-6,445,900.00	-6,445,900.00	-55,399.82	-57,979.53	-6,387,920.47
Total Surplus (Deficit):	-6,445,900.00	-6,445,900.00	-55,399.82	-57,979.53	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-6,445,900.00	-6,445,900.00	-55,399.82	-57,979.53	-6,387,920.47
Total Surplus (Deficit):	-6,445,900.00	-6,445,900.00	-55,399.82	-57,979.53	

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
185135	U&L GB Pump Stn Low Flow Pumps wi	-10,273.16	48,636.05	-58,909.21
185180	Cavitt Stallman Main - Mystery Crk & (15,406.50	346,913.50	-331,507.00
191235	Solar Site Access Culvert Replacement	0.00	725.54	-725.54
191255	WTP Filter Basins Rehab Project	0.00	51,941.76	-51,941.76
191275	Clarifier Wall Lining & Leakage Repairs	0.00	3,176.75	-3,176.75
191280	Hinkle Reservoir Cover	0.00	20,131.25	-20,131.25
195225	Kokila SJWD/PCWA Intertie	16,922.40	443,050.58	-426,128.18
195240	Woodminister 18 Service Replacemen	7,434.56	166,406.00	-158,971.44
195255	Bacon Pump Station Security Improve	5,066.13	0.00	5,066.13
195265	Douglas Booster Pump Station Electric	0.00	357.58	-357.58
201111	Hinkle Reservoir Overflow Channel Lin	0.00	725.55	-725.55
201144	Hinkle Reservoir Temporary Tanks anc	-52,203.95	47,756.18	-99,960.13
205111	Margo Ln Services Replacements (8 Sh	7,589.84	165,473.30	-157,883.46
205114	AFR 6 inch Main Extension Replaceme	8,130.60	166,474.25	-158,343.65
215105	Eureka Road 18" T-main Design	0.00	104,575.56	-104,575.56
215114	Bacon Pump Station Generator Repla	0.00	49,023.57	-49,023.57
215117	Upper Granite Bay Pump Station Gene	4,812.23	118,992.02	-114,179.79
215120	Kokila Reservoir (Replace Hypalon wlt	0.00	157,247.99	-157,247.99
221139	Turbidimeters Replacement (28)	0.00	83,102.73	-83,102.73
225133	Field Services 3-Sided Parts Shelter	0.00	16,875.50	-16,875.50
225162	Sierra #1 and #4 VFD Replacement	0.00	32,034.20	-32,034.20
Project Totals:		2,885.15	2,023,619.86	-2,020,734.71

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	2,885.15	2,020,443.11	-2,017,557.96
CIP - Expense	0.00	3,176.75	-3,176.75
Group Totals:	2,885.15	2,023,619.86	-2,020,734.71

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	2,885.15	1,815,632.13	-1,812,746.98
Field Services	0.00	48,909.70	-48,909.70
Water Treatment Plant	0.00	159,078.03	-159,078.03
Type Totals:	2,885.15	2,023,619.86	-2,020,734.71

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
		0.00	1,448.69	1,448.69
011-20030	Retentions Payable	52,203.95	0.00	52,203.95
011-700-57120	Maintenance - Facility	0.00	3,176.75	3,176.75
011-700-61120	Capital Outlay - Improvements...	0.00	725.54	725.54
011-700-61145	Capital Outlay - WTP & Improv...	0.00	135,044.49	135,044.49
011-700-61155	Capital Outlay - Reservoirs & I...	0.00	68,612.98	68,612.98
050-20030	Retentions Payable	-7,274.30	0.00	-7,274.30
050-300-50010	Salaries and Wages	0.00	2,154.74	2,154.74
055-20030	Retentions Payable	-47,814.80	0.00	-47,814.80
055-700-61135	Capital Outlay - Pump Stations...	0.00	248,669.95	248,669.95
055-700-61140	Capital Outlay - Buildings & Im...	0.00	16,875.50	16,875.50
055-700-61150	Capital Outlay - Mains/Pipeline...	0.00	1,389,663.23	1,389,663.23
055-700-61155	Capital Outlay - Reservoirs & I...	0.00	157,247.99	157,247.99
GL Account Totals:		-2,885.15	2,023,619.86	2,020,734.71



San Juan Water District, CA

Balance Sheet

Account Summary

As Of 02/28/2022

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	2,820,188.26	16,942,506.64	3,145,672.13	11,792,697.42	34,701,064.45
10510 - Accounts Receivable	1,548,172.97	0.01	446,054.20	-0.01	1,994,227.17
11000 - Inventory	4,720.31	0.00	186,602.72	0.00	191,323.03
12000 - Prepaid Expense	77,455.06	0.00	8,103.98	0.00	85,559.04
14010 - Deferred Outflows	2,397,243.03	0.00	2,408,775.55	0.00	4,806,018.58
17010 - Capital Assets - Work in Progress	8,687,115.48	0.00	871,592.42	0.00	9,558,707.90
17150 - Capital Assets - Land Non-depreciable	98,212.00	0.00	166,272.00	0.00	264,484.00
17160 - Capital Assets - Improvements Other Than Buildings	824,743.09	0.00	94,608.30	0.00	919,351.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	6,345,246.76	0.00	13,392,424.76
17300 - Capital Assets - Buildings & Improvements	1,279,892.05	0.00	275,982.16	0.00	1,555,874.21
17350 - Capital Assets - Water Treatment Plant & Imp	35,721,515.04	0.00	16,000.00	0.00	35,737,515.04
17400 - Capital Assets - Mains/Pipelines & Improvements	28,195,288.95	0.00	46,485,787.92	0.00	74,681,076.87
17500 - Capital Assets - Reservoirs & Improvements	2,923,447.50	0.00	2,492,421.90	0.00	5,415,869.40
17700 - Capital Assets - Equipment & Furniture	13,701,788.65	0.00	1,120,712.36	0.00	14,822,501.01
17750 - Capital Assets - Vehicles	312,488.26	0.00	680,799.24	0.00	993,287.50
17800 - Capital Assets - Software	252,082.02	0.00	588,798.30	0.00	840,880.32
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-41,462,480.52	0.00	-30,651,966.16	0.00	-72,114,446.68
Total Type 1000 - Assets:	65,095,246.15	16,942,506.65	34,681,463.78	11,792,697.41	128,511,913.99
Total Asset:	65,095,246.15	16,942,506.65	34,681,463.78	11,792,697.41	128,511,913.99
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	112,030.67	0.00	112,030.67
Total Type 1000 - Assets:	0.00	0.00	112,030.67	0.00	112,030.67
Type: 2000 - Liabilities					
20010 - Accounts Payable	12,775.26	0.00	108,134.59	13,593.48	134,503.33
20100 - Retentions Payable	0.00	181,676.39	7,274.30	58,087.97	247,038.66
20150 - Customer Deposits	2,644.96	0.00	0.00	0.00	2,644.96
21200 - Salaries & Benefits Payable	30,938.80	0.00	60,874.00	0.00	91,812.80
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	431,555.36	0.00	550,922.63	0.00	982,477.99
21500 - Premium on Issuance of Bonds Series 2017	1,556,168.70	0.00	868,025.18	0.00	2,424,193.88
21600 - OPEB Liability	1,304,245.49	0.00	1,681,681.61	0.00	2,985,927.10

