

SAN JUAN WATER DISTRICT

Board of Director's Board Meeting Minutes

August 19, 2020 – 6:00 p.m.

Conducted via Videoconference & In-Person

BOARD OF DIRECTORS

Ted Costa	President
Pam Tobin	Vice President via videoconference
Marty Hanneman	Director via videoconference
Ken Miller	Director
Dan Rich	Director via videoconference

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Operations Manager
Andrew Pierson	Engineering Services Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant
Jennifer Buckman	Legal Counsel

OTHER ATTENDEES

Mitch Dion	Rate Payer
Sandy Harris	Rate Payer

AGENDA ITEMS

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

President Costa called the Regular Board meeting to order at 6:19 p.m., immediately after the Special Board meeting.

I. ROLL CALL

The Board Secretary took a roll call of the Board during the Special Board meeting. The following directors were present in-person: Ted Costa and Ken Miller. The

following directors were present via teleconference: Marty Hanneman, Dan Rich and Pam Tobin.

II. PUBLIC FORUM

There were no public comments.

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. **Minutes of the Board of Directors Meeting, July 22, 2020 (W & R)**
Recommendation: Approve draft minutes
2. **Minutes of the Board of Directors Special Meeting, July 22, 2020 (W & R)**
Recommendation: Approve draft minutes
3. **Minutes of the Board of Directors Special Meeting, August 3, 2020 (W & R)**
Recommendation: Approve draft minutes
4. **Minutes of the Board of Directors Special Meeting, August 5, 2020 (W & R)**
Recommendation: Approve draft minutes
5. **Upper and Lower Granite Bay Pump Stations – Low Flow Pump Improvements Project – Construction Phase Support Services (R)**
Recommendation: For authorization and approval of a professional services contract for Construction Phase Support Services during construction of the Upper and Lower Granite Bay Low Flow Pumps Project
6. **Baldwin Channel Lining and Culvert Project – Environmental Permitting (W)**
Recommendation: To approve authorization and approval of Amendment #1 to ECorp Consulting, Inc. for Environmental Services for the Baldwin Channel Lining and Culvert Project
7. **Treasurers Report – Quarter Ending June 30, 2020 (W & R)**
Recommendation: Receive and File
8. **Capital Asset Policy Revisions (W & R)**
Recommendation: Approve amendments to the FIN-5.2 Capital Asset Policy
9. **Investment Policy Revisions (W & R)**
Recommendation: Approve amendments to the FIN-5.6 Investment Policy

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

Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin
Noes: None
Absent: None

IV. OLD BUSINESS

1. SJWD Board Policy Updates (W & R)

GM Helliker provided a staff report which will be attached to the meeting minutes. He reviewed the policies that are recommended to be repealed and confirmed that legal counsel reviewed and agreed with the staff recommendation.

Vice President Tobin moved to repeal the following Board Policies:

- 3300 Emergency Response Plan**
- 3400 Mutual Aid Plan**
- 5000 Water Shortage Policy**
- 5100 Capital Projects – Benefit and Financial Responsibility**
- 5200 Wells Constructed with District Funds within Retail Agencies Boundaries**
- 5300 Penalties and Interest for Delinquent Water Charges under San Juan Water District's Wholesale Water Supply Agreements**

Director Miller seconded the motion and it carried with the following roll call vote:

Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin
Noes: None
Absent: None

GM Helliker provided a staff report which will be attached to the meeting minutes. He explained that the Records Management Policy was revised and confirmed that legal counsel reviewed and agreed with the staff recommendation.

In response to President Costa's question regarding retention of financial transaction records, Ms. Silva explained that some financial records are kept a certain number of years past the completion of the audit and others are permanent. President Costa requested that the next Board meeting include a topic to discuss the financial records.

Director Miller moved to approve revisions to the ADM-3.6 Records Management Policy. Director Rich seconded the motion and it carried with the following roll call vote:

Ayes: Directors Costa, Hanneman, Miller, Rich and Tobin
Noes: None
Absent: None

2. Collaboration/Integration Project (W & R)

GM Helliker conducted a presentation on the Collaboration/Integration Project. A copy of the presentation will be attached to the meeting minutes. He informed the Board that the Board/Council Member ad hoc committee met on July 28th and received the same information, which included review of the project activities (scope) and schedule, a synopsis of Activity 1 status and deliverables, the project Charter and Communications Plan, and the collaboration activities for the Study in next phases.

In response to Director Miller's comment regarding looking at the retail service area as a separate agency, GM Helliker informed the Board that the analysis that will be conducted in the collaboration/integration project will include a review of the District's programs and structure, and opportunities to improve services through any revisions to that structure. An analysis of creating a new retail water district to serve part of San Juan's wholesale service area would be an alternative related to the collaboration/integration project, and could potentially be accommodated in that project (with the District possibly funding this work separately from the rest of the overall project workplan). He will discuss with the collaboration/integration consulting team how this option could be analyzed as part of or in conjunction with the current project, but in any case, will proceed with reporting to the Board on this topic before the end of 2020.

V. NEW BUSINESS

1. GM Contract (W & R)

President Costa informed the Board that there were two changes to the General Manager's contract which legal counsel incorporated into the contract.

Director Rich moved to approve amendments to GM Contract. Director Miller seconded the motion and it carried with the following roll call vote:

Ayes: *Directors Costa, Hanneman, Miller, Rich and Tobin*
Noes: *None*
Absent: *None*

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 July which will be attached to the meeting minutes.

1.2 Miscellaneous District Issues and Correspondence

GM Helliker provided a hydrology report on current conditions. He reported that Folsom Reservoir is half full with storage at about 78% of average. He informed the Board that discussions with Reclamation regarding the Folsom operations agreement is expected to conclude by November.

GM Helliker reported that he has been working with water agencies throughout the state to do an early implementation of the annual water shortage report, which is required to start in 2022. He commented that since this is a dry year, it is good to have the information showing that the District can meet its demands.

GM Helliker reported that the State Board was discussing the moratorium on water shut-offs and the hardship that customers might face to pay their water bills. In addition, there was talk that there might be federal assistance for delinquent utility bills. He informed the Board that the District offers payment plans for those who are behind on paying their water bill.

GM Helliker provided an update on the water loss effort with the region and the State Water Board. He reported that a comment letter was submitted in June, and there has been a meeting with two of the State Board members and additional meetings will be set with the other members.

Mr. Greg Zlotnick provided an update on the Water Forum agreement and the efforts made to date. He reported that there is one last scheduled educational session on conservation. In addition, there is a meeting scheduled for August 20 and he expects work groups to be created at that meeting. GM Helliker announced that Tom Gohring, Water Forum Executive Director, will be retiring in January 2022 and has expressed a desire to update the agreement before he retires.