Balance Sheet

As Of 02/28/2022

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21700 - Pension Liability	1,428,545.00	0.00	1,893,652.00	0.00	3,322,197.00
22010 - Deferred Income	0.00	0.00	305,482.01	0.00	305,482.01
22050 - Deferred Inflows	851,929.18	0.00	1,135,692.82	0.00	1,987,622.00
24200 - 2012 Bonds Payable	5,217,205.00	0.00	2,832,795.00	0.00	8,050,000.00
24250 - Bonds Payable 2017 Refunding	14,588,800.00	0.00	8,206,200.00	0.00	22,795,000.00
Total Type 2000 - Liabilities:	25,424,807.76	181,676.39	17,650,734.13	71,681.45	43,328,899.73
Total Liability:	25,424,807.76	181,676.39	17,762,764.80	71,681.45	43,440,930.40
Equity					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	37,134,927.67	0.00	16,724,765.17	0.00	53,859,692.84
30500 - Designated Reserves	-192,576.82	16,281,429.94	62,597.45	11,778,995.49	27,930,446.06
Total Type 3000 - Equity:	36,942,350.85	16,281,429.94	16,787,362.62	11,778,995.49	81,790,138.90
Total Total Beginning Equity:	36,942,350.85	16,281,429.94	16,787,362.62	11,778,995.49	81,790,138.90
Total Revenue	6,957,873.49	976,225.74	7,529,354.58	1,937,550.13	17,401,003.94
Total Expense	4,229,785.95	496,825.42	7,398,018.22	1,995,529.66	14,120,159.25
Revenues Over/Under Expenses	2,728,087.54	479,400.32	131,336.36	-57,979.53	3,280,844.69
Total Equity and Current Surplus (Deficit):	39,670,438.39	16,760,830.26	16,918,698.98	11,721,015.96	85,070,983.59
Total Liabilities, Equity and Current Surplus (Deficit):	65,095,246.15	16,942,506.65	34,681,463.78	11,792,697.41	128,511,913.99



San Juan Water District, CA

Check Report

By Vendor Name

Date Range: 02/01/2022 - 02/28/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
	Void	02/09/2022	Regular	0.00	0.00	57664
	Void	02/09/2022	Regular	0.00	0.00	57668
	Void	02/09/2022	Regular	0.00	0.00	57688
	Void	02/18/2022	Regular	0.00	0.00	57701
	Void	02/09/2022	EFT	0.00	0.00	407793
03845	All Pro Backflow, Inc.	02/25/2022	Regular	0.00	14,445.00	57711
03681	Allied Electronics Inc.	02/25/2022	EFT	0.00	212.67	407828
03406	Alpha Analytical Laboratories Inc.	02/09/2022	Regular	0.00	1,782.00	57643
03406	Alpha Analytical Laboratories Inc.	02/25/2022	Regular	0.00	423.00	57712
01073	Amarjeet Singh Garcha	02/09/2022	Regular	0.00	6,700.00	57644
01073	Amarjeet Singh Garcha	02/18/2022	Regular	0.00	1,500.00	57694
01039	American Family Life Assurance Company of Colu	02/25/2022	Bank Draft	0.00	410.65	Q3869 02-25-20
01039	American Family Life Assurance Company of Colu	02/25/2022	Bank Draft	0.00	40.56	Q3869 02-25-20
01039	American Family Life Assurance Company of Colu	02/25/2022	Bank Draft	0.00	370.09	Q3869 02-25-20
01026	American River Ace Hardware, Inc.	02/18/2022	Regular	0.00	11.62	57695
01026	American River Ace Hardware, Inc.	02/25/2022	Regular	0.00	84.93	57713
03838	Aria Service Group	02/09/2022	Regular	0.00	1,382.00	57645
03838	Aria Service Group	02/25/2022	Regular	0.00	1,382.00	57714
01328	Association of California Water Agencies / Joint P	02/09/2022	EFT	0.00	6,271.36	407791
01328	Association of California Water Agencies / Joint P	02/18/2022	EFT	0.00	6,749.94	407815
01898	Association of California Water Agencies / JPIA	02/09/2022	EFT	0.00	21,190.62	407792
01138	AT&T Mobility II LLC	02/18/2022	Regular	0.00	63.24	57696
01164	Backflow Distributors Inc	02/25/2022	Regular	0.00	116.93	57715
03758	Barry W. Leeder, Inc.	02/09/2022	EFT	0.00	110.96	407794
03758	Barry W. Leeder, Inc.	02/25/2022	EFT	0.00	196.58	407829
01210	Blackburn Manufacturing Company	02/25/2022	EFT	0.00	448.84	407830
03594	Borges & Mahoney, Inc.	02/25/2022	Regular	0.00	1,039.76	57716
01232	Brower Mechanical, Inc.	02/09/2022	EFT	0.00	1,015.00	407795
03316	Brown, Lisa	02/09/2022	Regular	0.00	200.00	57646
01234	Bryce HR Consulting, Inc.	02/09/2022	EFT	0.00	2,295.00	407796
01235	BSK Associates	02/18/2022	EFT	0.00	50.00	407816
01235	BSK Associates	02/25/2022	EFT	0.00	28.00	407831
03649	Caggiano General Engineering, Inc.	02/09/2022	Regular	0.00	24,331.43	57647
01282	California Independent System Operator Corporat	02/18/2022	EFT	0.00	145.80	407817
03080	California State Disbursement Unit	02/08/2022	Bank Draft	0.00	1,358.76	PAY0000000003
03080	California State Disbursement Unit	02/18/2022	Bank Draft	0.00	1,358.76	PAY0000000003
03078	CalPERS Health	02/04/2022	Bank Draft	0.00	40,271.90	1002035159
03078	CalPERS Health	02/04/2022	Bank Draft	0.00	43,772.30	1002035159
03078	CalPERS Health	02/04/2022	Bank Draft	0.00	46,000.66	1002035159
03130	CalPERS Retirement	02/07/2022	Bank Draft	0.00	35,331.25	1002040272
03130	CalPERS Retirement	02/18/2022	Bank Draft	0.00	441.57	1002050208
03130	CalPERS Retirement	02/18/2022	Bank Draft	0.00	34,413.92	1002050208
01337	Central Valley Project Water Association	02/25/2022	Regular	0.00	1,247.28	57717
03221	Chemtrade Chemicals Corporation	02/09/2022	EFT	0.00	39,940.32	407797
01366	Citistreet/CalPERS 457	02/07/2022	Bank Draft	0.00	5,769.71	1002040275
01366	Citistreet/CalPERS 457	02/18/2022	Bank Draft	0.00	5,758.85	1002050211
01372	City of Folsom	02/25/2022	Regular	0.00	31.55	57718
01378	Clark Pest Control of Stockton	02/09/2022	Regular	0.00	242.00	57648
01378	Clark Pest Control of Stockton	02/25/2022	Regular	0.00	340.00	57719
03172	Cosens, Eric	02/09/2022	Regular	0.00	200.00	57649
01588	County of Placer dba Eureka Union Elementary Sc	02/09/2022	Regular	0.00	252.00	57650
02214	County of Placer Engineering & Surveying	02/25/2022	Regular	0.00	6,706.91	57720
01423	County of Sacramento	02/09/2022	Regular	0.00	220.00	57651
01521	DataProse, LLC	02/18/2022	EFT	0.00	3,704.47	407818

Check Report

Date Range: 02/01/2022 - 02/28/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03548	Digital Deployment, Inc.	02/09/2022	EFT	0.00	4,800.00	407798
01503	Division 5-15, A California Corporation	02/18/2022	EFT	0.00	11,700.56	407819
01509	Domenichelli & Associates, Inc.	02/09/2022	EFT	0.00	10,752.50	407799
01519	Downtown Ford Sales	02/25/2022	Regular	0.00	85,938.64	57721
03163	Economic Development Department	02/08/2022	Bank Draft	0.00	8,695.81	0-411-910-752
03163	Economic Development Department	02/08/2022	Bank Draft	0.00	1,513.18	1-374-888-544
03163	Economic Development Department	02/08/2022	Bank Draft	0.00	41.35	1-374-888-544
03163	Economic Development Department	02/18/2022	Bank Draft	0.00	7,963.74	1-692-545-632
03776	EETS Inc.	02/18/2022	EFT	0.00	12,748.40	407820
03740	E-Hazard Management LLC	02/09/2022	EFT	0.00	22,600.55	407800
03749	Eide Bailly LLP	02/25/2022	EFT	0.00	1,225.00	407832
01554	Electrical Equipment Co	02/09/2022	Regular	0.00	750.32	57652
01574	Endress + Hauser, Inc.	02/09/2022	EFT	0.00	3,608.52	407801
03699	Enviromental System Research Institute, Inc.	02/18/2022	EFT	0.00	3,000.00	407821
03702	Flowline Contractors, Inc.	02/09/2022	EFT	0.00	23,363.00	407802
03784	Forsgren Associates Inc.	02/09/2022	EFT	0.00	272.50	407803
01651	Future Ford, Inc.	02/09/2022	EFT	0.00	81,709.82	407804
03794	Generac Power Systems, Inc.	02/25/2022	EFT	0.00	1,836.30	407833
03790	Global Machinery International West LLC	02/25/2022	EFT	0.00	261.14	407834
03091	Granite Bay Ace Hardware	02/09/2022	Regular	0.00	190.83	57653
01706	Graymont Western US Inc.	02/09/2022	EFT	0.00	12,359.50	407805
01721	Hach Company	02/25/2022	EFT	0.00	2,207.56	407835
01733	Harris Industrial Gases	02/09/2022	Regular	0.00	76.45	57654
03810	Hildebrand Consulting, LLC	02/09/2022	Regular	0.00	840.00	57655
01763	Holt of California	02/25/2022	Regular	0.00	4,996.08	57722
03072	HUNT & SONS INC.	02/09/2022	Regular	0.00	358.46	57656
03383	Infererra Construction Management Group, Inc.	02/09/2022	Regular	0.00	2,900.00	57657
03164	Internal Revenue Service	02/07/2022	Bank Draft	0.00	6,839.12	2702438002384
03164	Internal Revenue Service	02/07/2022	Bank Draft	0.00	468.78	2702438002384
03164	Internal Revenue Service	02/07/2022	Bank Draft	0.00	48,219.43	2702438956938
03164	Internal Revenue Service	02/18/2022	Bank Draft	0.00	46,875.56	2702449446059
01917	Kennedy/Jenks Consultants, Inc.	02/09/2022	EFT	0.00	11,251.79	407806
01917	Kennedy/Jenks Consultants, Inc.	02/18/2022	EFT	0.00	2,601.25	407822
01959	Les Schwab Tire Centers of California Inc	02/09/2022	Regular	0.00	594.43	57658
01959	Les Schwab Tire Centers of California Inc	02/18/2022	Regular	0.00	497.55	57697
01982	Machado, George	02/09/2022	Regular	0.00	1,000.00	57659
02015	Mayer, Christopher	02/09/2022	Regular	0.00	650.00	57660
02024	MCI WORLDCOM	02/09/2022	Regular	0.00	51.99	57661
01472	Mel Dawson, Inc.	02/09/2022	EFT	0.00	10,164.21	407807
01472	Mel Dawson, Inc.	02/25/2022	EFT	0.00	1,932.45	407836
02022	Morgan, Daren P.	02/18/2022	Regular	0.00	333.85	57698
02463	New AnswerNet Inc.	02/18/2022	EFT	0.00	260.00	407823
02320	Nush, Robert	02/09/2022	Regular	0.00	800.00	57662
02131	Office Depot, Inc.	02/09/2022	Regular	0.00	691.68	57663
02131	Office Depot, Inc.	02/18/2022	Regular	0.00	273.46	57699
02131	Office Depot, Inc.	02/25/2022	Regular	0.00	32.56	57723
02148	Pac Machine Company, Inc.	02/25/2022	Regular	0.00	670.97	57724
02150	Pace Supply Corp	02/09/2022	Regular	0.00	6,826.10	57665
02158	Pacific Storage Company	02/09/2022	EFT	0.00	75.33	407808
03801	PeopleReady, Inc	02/09/2022	Regular	0.00	5,945.38	57666
02146	PG&E	02/09/2022	Regular	0.00	5,347.78	57667
02146	PG&E	02/18/2022	Regular	0.00	5,526.14	57700
02146	PG&E	02/25/2022	Regular	0.00	10.00	57725
02216	Placer County Public Works	02/25/2022	Regular	0.00	75.00	57726
02221	Placer Waterworks, Inc.	02/25/2022	Regular	0.00	2,667.43	57727
02276	Potter, Randall L	02/09/2022	Regular	0.00	250.00	57669
02276	Potter, Randall L	02/09/2022	Regular	0.00	-250.00	57669
02276	Potter, Randall L	02/18/2022	Regular	0.00	450.00	57702
03543	Quadient Finance USA, Inc. - Postage	02/25/2022	EFT	0.00	1,000.00	407837
02275	Ramos Oil Recyclers Inc	02/25/2022	EFT	0.00	112.00	407838
03843	Raptis, Matthew	02/09/2022	Regular	0.00	99.00	57670