2. DIRECTOR OF FINANCE'S REPORT

2.1 Miscellaneous District Issues and Correspondence

Ms. Silva informed the Board that the accounts receivable balance for utility bills has stabilized and is decreasing. She announced that the District received the Excellence in Financial Reporting award from GFOA for the FY 2018-19 CAFR.

3. OPERATION 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

No report.

5. LEGAL COUNSEL'S REPORT

5.1 Legal Matters

No report.

VII. DIRECTORS' REPORTS

1. SGA

President Costa reported that SGA met on August 13, 2020. He informed the Board that SGA discussed the governance issue with the basin and it will be placed on the next meeting agenda.

2. RWA

No report.

3. ACWA

3.1 ACWA - Pam Tobin

Vice President Tobin informed the Board that the virtual ACWA Summer Conference was well attended.

3.2 JPIA - Pam Tobin

Vice President Tobin provided a written report which will be attached to the meeting minutes.

3.3 Energy Committee - Ted Costa

No report.

4. CVP WATER ASSOCIATION

President Costa reported that the association is in the process of recruiting a new Executive Director.

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

Vice President Tobin inquired how the District could increase its outreach for the transition to division-based elections project. Ms. Buckman informed the Board that the workshops and meetings are cross posted on the District's website and an e-blast is scheduled to be sent regarding the August 27th workshop. In addition, she informed the Board that the demographer will be in attendance to present the maps. Ms. Buckman explained that the Board will consider the draft maps on September 9th; however, at the workshop they will look at the mapping options and have the opportunity to request revisions/refinements to the maps that the demographer will present.

President Costa announced that the Fair Oaks Water District submitted two comment letters dated August 13 and August 19 which will be attached to the meeting minutes.

VIII. COMMITTEE MEETINGS

1. Engineering Committee – August 10, 2020

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

2. Finance Committee – August 18, 2020

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

IX. UPCOMING EVENTS

1. Water Education Foundation – 2020 Water Summit

September 24, 2020
Postponed

2. ACWA Fall Conference

December 1-4, 2020
Indian Wells, CA

At 7:24 p.m., President Costa announced that the public webinar would be terminated and that the Board was adjourning to Closed Session.

X. CLOSED SESSION

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation: one matter.

XI. OPEN SESSION

There was no reportable action from the closed session.

XII. ADJOURN

The meeting was adjourned at 7:43 p.m.

ATTEST:

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

TERI GRANT, Board Secretary

STAFF REPORT

To: Board of Directors

From: Andrew Pierson, Engineering Services Manager

Date: August 19, 2020

Subject: Upper and Lower Granite Bay Pump Stations – Low Flow Pump Improvements Project – Construction Phase Support Services

RECOMMENDED ACTION

Staff requests a recommendation from the committee to the Board of Directors for a motion to award a professional services contract to HDR, Inc. (HDR) for Construction Phase Support Services including Construction Management and Inspection Services for the UGB and LGB Low Flow Pumps Project in the amount of \$81,487 with a construction contingency of \$8,150 (10%) for an authorized total construction budget of \$89,637. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

BACKGROUND

This project involves the installation of new vertical turbine pumps, piping and other ancillaries, and electrical and instrumentation improvements for both the Upper and Lower Granite Bay Pump Stations. Both the Upper and Lower Granite Bay Pump Stations were originally sized based on actual and projected system demands taken from the District's last Retail Master Plan, which was completed in 2006. Due to ongoing droughts and conservation efforts, water demand has fallen significantly, and during the low demand months the existing pumps are oversized for the demand and therefore do not operate efficiently resulting in added mechanical wear and slightly higher energy use. This project will add low flow pumps to these two pump stations, which will then be used during low water demand times of the year, thereby reducing operating costs.

Because of HDR's qualifications and previous experience working on both the original 2013/14 design as well as the design for this Project, and the potential benefits to staff time and resources, HDR is the best suited for overseeing the construction management and inspection for this Project.

STATUS

The Project is now ready to be Bid for construction.

FINANCIAL CONSIDERATIONS

Construction of the Project was budgeted at \$269,200 in the District's adopted FY 2020/2021 Retail Budget, which includes outside support for Construction Management and Inspection Services. With this proposed contract, the Project is still within the budgeted amount.

STAFF REPORT

To: Board of Directors
From: Tony Barela, PE
Operations Manager
Date: August 19, 2020
Subject: Baldwin Channel Lining and Culvert Project – Environmental Permitting:
Amendment No. 1

Recommended Action

Staff requests a recommendation from the Committee for a Board motion to approve Amendment No. 1 to ECorp Consulting, Inc. (ECorp) for additional environmental permitting assistance related to the Baldwin Channel Lining and Culvert Project in the amount of \$18,900, bringing their total contract to \$61,699. The staff recommendation was reviewed by the Engineering Committee, which recommends approval by the Board of Directors.

Background

To decrease weed control maintenance related to the Baldwin Channel and to increase capacity of the culvert that leads to Baldwin Reservoir at the solar field, the District is moving forward with a project to concrete line the bottom section of channel that runs through the District’s corp yard and replace the culvert at the solar field site. The existing solar field culvert consists of two repurposed 28” steel pipes that are insufficient to pass emergency flows if an emergency release occurred at the water treatment plant.

As part of the project, ECorp was hired to provide environmental permitting assistance. During their initial evaluation of the channel, it was determined that the channel is considered Waters of the U.S., therefore requiring an additional level of project permitting review and processing, including a Section 404 Nationwide Permit Preconstruction Notification.

The District has always maintained the channel from the WTP to the solar field by periodically mucking out vegetation as it grew and/or cutting weeds as necessary. This maintenance is difficult in the corp yard due to limited access to the channel, but the rest of the channel west of Auburn Folsom Road is reachable from the bank, so improvements to that section were not included in the project. However, with the new understanding of the channel being Waters of the U.S. we have asked ECorp to include the channel west of Auburn Folsom Road for the purposes of documenting our maintenance activities and achieving approval into the future.

Amendment No. 1 is for this additional service related to the Section 404 Nationwide Permit and evaluating and to include the channel west of Auburn Folsom Road in the analysis for maintenance permitting approval.

Budget Impact

The channel lining and culvert projects are included in the FY20/21 Capital Improvement Program. Although the evaluation of the channel west of Auburn Folsom Road was not included in the original project estimate, there is sufficient project budget available to cover this amendment.