Check Report

Date Range: 02/01/2022 - 02/28/2022

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02283	Recology Auburn Placer	02/09/2022	Regular	0.00	714.91	57671
02223	Rexel Inc (Platt - Rancho Cordova)	02/09/2022	Regular	0.00	710.40	57672
02223	Rexel Inc (Platt - Rancho Cordova)	02/25/2022	Regular	0.00	4,350.21	57728
02293	RFI Enterprises, Inc	02/09/2022	Regular	0.00	449.34	57673
03828	Richard D. Jones, A Professional Law Corporation	02/09/2022	Regular	0.00	3,340.00	57674
02298	Richardson & Company, LLP	02/09/2022	Regular	0.00	7,775.00	57675
02302	Riebes Auto Parts, LLC	02/09/2022	Regular	0.00	160.95	57676
02328	Rocklin Windustrial Co	02/09/2022	Regular	0.00	115.64	57677
02328	Rocklin Windustrial Co	02/25/2022	Regular	0.00	50.29	57729
02357	Sacramento Municipal Utility District (SMUD)	02/09/2022	Regular	0.00	12,016.31	57678
02357	Sacramento Municipal Utility District (SMUD)	02/25/2022	Regular	0.00	10,364.88	57730
02452	Sierra National Construction, Inc.	02/09/2022	Regular	0.00	13,855.39	57679
03822	SIJ Holdings LLC	02/18/2022	EFT	0.00	359.53	407824
02514	State Water Resources Control Board - SWRCB	02/09/2022	Regular	0.00	3,146.00	57680
01411	SureWest Telephone	02/09/2022	Regular	0.00	3,516.34	57681
02572	Thatcher Company of California, Inc.	02/09/2022	EFT	0.00	6,210.00	407809
02580	The Eidam Corporation	02/09/2022	Regular	0.00	8,867.35	57682
02580	The Eidam Corporation	02/18/2022	Regular	0.00	3,050.91	57703
03840	The Permanente Medical Group, Inc.	02/09/2022	Regular	0.00	384.00	57683
03799	Thrikettle Corporation	02/09/2022	Regular	0.00	2,675.00	57684
03799	Thrikettle Corporation	02/18/2022	Regular	0.00	321.74	57704
03763	Trucksmart	02/09/2022	Regular	0.00	3,224.93	57685
02638	Tyler Technologies, Inc.	02/09/2022	Regular	0.00	9,835.00	57686
02651	United Parcel Service Inc	02/09/2022	Regular	0.00	294.10	57687
03077	VALIC	02/07/2022	Bank Draft	0.00	200.00	214200
03077	VALIC	02/07/2022	Bank Draft	0.00	3,130.74	214200
03077	VALIC	02/22/2022	Bank Draft	0.00	2,941.11	215687
02690	Verizon Wireless	02/09/2022	Regular	0.00	2,230.52	57689
02700	Viking Shred LLC	02/09/2022	Regular	0.00	120.00	57690
01687	W. W. Grainger, Inc.	02/09/2022	Regular	0.00	1,084.50	57691
01687	W. W. Grainger, Inc.	02/25/2022	Regular	0.00	550.00	57731
02710	WageWorks, Inc	02/09/2022	EFT	0.00	148.00	407810
03387	WageWorks, Inc	02/09/2022	EFT	0.00	318.88	407811
03387	WageWorks, Inc	02/18/2022	EFT	0.00	318.88	407825
01068	Walker, Glenn C.	02/09/2022	Regular	0.00	1,345.76	57692
01486	WAPA - Department of Energy	02/09/2022	EFT	0.00	1,520.69	407812
01486	WAPA - Department of Energy	02/18/2022	EFT	0.00	2,722.29	407826
03791	Water Systems Consulting, Inc.	02/09/2022	EFT	0.00	39,897.73	407813
03791	Water Systems Consulting, Inc.	02/18/2022	EFT	0.00	35,512.65	407827
03831	Water Works Engineers, LLC	02/25/2022	Regular	0.00	49,888.34	57732
02311	Watson, Rob	02/25/2022	Regular	0.00	300.00	57733
02730	Western Area Power Administration	02/09/2022	EFT	0.00	2,716.00	407814
02730	Western Area Power Administration	02/25/2022	EFT	0.00	2,716.00	407839
02766	Youngdahl Consulting Group, Inc.	02/09/2022	Regular	0.00	2,217.50	57693

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	154	81	0.00	338,501.06
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	-250.00
Bank Drafts	24	24	0.00	342,187.80
EFT's	86	49	0.00	394,642.59
	264	159	0.00	1,075,081.45

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	154	81	0.00	338,501.06
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	-250.00
Bank Drafts	24	24	0.00	342,187.80
EFT's	86	49	0.00	394,642.59
	264	159	0.00	1,075,081.45

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	2/2022	1,075,081.45
			1,075,081.45



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2021 - 02/28/2022

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 Name	Dist Amount					
Vendor Set: 01 - Vendor Set 01													
02556 - Costa, Ted													
Exp Reimb 12-2021	Mileage Reimbursement			12-2021		407782	1/21/2022	459.20	0.00	0.00	0.00	459.20	459.20
Mileage Reimbursement		0.00	0.00	12/31/2021	010-010-52110		Training - Meetings, Education & Trai	229.60				459.20	459.20
					050-010-52110		Training - Meetings, Education & Trai	229.60					
03092 - Rich, Dan													
Exp Reimb 12-2021	Mileage Dec & Expense Reimb			12-2021-ACW.12/31/2021		407787	1/21/2022	1,213.25	0.00	0.00	0.00	1,213.25	1,213.25
Mileage Dec & Expense R		0.00	0.00	12/31/2021	010-010-52110		Training - Meetings, Education & Trai	606.62				1,213.25	1,213.25
					050-010-52110		Training - Meetings, Education & Trai	606.63					
02162 - Tobin, Pamela													
Exp Reimb 08-2021	Mileage Reimbursement-Lunch Mtng			Ryan Jc7/31/2021		407538	8/24/2021	41.18	0.00	0.00	0.00	41.18	41.18
Mileage Reimbursement-		0.00	0.00	7/31/2021	010-010-52110		Training - Meetings, Education & Trai	20.59				41.18	41.18
					050-010-52110		Training - Meetings, Education & Trai	20.59					
Exp Reimb 10-2021	Mileage & Exp Reimb-Various Mtngs & Water			10/31/2021		407688	11/15/2021	108.24	0.00	0.00	0.00	108.24	108.24
Mileage & Exp Reimb-Var		0.00	0.00	10/31/2021	010-010-52110		Training - Meetings, Education & Trai	54.12				108.24	108.24
					050-010-52110		Training - Meetings, Education & Trai	54.12					
Exp Reimb 12-2021	Mileage Reimbursement			12-2021		407788	1/21/2022	6.72	0.00	0.00	0.00	6.72	6.72
Mileage Reimbursement		0.00	0.00	12/9/2021	010-010-52110		Training - Meetings, Education & Trai	3.36				6.72	6.72
					050-010-52110		Training - Meetings, Education & Trai	3.36					
Vendors: (3) Total 01 - Vendor Set 01:								1,828.59	0.00	0.00	0.00	1,828.59	1,828.59
Vendors: (3) Report Total:								1,828.59	0.00	0.00	0.00	1,828.59	1,828.59



Payroll Set: 01-San Juan Water District

Employee Number	Employee Name	Pay Code	# of Payments	Units	Pay Amount
0690	Costa, Ted	Reg - Regular Hours	8	52.00	6,500.00
			0690 - Costa Total:	52.00	6,500.00
1028	Hanneman, Martin	Reg - Regular Hours	7	30.00	3,750.00
			1028 - Hanneman Total:	30.00	3,750.00
0670	Miller, Ken	Reg - Regular Hours	7	25.00	3,125.00
			0670 - Miller Total:	25.00	3,125.00
1003	Rich, Daniel	Reg - Regular Hours	7	25.00	3,125.00
			1003 - Rich Total:	25.00	3,125.00
0650	Tobin, Pamela	Reg - Regular Hours	8	80.00	10,000.00
			0650 - Tobin Total:	80.00	10,000.00
			Report Total:	212.00	26,500.00



Payroll Set: 01-San Juan Water District

<u>Account</u>	<u>Account Description</u>	<u>Units</u>	<u>Pay Amount</u>
010-010-58110	Director - Stipend	106.00	13,250.00
	010 - WHOLESALE Total:	106.00	13,250.00
050-010-58110	Director - Stipend	106.00	13,250.00
	050 - RETAIL Total:	106.00	13,250.00
	Report Total:	212.00	26,500.00



Payroll Set: 01-San Juan Water District

Pay Code	Description	# of Payments	Units	Pay Amount
Reg - Regular Hours	Regular Hours	37	212.00	26,500.00
		Report Total:	212.00	26,500.00

2021/22 Actual Deliveries and Revenue - By Wholesale Customer Agency

July 2021 -February 2022								
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	8,213	\$ 2,183,979	8,063	\$ 2,171,850	(149)	-1.8%	\$ (12,129)	-0.6%
Citrus Heights Water District	6,625	\$ 1,973,400	4,442	\$ 1,796,236	(2,183)	-33.0%	\$ (177,164)	-9.0%
Fair Oaks Water District	4,536	\$ 1,366,389	4,265	\$ 1,344,394	(271)	-6.0%	\$ (21,995)	-1.6%
Orange Vale Water Co.	2,624	\$ 712,870	2,495	\$ 702,354	(130)	-4.9%	\$ (10,516)	-1.5%
City of Folsom	775	\$ 211,875	716	\$ 207,066	(59)	-7.6%	\$ (4,810)	-2.3%
Granite Bay Golf Course	213	\$ 7,530	226	\$ 7,985	13	6.1%	\$ 456	6.1%
Sac Suburban Water District (SSW)	-	\$ -	1,619	\$ 486,666	1,619		\$ 486,666	
TOTAL	22,987	\$ 6,456,044	21,826	\$ 6,716,551	(1,161)	-5.0%	\$ 260,507	4.0%