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: August 19, 2020
Subject: Treasurer's Report – Quarter Ending June 30, 2020

RECOMMENDED ACTION

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

BACKGROUND

The purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments, and highlight material changes from one period to another. The scope of this report covers the fourth quarter of fiscal year 2019-2020, ending June 30, 2020.

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

1. Safety
2. Liquidity
3. Yield

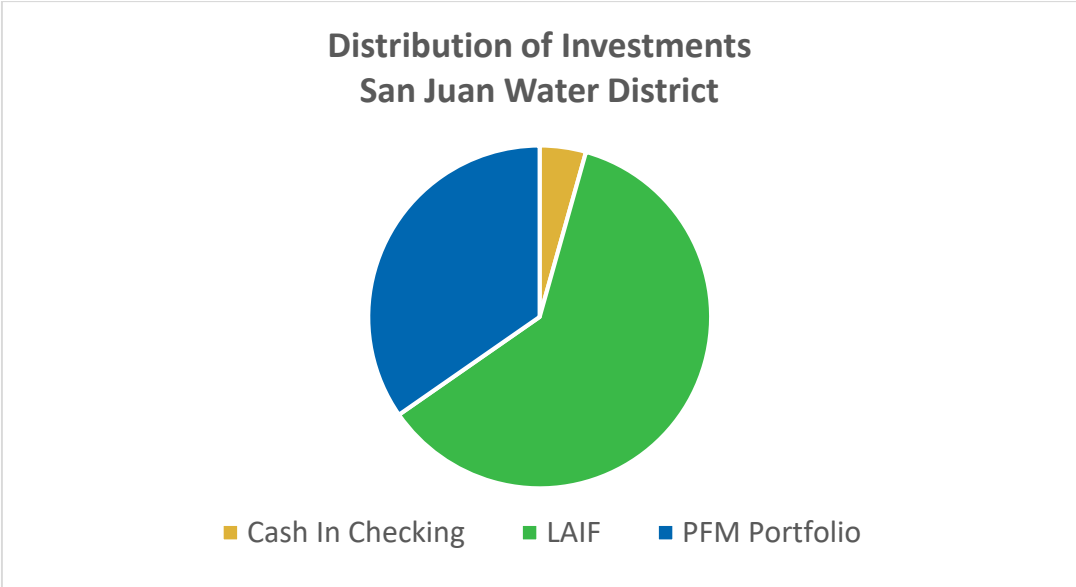
Attached is the quarterly Treasurer's Report for the three months ended June 30, 2020.

At March 31, 2020, the end of the previous quarter, the value of the District's total portfolio was \$28 million. Since that time, the value of the District's portfolio increased by \$963,719 for an ending balance of just under \$29 million as of June 30, 2020. Cash and short-term investments increased by \$772,635. Medium term investments decreased by \$563,463 and long-term investments increased by \$754,547.

The funds are currently held as follows:

Cash at Banking Institutions	\$ 1,893,705
Local Agency Investment Fund (LAIF)	17,266,097
PFM Managed Investment Portfolio	<u>9,832,544</u>
	<u>\$ 28,992,346</u>

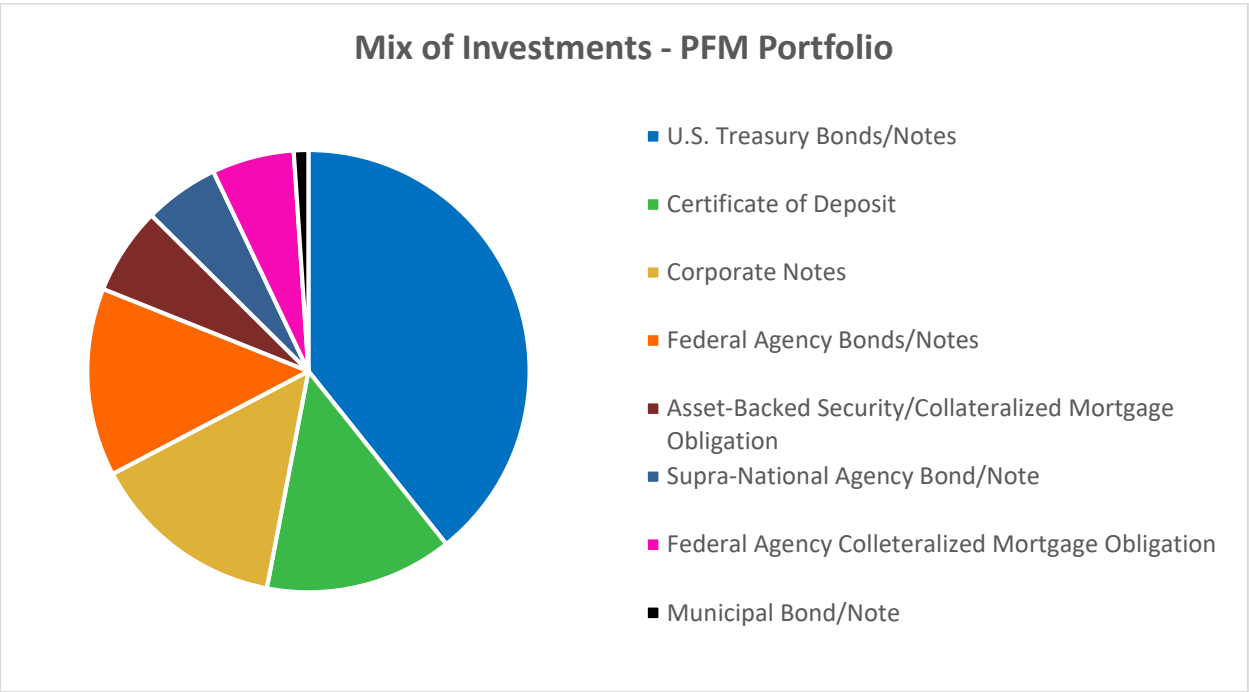
Distribution of Investments San Juan Water District