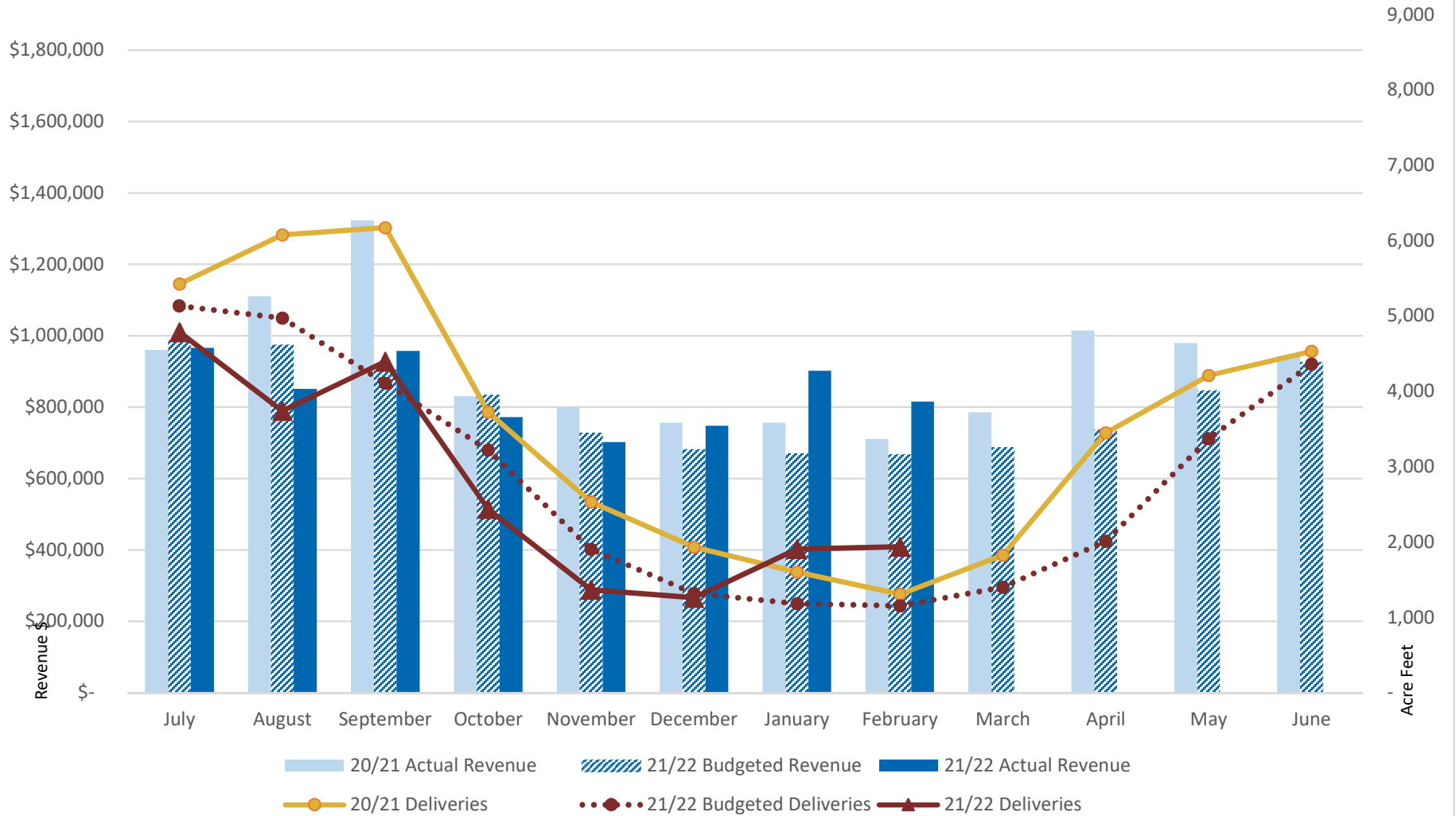
Budgeted Deliveries	22,987
Actual Deliveries	21,826
Difference	(1,161)
	-5.0%
Budgeted Water Sale Revenue	\$ 6,456,044
Actual Water Sale Revenue	\$ 6,716,551
Difference	\$ 260,507
	4.0%

Conclusion:

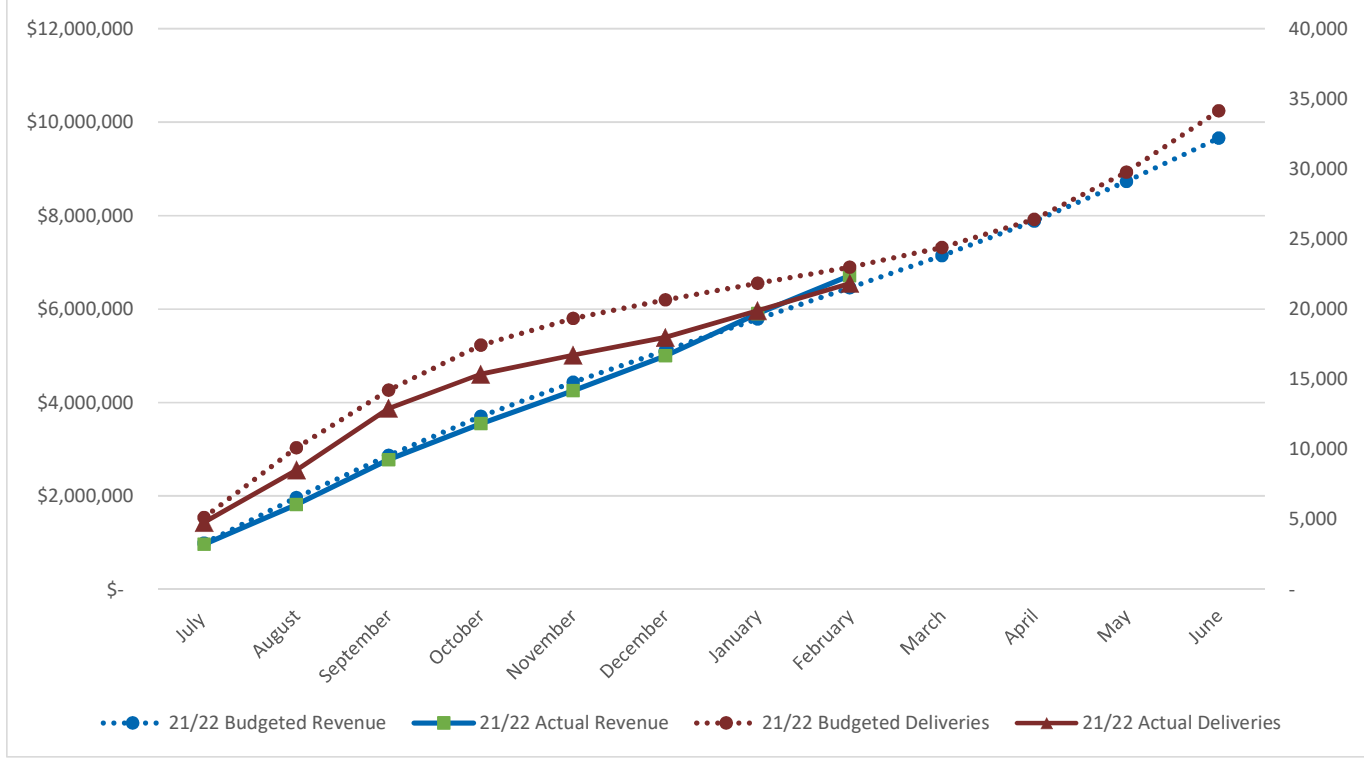
January and February water deliveries were higher than anticipated bringing total deliveries to 5% less than budgeted, as compared to 8.9% less in the prior months' year to date analysis. As shown in the numbers above, the main drivers of the decline are due to lower demands from the regular wholesale customer agencies. However, unbudgeted sales to SSWD have significantly reduced the impact of the demand decreases of the regular customers. Excluding SSWD and CWD, deliveries for July - February are down by 05,088 acre feet, an 20% decline from the same period last year. The budget anticipated a 7.5% decline in deliveries.