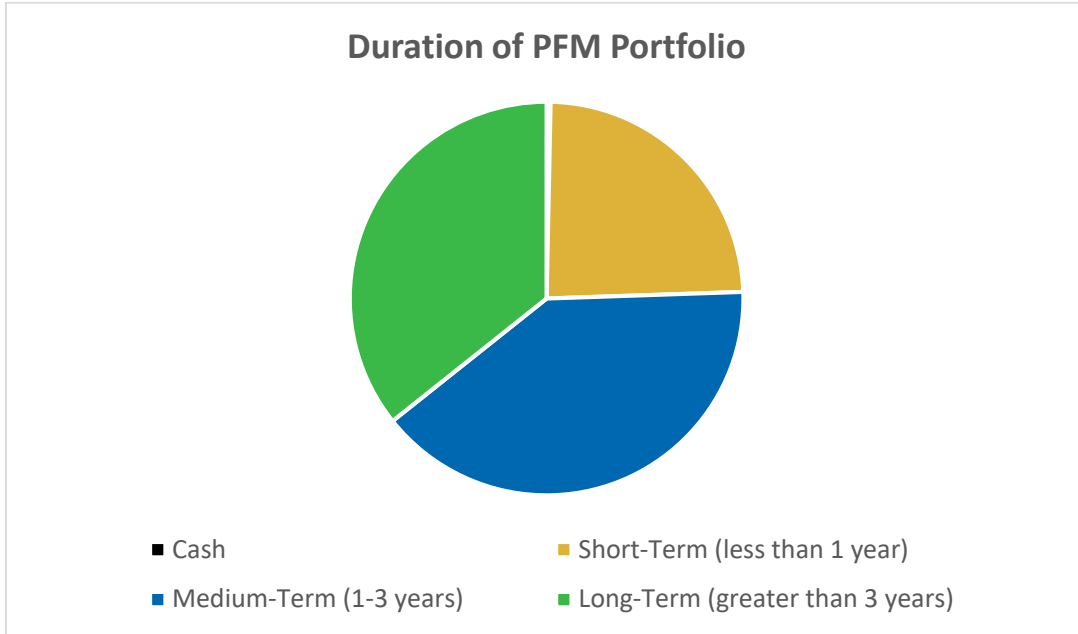


The overall portfolio is diversified with 34% invested in marketable securities (PFM Portfolio), 60% invested in short-term investments that are considered liquid (LAIF) and 7% on deposit with US Bank. Staff, in conjunction with your financial advisors, periodically review the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and the District’s short term cash needs.

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

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





Economic conditions over the past quarter deteriorated significantly due to the COVID-10 pandemic. However, the Fed mobilized and refined its arsenal of emergency lending programs to provide liquidity and stabilize the financial markets. By the end of the quarter economic conditions had improved, but not to pre-pandemic levels.

A cloud of uncertainty hangs over the U.S. economy entering the second half of 2020. The District’s portfolio managers will stay on track with the portfolio benchmark and investment policy. This served the District well over the past quarter, resulting in market value gains of \$73,126.

The portfolio is still performing well and continues to outperform the benchmark (Bank of America Merrill Lynch “BAML” 0-5 year Treasury Index) on an historical basis.

Total Returns – period ending June 30, 2020

	Duration (years)	Quarter Ending 6/30/2020	Past Year	Since Inception
San Juan Water District	2.23	1.27%	4.76%	2.30%
BAML 0-5 Year Treasury Index	2.12	.23%	4.59%	2.04%

**San Juan Water District
Treasurer's Report
June 30, 2020**

	Yield %	Par Value	Cost	Current Market Value	Maturity Date
CASH & DEMAND DEPOSITS - US Bank:	na	1,893,704.88	1,893,704.88	1,893,704.88	na
LOCAL AGENCY INVESTMENT FUND (LAIF)	2.29%	17,266,097.31	17,266,097.31	17,266,097.31	na
PFM MONEY MARKET ACCOUNT	na	30,074.34	30,074.34	30,074.34	na
LONG-TERM INVESTMENTS (PFM Investment Portfolio):					
<i>U.S. Treasury Bonds/Notes:</i>					
US Treasury Notes	1.63%	20,000.00	20,152.35	20,059.38	8/15/2020
US Treasury Notes	1.15%	40,000.00	41,456.25	40,481.25	2/28/2021
US Treasury Notes	1.85%	50,000.00	49,005.86	50,500.00	4/30/2021
US Treasury Notes	1.81%	5,000.00	4,919.34	5,054.69	5/31/2021
US Treasury Notes	1.67%	400,000.00	395,671.88	404,375.00	5/31/2021
US Treasury Notes	1.71%	55,000.00	53,768.95	55,567.19	7/31/2021
US Treasury Notes	1.63%	130,000.00	129,730.86	132,010.94	8/31/2021
US Treasury Notes	1.75%	45,000.00	44,084.18	45,646.88	10/31/2021
US Treasury Notes	1.78%	150,000.00	150,591.80	154,031.25	1/31/2022
US Treasury Notes	2.82%	85,000.00	82,210.94	87,523.44	3/31/2022
US Treasury Notes	2.75%	250,000.00	242,626.95	257,421.87	3/31/2022
US Treasury Notes	1.83%	150,000.00	152,044.92	155,882.82	6/30/2022
US Treasury Notes	1.74%	250,000.00	253,095.70	259,531.25	7/31/2022
US Treasury Notes	2.44%	155,000.00	149,290.43	160,642.96	3/31/2023
US Treasury Notes	2.28%	95,000.00	90,977.34	98,117.19	7/31/2023
US Treasury Notes	2.44%	160,000.00	151,993.75	165,250.00	7/31/2023
US Treasury Notes	2.25%	45,000.00	46,183.01	48,909.38	9/30/2023
US Treasury Notes	2.52%	150,000.00	151,517.58	162,890.63	11/15/2023
US Treasury Notes	2.52%	155,000.00	152,226.95	165,171.88	11/30/2023
US Treasury Notes	2.56%	15,000.00	15,044.53	16,267.97	12/31/2023
US Treasury Notes	1.90%	125,000.00	125,566.41	133,476.56	4/30/2024
US Treasury Notes	1.78%	150,000.00	151,546.88	160,546.88	6/30/2024
US Treasury Notes	1.39%	125,000.00	129,379.88	134,589.85	7/31/2024
US Treasury Notes	1.83%	160,000.00	162,237.50	172,275.01	7/31/2024
US Treasury Notes	0.86%	65,000.00	68,585.16	70,159.38	2/15/2025
Subtotal		3,030,000.00	3,013,909.40	3,156,383.65	
<i>Supra-National Agency Bond/Note</i>					
Int'l Bank of Reconstruction & Dev Notes	1.64%	180,000.00	179,568.00	180,394.20	9/12/2020
Inter-American Development Bank	1.81%	175,000.00	176,622.09	176,121.58	11/9/2020
International Finance Corp Note	2.35%	80,000.00	79,764.80	80,888.88	1/25/2021
Int'l Bank of Reconstruction & Dev Notes	2.83%	90,000.00	89,789.40	92,369.43	7/23/2021
Subtotal		525,000.00	525,744.29	529,774.09	
<i>Municipal Bond/Note</i>					
CA ST Taxable GO Bonds	1.87%	100,000.00	102,001.00	106,192.00	10/1/2023
<i>Federal Agency Collateralized Mortgage Obligation</i>					
FNA 2018-M5 A2	2.93%	54,745.56	55,834.51	55,415.43	9/1/2021
FHLMC Multi-family Structured P	2.54%	100,000.00	100,625.00	101,769.56	1/1/2022
FHLMC Multi-family Structured P	2.63%	100,000.00	100,250.00	102,215.71	6/1/2022
FHLMC Series K721 A2	2.88%	100,000.00	100,851.56	102,808.69	8/1/2022
FannieMae - ACES	2.14%	96,931.96	101,642.25	105,402.72	3/1/2024
FHMS K043 A2	1.97%	100,000.00	104,953.13	109,810.38	12/25/2024
Subtotal		551,677.52	564,156.45	577,422.49	4

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	Yield %	Par Value	Cost	Current Market Value	Maturity Date
...continued					
<i>Federal Agency Bonds/Notes:</i>					
Fannie Mae Notes	2.55%	100,000.00	99,851.00	101,810.50	4/13/2021
Freddie Mac Notes (Callable)	0.37%	150,000.00	149,955.00	150,012.15	6/3/2022
Federal Home Loan Bank Notes	1.44%	130,000.00	129,760.80	133,773.38	2/17/2023
Fannie Mae Notes	0.35%	145,000.00	144,563.55	144,850.65	5/22/2023
Freddie Mac Notes	0.35%	130,000.00	129,620.40	129,861.81	6/26/2023
Fannie Mae Notes	2.98%	260,000.00	258,770.20	281,323.12	9/12/2023
Federal Home Loan Bank Notes	2.72%	50,000.00	51,485.00	55,187.15	12/8/2023
Fannie Mae Notes	2.58%	35,000.00	34,869.80	37,690.98	2/5/2024
Fannie Mae Notes	0.96%	150,000.00	154,474.50	157,754.25	10/15/2024
Fannie Mae Notes	0.84%	130,000.00	134,834.70	136,894.81	1/7/2025
Freddie Mac Notes	1.52%	250,000.00	249,807.50	262,115.50	2/12/2025
Federal Home Loan Bank Notes	0.60%	100,000.00	99,504.00	100,246.80	4/14/2025
Fannie Mae Notes	0.67%	125,000.00	124,742.50	126,052.25	4/22/2025
Fannie Mae Notes	0.61%	160,000.00	160,118.40	161,346.88	4/22/2025
Fannie Mae Notes	0.54%	145,000.00	144,699.85	145,228.52	6/17/2025
Subtotal		2,060,000.00	2,067,057.20	2,124,148.75	
<i>Corporate Notes:</i>					
Cisco Systems Inc Corp Notes	2.81%	155,000.00	152,327.80	156,890.85	2/28/2021
PEPSICO Inc. Corp (Callable) Note	2.01%	55,000.00	54,989.00	55,698.45	4/15/2021
Bank of New York Mellon Corp	1.99%	175,000.00	178,101.00	177,628.85	4/15/2021
Bank of America Corp Note	2.40%	90,000.00	90,674.10	91,576.71	4/19/2021
Goldman Sachs Group Corp Notes	2.53%	80,000.00	87,671.20	83,998.88	7/27/2021
Citigroup Inc Corp (Callable) Note	2.72%	90,000.00	90,614.70	92,691.99	12/8/2021
Apple Inc Bonds	3.01%	130,000.00	128,070.80	134,293.90	2/9/2022
American Express Credit (Callable) Notes	3.29%	100,000.00	97,840.00	103,369.60	3/3/2022
Adobe Inc. Corp Note	1.75%	100,000.00	99,863.00	103,587.70	2/1/2023
Amazon.com Inc. Bonds	2.66%	100,000.00	99,037.00	105,065.30	2/22/2023
American Honda Finance	1.96%	100,000.00	99,963.00	103,323.90	5/10/2023
Johnson & Johnson Corp Notes	1.50%	185,000.00	194,640.35	201,162.53	1/15/2025
Toyota Motor Credit Corp Corp Notes	1.58%	30,000.00	30,293.10	30,987.63	2/13/2025
Toyota Motor Credit Corp Corp Notes	1.58%	45,000.00	45,439.65	46,481.45	2/13/2025
Subtotal		1,435,000.00	1,449,524.70	1,486,757.74	
<i>Certificate of Deposit:</i>					
Bank of Montreal Chicago Cert Depos	3.19%	160,000.00	160,000.00	160,479.52	8/3/2020
Westpac Banking Corp NY CD	2.05%	195,000.00	195,000.00	195,353.34	8/3/2020
Sumitomo Mitsui Bank NY Cert Depos	3.45%	90,000.00	89,877.60	90,851.49	10/16/2020
Swedbank (New York) Cert Depos	2.27%	180,000.00	180,000.00	181,258.56	11/16/2020
MUFG Bank LTD/NY Cert Depos	2.94%	100,000.00	100,000.00	101,814.80	2/26/2021
Societe Generale NY Cert Depos	1.80%	100,000.00	100,000.00	100,621.00	2/14/2022
Nordea Bank ABP New York	1.84%	135,000.00	135,000.00	139,099.82	8/26/2022
Skandinav Enskilda Bank LT	1.85%	140,000.00	140,000.00	144,281.62	8/26/2022
DNB Bank ASA/NY LT CD	2.03%	70,000.00	70,000.00	72,675.47	12/02/2022
Subtotal		1,170,000.00	1,169,877.60	1,186,435.62	
<i>Asset-Backed Security/Collateralized Mortgage Obligation:</i>					
Harot 2017-4 A3	2.05%	13,716.81	13,714.88	13,777.32	11/21/2021
Harot 2019-1 A3	2.83%	100,000.00	99,997.32	102,745.01	3/20/2023
Hyundai Auto Receivalbes Trust	2.66%	40,000.00	39,994.74	41,000.24	6/15/2023
Harot 2019-2 A3	2.52%	100,000.00	99,996.27	103,001.04	6/21/2023
Narot 2019-A A3	2.90%	65,000.00	64,990.15	66,957.71	10/15/2023
Narot 2019-B A3	2.51%	100,000.00	99,977.39	102,913.61	11/15/2023
Copar 2019-1 A3	2.51%	100,000.00	99,979.74	102,637.52	11/15/2023
Taot 2020-A A3	1.66%	100,000.00	99,992.78	102,322.70	5/15/2024
Subtotal		618,716.81	618,643.27	635,355.15	
TOTAL LONG TERM INVESTMENTS		9,490,394.33	9,510,913.91	9,802,469.49	
TOTAL CASH & INVESTMENTS AT 06/30/2020		38,170,665.19	38,211,704.35	28,992,346.02	

STAFF REPORT

To: Board of Directors
From: Donna Silva, Finance Director
Date: August 19, 2020
Subject: Capital Asset Policy Revisions

RECOMMENDED ACTION

Consider a motion to approve amendments to the Capital Asset Policy for the San Juan Water District.