Because the majority of revenues come from the quarterly service charge, and because of the revenues from the sales to SSWD, revenues are actually 4% greater than anticipated in the budget for this time of year.

Comparison of Fiscal Year 2020/2021 Actuals to 2021/2022 Projections and Actuals of Deliveries and Revenue



Cumulative Water Deliveries and Revenues FY 2021-22



AGENDA ITEM VII-2

RWA Executive Committee meeting notes

3-23-22

Committees

Water Quality Committee – is it a standing committee? They plan to have Bonnie the water quality guru come talk about what she knows about the consequences of the October 24 storm event.

RWA Policy 200.2 ad hoc committee (EC authority) – Dan York plans to set one up

Compensation Study

RFP is out. The plan is to select a firm to do the study by April 29.

2022-23 Budget (proposed recommendations from EC)

Associate member dues increase cap discussion - applies to 5 associate members, who contribute \$57,000 in dues

20% of Amy Talbot cost to be paid by core program

Reduction of some rent costs

Possible meter subscription program

Legislation

Executive Committee approved the positions on various bills.

Discussion about prioritization – we had recommended that Ryan Ojakian note on his reports to the advocacy committee which bills will take his time to lobby and which are just positions, and that committee seemed supportive of discussing such a format, but has not done so as of yet. Consequently, this discussion at the EC was premature. Jim Peifer stated that RWA could not do much on regulatory issues without more staff, which neglects the work that Rob Swartz, Amy Talbot and Ryan Ojakian currently do on regulatory topics. This issue of prioritization needs to be discussed at the Board.

RWA Board meeting format

Some want to return to meeting in person, and others support dual-mode, the latter for a variety of reasons (health concerns, convenience, avoid wasting time driving, reducing carbon emissions, etc.) This issue also needs to be discussed at the Board, although Jim Peifer said he would research options and costs.

Executive Director's Report

CNRA/CalEPA news conference

Carmichael got a grant from DWR

AGENDA ITEM VIII-1

DRAFT

Engineering Committee Meeting Minutes San Juan Water District March 15, 2022 3:00 p.m.

Committee Members: Dan Rich, Chair
Manuel Zamorano, Member

District Staff: Paul Helliker, General Manager
Tony Barela, Operations Manager
Andrew Pierson, Engineering Services Manager
Adam Larsen, Field Services Manager
Greg Turner, Water Treatment Plant Manager
Mark Hargrove, Senior Engineer
Donna Silva, Director of Finance
Teri Grant, Board Secretary/Administrative Assistant

Topics: Eureka Road Pipeline Replacement Project (R)
Eureka Road Pipeline Replacement Project (R)
Baldwin Channel Improvements Project (W)
Baldwin Reservoir Fire Break Improvements Project (W)
Hinkle Reservoir Liner and Cover Replacement Project Update (W)
Other Engineering Matters
Public Comment

1. Eureka Road Pipeline Replacement Project (R)

Mr. Hargrove provided the committee with a staff report, which will be attached to the meeting minutes. He reviewed the project and explained that thirteen (13) contractors attended the mandatory pre-bid meeting and six (6) bids were received, and Flowline was the lowest responsive, responsible bidder.

The Engineering Committee recommends consideration of a motion for authorization and approval to award a construction contract to Flowline Contractors, Inc. for the construction of the Eureka Road Pipeline Replacement Project for the amount of \$2,710,202.20 with a construction contingency of \$271,020 (10%) for a total authorized budget of \$2,981,222.20.

2. Eureka Road Pipeline Replacement Project (R)

Mr. Hargrove provided the committee with a staff report, which will be attached to the meeting minutes. He explained that in response to the District's Request for Proposals for professional engineering services for design of the Eureka Road Pipeline Replacement Project (Project), Domenichelli & Associates (D&A) submitted a proposal and was awarded the design contract. Included with D&A's and the other consultant's proposals was the optional task to provide inspection services during construction. This amendment implements the option for D&A to provide full time construction inspection services through the completion of the Project.

The Engineering Committee recommends consideration of a motion for authorization and approval of Contract Amendment No. 2 with Domenichelli & Associates, Inc. for inspection services during the construction of the Eureka Road Pipeline Replacement Project in the amount of \$106,500, bringing their total contract amount to \$315,987, with a total authorized budget of \$329,111 which includes a 10% contingency.

3. Baldwin Channel Improvements Project (W)

Mr. Barela provided the committee with a staff report, which will be attached to the meeting minutes. He reviewed the project and explained that seventeen (17) contractors attended the mandatory pre-bid meeting and five (5) bids were received, and Sierra National Construction, Inc., was the lowest responsive, responsible bidder.

The Engineering Committee recommends consideration of a motion for authorization and approval to award a construction contract to Sierra National Construction, Inc. for the construction of the Baldwin Channel Improvements Project in the amount of \$547,000 with a construction contingency of \$54,700 (10%) for an authorized total construction budget of \$601,700.

4. Baldwin Reservoir Fire Break Improvements Project (W)

Mr. Larsen provided the committee with a staff report, which will be attached to the meeting minutes. He reviewed the project and explained that two (2) contractors attended the mandatory pre-bid meeting and one (1) bid was received. It was determined that the technical qualifications and proposed cost for service meet the District's needs, therefore, Tree Pro Tree Service, Inc. is best suited for the completion of this project.

In response to Director Rich's question, Mr. Larsen explained that staff met with Placer County Environmental and the District was granted an exemption to any environmental requirements due to this being a public safety issue as long as the District completes the project within a certain time period to avoid nesting and other environmental issues.

The Engineering Committee recommends consideration of a motion for authorization and approval to award a construction contract to Tree Pro Tree Services, Inc. for the construction of the Baldwin Reservoir Fire Break Improvements Project in the amount of \$129,000 plus a 10% contingency, for a total authorized amount of \$141,900.

5. Hinkle Reservoir Liner and Cover Replacement Project Update (W)

Mr. Pierson reported that since the storage forecast looks good for Folsom Reservoir, staff issued a Request for Proposals (RFP) for the Hinkle Reservoir Liner and Cover Replacement Project on March 8th with a mandatory pre-bid meeting scheduled for March 17th. Bids are due April 19th and the contract recommendation will be presented to the Board at its April meeting.

In response to Director Rich's question, Mr. Pierson informed the committee that a draft SRF agreement for funding was received and will be sent for legal review.

Mr. Barela reported that he attended the Fair Oaks Water District (FOWD) meeting to give them an update on the project and inform them that the project was moving forward. In addition, he requested that they support the District's conservation efforts related to this project. He explained that the District will be requesting its retail and wholesale residential customers to discontinue outside watering during the months of November 2022 through April 2023 in order to keep demands down during the project.

Mr. Barela informed the committee that there is a video being produced for public outreach and there will be mailers sent to the wholesale and retail customers to inform them about the

project and to request that they turn off their irrigation systems. GM Helliker reported that they will be at the Citrus Heights Water District (CHWD) Board meeting on March 16th and then the Orange Vale Water Company Board meeting in April to deliver the same message. Mr. Barela explained that keeping the Water Treatment Plant running at 25-30 MGD during the project is the best scenario based on all the modeling and exercises that have been completed. In addition, Mr. Barela informed the committee that if demands are too high during the project, then CHWD will be asked to turn on their wells, and at this time, it is unclear whether or not FOWD will participate with this project.

6. Other Engineering Matters

Mr. Barela informed the committee that FOWD will be opening their connection to the Fair Oaks-40 pipeline. He explained that FOWD has not taken water from that pipeline in several years and has only received water from San Juan through another pipeline. FOWD will need to flush the pipeline prior to use in order to remove the stagnant water.

GM Helliker informed the committee that there has been some migration of the sealant used during the Filter Basin Replacement Project that needs to be removed and the issue corrected. He explained that there will be some expenses that are above his authority level and due to the urgency of this issue, the District's Procurement Policy allows him to incur those expenses as long as he secures concurrence by two Board members in advance. Directors Rich and Zamorano concurred in the emergency expenses. In addition, he will bring a request for approval of the full project cost to the Board at the March 23rd Board meeting. Mr. Pierson explained that he spoke with the contractor to obtain an estimate and it should cost approximately \$550-600,000. Ms. Silva informed the committee that the wholesale budget will cover \$503,000, so either a budget amendment will be needed or staff will need to delay another project. She explained that there is adequate wholesale reserves to cover the cost. Director Rich would like to see the budget amended instead of delaying any projects.

7. Public Comment

There were no public comments.

The meeting was adjourned at 3:58 p.m.

**Finance Committee Meeting Minutes
San Juan Water District
March 22, 2022
4:00 p.m.**

Committee Members: Ted Costa, Director (Chair)
Ken Miller, Director

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

1. Review General Manager Reimbursements (W & R)

There was no reimbursement request from the General Manager.

2. Review Check Register from February 2022 (W & R)

The committee reviewed the February 2022 check register and found them to be in order.

3. Review Legal Bills (W & R)

The committee reviewed the legal bills and found them to be in order.

4. Other Finance Matters (W & R)

In response to Director Costa's comment, Ms. Silva informed the committee that inflation will likely cause a large Cost of Living Adjustment to Salaries, as it is tied to the March over March CPI. The Fed has indicated it will be raising interest rates to combat inflation. Interest rate hikes will make the cost of borrowing go up, but it also increases the interest earned in the District's investment portfolio. Ms. Silva also informed the committee that the SRF funding for the Hinkle project was in process and will be brought to the Board in April. In addition, the Eureka Road project funding application is also in process but will not be funded until the design phase is complete. She explained that the SRF process requires the design phase to be complete before funding is approved and that is why some of the projects in the CIP have the design phase scheduled earlier than in the past.

Director Costa disclosed that he received a call from someone regarding expenditures and a large water users meeting scheduled this week, where they will be discussing the Auburn Dam. In addition, he mentioned that he received a call from the ACWA Chair (Pam Tobin) regarding ACWA's \$500,000 lobbying efforts informing him that the District should not go against ACWA's efforts. GM Helliker informed the committee that a group of general managers has begun to organize a lobbying/educational campaign with legislators, to promote funding water investments, such as the water bank, new storage, voluntary agreements, etc. The group would augment, not compete against ACWA's efforts.

5. Public Comment

There were no public comments.

The meeting was adjourned at 4:16 p.m.