BACKGROUND

Capital Assets is a term used to describe assets that are used in operations, above a certain value threshold, and that have initial lives extending beyond a single reporting period (fiscal year). Capitalization is primarily a financial reporting issue. What this means is that the District's primary concern in setting capitalization policy should be the anticipated information needs of the users of the District's external financial reports. Generally Accepted Accounting Principles (GAAP) require the matching of expenses to the period of benefit. Since capital assets provide benefits over their entire life, GAAP require that they be expensed or "depreciated" over the same time period.

There are many policy decisions that should be made and periodically reviewed by the Board of Directors to adequately guide staff in the identification, capitalization and depreciation of capital assets, such as capitalization thresholds, estimated useful lives of asset categories, how to determine the value of donated assets, etc.

The Board first adopted a Capital Asset Policy in October, 2017. This analysis is the first review of the policy since its initial adoption in 2017. In preparing both the original policy and this revision, staff reviewed best practices from the Government Finance Officers Association (GFOA), policies from other Water Districts, and received input from fellow staff members. It has also been reviewed by legal counsel and the Finance Committee.

The draft Capital Asset Policy is attached for the Board's review and consideration.

Proposed revisions include:

- Renumbering references to other policies and sections within this policy based on the new numbering system for District policies.
- Removing reference to Retail and Wholesale Capital Improvement Program Policies (4000 and 5100, respectively), because they are proposed to be deleted.
- Correcting capitalization eligibility item a) for a useful life from two years to one, to conform to the GFOA definition of a capital asset.
- Changes to the useful life of various assets – based on historical experience and input received from applicable Department Managers. Also recommending the use of ranges as there are factors that can significantly impact the estimated useful life of an asset. For example, a pump used in conjunction with a variable frequency drive will last longer than a pump used without one.

Both a clean and a red-lined version of the existing policy are attached for review.

Section	FIN-5 Finance	Approval Date	10/11/17
Policy	FIN-5.2 Capital Asset Policy	Latest Revision	

FIN-5.2 Capital Asset Policy

5.2.1 Purpose

The purpose of this policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

5.2.2 Definitions

A capital asset is defined under this Policy as an asset owned by the District that is: 1) acquired for use in District operations, and 2) long-term in nature.

5.2.3 Capital Improvement Program

District infrastructure will be maintained at a level that ensures the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. Long-term capital improvement plans are created with each Master Plan. The capital improvement plan is a planning tool which assists the District in the construction and replacement of capital facilities required to provide water service to current and future customers. The Long Term Capital Improvement Plan is updated each year based on a number of factors including new projects not identified in Master Plan, funding availability, and available staff resources. The planning, funding, and budgeting policy are outlined in Retail Capital Improvement Program (Policy Number 4000) and Wholesale Capital Improvement Program (Policy Number 5100).

5.2.4 Categories

Capital assets shall be segregated into the following categories:

- a) Land (non-depreciable)
- b) Land Improvements with a limited life, such as driveways, walks, fences, landscaping, and parking areas.
- c) Pump Stations and Improvements
- d) Buildings and Improvements (excluding Water Treatment Plant)
- e) Water Treatment Plant and Improvements
- f) Mains/Pipelines and Improvements
- g) Reservoirs and Improvements
- h) Equipment and Furniture, such as large tools, vehicle trailers, tractors, meters, hydrants, computer equipment, furniture, and fixtures
- i) Vehicles, such as cars and trucks
- j) Software
- k) Other Intangibles

5.2.5 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

- a) An estimated useful life of greater than 21 years from the date of acquisition; and

- b) A minimum individual asset value of \$5,000. If the asset is shared between Wholesale and Retail, the combined total value must be at least \$5,000 to qualify for capitalization.
- c) Assets cannot be grouped together to meet the minimum value.

5.2.6 Valuation of Capital Assets

The value assigned to capital assets shall be determined as follows:

- a) Purchased or Constructed Capital Assets
The value is determined using the original cost of the asset, including all reasonably identifiable costs incurred to acquire, construct, and place an asset into service. Studies are not capitalized, unless ~~it~~they can be related to a specific asset.
- b) Donated Capital Assets
The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separate from donated tangible capital assets.

Fair Market or Appraised Value at date of donation includes:

- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

5.2.7 Capitalization of Costs Subsequent to Acquisition

Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

- a) Additions:
An “Addition” is defined as an expenditure that either significantly extends the useful life or productivity of ~~thean~~an existing capital asset or creates a new capital asset. All “Additions” to existing capital assets should be capitalized as long as the asset meets the criteria of section ~~3550.045.2.5~~3550.045.2.5 above.
- b) Improvements and Replacements:
“Improvements and Replacements” are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All “Improvements and Replacements” to existing capital assets should be capitalized as long as the asset meets the criteria of section ~~3550.045.2.5~~3550.045.2.5 above. If the existing asset’s book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded. If the existing asset is not separately identifiable, then the replacement may be capitalized as the existing asset’s book value is assumed to be negligible. The Director of Finance is ~~granted the authorized~~authorized to make a determination when this policy does not provide clear direction.
- c) Rearrangement or Reinstallation:
“Rearrangement or Reinstallation” costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All “Rearrangement or Reinstallation” costs should be expensed in the period incurred.
- d) Repairs and Maintenance:
“Repairs and Maintenance” costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All “Repairs and Maintenance” costs should be expensed in the period incurred.

5.2.8 Depreciation or Amortization of Capital Assets

Capital assets shall be depreciated or amortized on a straight-line basis beginning the first day of the month following acquisition in accordance with the following schedule:

Category	Useful Life in Years
Pump Stations/Pressure Control Stations & Improvements	
<u>Variable Frequency Drives (VFD)</u>	<u>12 to 35</u>
Pumps	<u>15 to 20</u>
Motor Control Centers (MCC)	20
Generators	<u>20 to 25</u>
Pressure/Control Valve Stations	20 to 30 <u>35</u>
Pump Station Building	<u>30 to 40</u>
Land Improvements	
<u>Paving/Resurfacing</u>	<u>7 to 30</u>
Landscaping	10
Fencing	10 to 20 <u>35</u>
Cement Work	20
Decking	20 to 30 <u>35</u>
Equipment & Furniture	
Computer Equipment	5 to 10
Furniture	5 to 10
Other Small Equipment (survey equipment, leak detectors, etc.)	5 to 10
Copy Machines, <u>and</u> Plotters	<u>8 to 10</u>
<u>Shop Equipment (welders, pipe threaders, presses, etc.)</u>	<u>5 to 15</u>
<u>SCADA</u>	<u>7 to 10</u>
Trailers, including Vacuum Trailers	10
Tractors, Backhoes, Forklifts	8 to 15 <u>to 25</u>
Dump Trucks	20
Meters - <u>Water</u>	20 to 25
Fire -Hydrants	<u>25 to 70</u>
<u>Sewer Lift Station</u>	<u>25 to 50</u>
Fuel tanks	3 to 25 <u>to 50</u>

Category	Useful Life in Years
Building and improvements	
<u>Hot Water Heater</u>	<u>10 to 15</u>
HVAC	<u>10 to 20</u>
<u>Lighting</u>	<u>20</u>
Solar Facility	20 to 30 <u>35</u>
Network Cabling	25
Roof	25 to 30 <u>33</u>
Office Buildings	<u>30 to 50</u>
Treatment Plant & improvements	
Filtrate Pumps	10
Chlorine Feed System	<u>10 to 15</u>
ERS Filter Media	10 <u>15</u>
Alum Feed Pump <u>and Feed System</u>	10 to 20
Backwash Hoods and Pumps	15 <u>20 to 35</u>
Polymer System	<u>25 to 35</u>
<u>Solids Handling</u>	<u>25 to 35</u>
Alum Tank	25
<u>Sedimentation Basin Sludge Vacuum System</u>	<u>25</u>
<u>Chemical Feed Pump</u>	<u>25</u>
Treatment Plant Building	30 to 50
Flocculation & Sedimentation Basins	35
Filter Basins	35
Treatment Plant Building Improvements (see Building and Improvements)	See Building and Improvements above
Mains/Pipelines	
Wholesale Meters	15 <u>10 to 20</u>
Cathodic Protection	25
Air Release Valve	25
Pipelines	30 <u>50 to 75</u>
Mains	<u>30 to 80</u>
<u>Services (HDPE)</u>	<u>40</u>
<u>Valves</u>	<u>50</u>
Reservoirs & improvements	
Reservoir	25 <u>to 50</u>
Tanks	<u>25 to 50</u>
Vehicles <u>(see Equipment for tractors, backhoes, and trailers)</u>	10
Software <u>(including SCADA)</u>	10
Intangible	Varies based on life of asset

Where the useful life is listed by a range, factors such as material type, physical environment of the asset, intensity of expected use and others as may be provided by Project and/or Department Managers will be used to determine placement within the range.

The depreciation period of an asset financed by debt shall not be less than the length of time for the debt.

5.2.9 Physical Inventory of Capital Assets

A physical inventory of the following categories of capital assets shall be performed at least annually:

- a) Machinery and Equipment
- b) Fleet Equipment
- c) Office Furniture and Fixtures
- d) Computer Equipment, Purchases Software and Telephones

The results of the physical inventory shall be reconciled with the District's fixed asset system.

5.2.10 Disposal of Capital Assets

Capital assets that have become obsolete shall be disposed of in a manner that returns the maximum value to the District and its ratepayers.

In most cases the assets are sent to auction; however, the Finance Director determines the best method of disposal.

State law prohibits ~~public District~~ employees from purchasing District property ~~from their employer~~ (Government Code ~~S~~section 1090).~~]~~

Revision History:

Revision Date	Description of Changes	Requested By

Section	FIN-5 Finance	Approval Date	10/11/17
Policy	FIN-5.2 Capital Asset Policy	Latest Revision	

FIN-5.2 Capital Asset Policy

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- c) Pump Stations and Improvements
- d) Buildings and Improvements (excluding Water Treatment Plant)
- e) Water Treatment Plant and Improvements
- f) Mains/Pipelines and Improvements
- g) Reservoirs and Improvements
- h) Equipment and Furniture, such as large tools, vehicle trailers, tractors, meters, hydrants, computer equipment, furniture, and fixtures
- i) Vehicles, such as cars and trucks
- j) Software
- k) Other Intangibles

5.2.5 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

- a) An estimated useful life of greater than 1 year from the date of acquisition; and
- b) A minimum individual asset value of \$5,000. If the asset is shared between Wholesale and Retail, the combined total value must be at least \$5,000 to qualify for capitalization.
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Fair Market or Appraised Value at date of donation includes;

- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

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- a) Additions:
An "Addition" is defined as an expenditure that either significantly extends the useful life or productivity of an existing capital asset or creates a new capital asset. All "Additions" to existing capital assets should be capitalized as long as the asset meets the criteria of section 5.2.5 above.
- b) Improvements and Replacements:
"Improvements and Replacements" are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All "Improvements and Replacements" to existing capital assets should be capitalized as long as the asset meets the criteria of section 5.2.5 above. If the existing asset's book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded. If the existing asset is not separately identifiable, then the replacement may be capitalized as the

existing asset's book value is assumed to be negligible. The Director of Finance is authorized to make a determination when this policy does not provide clear direction.

c) **Rearrangement or Reinstallation:**

“Rearrangement or Reinstallation” costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All “Rearrangement or Reinstallation” costs should be expensed in the period incurred.

d) **Repairs and Maintenance:**

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Pumps	15 to 20
Motor Control Centers (MCC)	20
Generators	20 to 25
Pressure/Control Valve Stations	20 to 35
Pump Station Building	30 to 40
Land Improvements	
Paving/Resurfacing	7 to 30
Landscaping	10
Fencing	10 to 35
Cement Work	20
Decking	20 to 35
Equipment & Furniture	
Computer Equipment	5 to 10
Furniture	5 to 10
Other Small Equipment (survey equipment, leak detectors, etc.)	5 to 10
Copy Machines and Plotters	5 to 10
Shop Equipment (welders, pipe threaders, presses, etc.)	5 to 15
SCADA	7 to 10
Trailers, including Vacuum Trailers	10
Tractors, Backhoes, Forklifts	8 to 25
Dump Trucks	20

Category	Useful Life in Years
Equipment & Furniture (con't) Meters - Water Hydrants Sewer Lift Station Fuel tanks	20 to 25 25 to 70 25 to 50 25 to 50
Building and improvements Hot Water Heater HVAC Lighting Solar Facility Network Cabling Roof Office Buildings	10 to 15 10 to 20 20 20 to 35 25 25 to 33 30 to 50
Treatment Plant & improvements Filtrate Pumps Chlorine Feed System ERS Filter Media Alum Feed Pump and Feed System Backwash Hoods and Pumps Polymer System Solids Handling Alum Tank Sedimentation Basin Sludge Vacuum System Chemical Feed Pump Treatment Plant Building Flocculation & Sedimentation Basins Filter Basins Treatment Plant Building Improvements (see Building and Improvements)	10 10 to 15 15 10 to 20 15 to 35 25 to 35 25 to 35 25 25 25 30 to 50 35 35 See Building and Improvements above
Mains/Pipelines `Wholesale Meters Cathodic Protection Air Release Valve Pipelines Mains Services (HDPE) Valves	10 to 20 25 25 30 to 75 30 to 80 40 50
Reservoirs & improvements Reservoir Tanks	25 to 50 25 to 50

Category	Useful Life in Years
Vehicles (see Equipment for tractors, backhoes, and trailers)	10
Software (including SCADA)	10
Intangible	Varies based on life of asset

Where the useful life is listed by a range, factors such as material type, physical environment of the asset, intensity of expected use and others as may be provided by Project and/or Department Managers will be used to determine placement within the range.

The depreciation period of an asset financed by debt shall not be less than the length of time for the debt.

5.2.9 Physical Inventory of Capital Assets

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The results of the physical inventory shall be reconciled with the District’s fixed asset system.

5.2.10 Disposal of Capital Assets

Capital assets that have become obsolete shall be disposed of in a manner that returns the maximum value to the District and its ratepayers.

In most cases the assets are sent to auction; however, the Finance Director determines the best method of disposal.

State law prohibits District employees from purchasing District property (Government Code section 1090).

Revision History:

Revision Date	Description of Changes	Requested By

STAFF REPORT

To: Board of Directors
From: Donna Silva, Director of Finance
Date: August 19, 2020
Subject: Review and Update the Investment Policy of the San Juan Water District

RECOMMENDED ACTION

Recommend Board approval of proposed updates to the San Juan Water District Investment Policy. The proposed policy amendments will be reviewed by the Finance Committee for recommendation of approval by the Board of Directors.

BACKGROUND

The San Juan Water District's Investment Policy communicates the Board's investment objectives, delegation of authority, investment procedures and defines authorized and suitable investments for the District. While no longer required by state law, best practices require a periodic review with updates as needed or desired. This policy was last reviewed and updated on February 28, 2018.

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

Removal of Requirement for Annual Review:

The California Government Code used to require an annual review of the Investment Policy. The policy currently states that even though no longer required by law, it will still be reviewed annually. Given that the District has a number of policies that need periodic review, staff recommends removing the requirement that this policy be reviewed annually and adding language requiring a periodic review to ensure consistency with the California Government Code.

Remove Reference to Association of Public Treasurer's Excellence Award

In 2006, 14 years ago, the District submitted its Investment Policy to the Association of Public Treasurer's of the United States and Canada's (APT-US&C) Investment Policy Certification Committee. The District was awarded the APT-US&C Investment Policy Certificate of Excellence Award in August 2007. The District no longer has a membership with the APT-US&C and hasn't submitted for this award since 2006. The Investment Policy still references this award and requires certification every three years. Staff recommends removing mention of this award and certification requirement from the policy.

Address Change in Government Code Section 53601(o)

Assembly Bill No. 1770 (AB 1770), effective January 1, 2009, revised California Government Code section 53601(o) to clarify requirements for the purchase of asset-backed securities (ABS) or non-agency mortgage-backed securities (MBS) in two respects.

1. First, the maturity limit language was clarified to reflect how many investors already interpret this section; that they can purchase securities with a maximum remaining maturity of five years or less.
2. Second, the bill eliminates the requirement that the issuer of these securities be rated “A” (or its equivalent) or better, as provided by a nationally recognized statistical rating organization (NRSRO). The Code still requires that the specific security be rated “AA” (or its equivalent) or better, as provided by an NRSRO.

PFM, the District’s Investment Advisors, see these revisions as a matter of clarification for ABS or MBS investors. They believe the removal of the issuer rating criteria makes sense, since this requirement generally has no relevance to the issuers of ABS or MBS, which are organized as trusts and do not have standalone ratings. The minimum AA issue rating remains, which is an important risk management criteria. PFM has edited the relevant language in the District’s Investment Policy to incorporate this change in the Government Code.

Section 5.6.5.1 Delegation of Authority has been edited to remove the reference to Ordinance 3000.05 which no longer exists. In its place, the Finance Director is designated at the District’s “Investment Officer”. Other changes are minor wording edits.

Attachments

Proposed Investment Policy – Red-lined

Proposed Investment Policy – Clean

Section	FIN-5 Finance	Approval Date	10/23/03
Policy	FIN-5.6 Investment Policy	Latest Revision	2/28/18

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FIN-5.6 Investment Policy

5.6.1 Policy

The purpose of this document is to convey the Investment Policy of the San Juan Water District ("District"). ~~Though no longer required by the California Government Code, this policy will be updated annually in order to maintain currency with legal and District requirements. This policy should be reviewed periodically to ensure consistency with legal and District requirements.~~ It is the District's policy to invest all funds in such a way as to achieve the highest investment return possible consistent with maximum security of District funds while meeting the daily cash flow demands of the District. All investments must conform to pertinent state and local statutes governing the investment of public funds.

~~In 2006, the District submitted this Investment Policy for the first time to the Association of Public Treasurer's of the United States and Canada ("APT-US&C") Investment Policy Certification Committee. This certification program is comprised of a committee that reviews submitted investment policies to ensure that all components of a model investment policy are met. The District was awarded the APT-US&C Investment Policy Certificate of Excellence Award in August 2007.~~

~~The most significant benefit to receipt of this award is the trust and confidence of the Board of Directors and customers that the District is abiding by professional standards which have been established to ensure prudent management of public funds. In addition, certifications and awards such as these can enhance the District's underlying credit rating (an important consideration factor when issuing debt). It is recommended that the District have the Investment Policy certified every three years.~~

5.6.2 Scope

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

5.6.2.1 Exceptions

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

Acceptable investments for bond reserve funds are specified in the bond documents, and may not necessarily be the same as those listed later in this document (e.g. Guaranteed Investment Contract).

Bond funds will be invested in accordance with the statutory provisions governing the issuance of the bonds or the bond documents, as applicable.

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

5.6.2.2 Pooling of Funds

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

5.6.3 Prudence

5.6.3.1 Standard of Prudence

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

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, [the Board and its designated investment officer\(s\) a trustee](#) shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. [This standard will be applied in all District investment decisions.](#) Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

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

5.6.4 Objectives

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

5.6.4.1 Safety

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

5.6.4.1.1 Credit Risk

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

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

5.6.4.1.2 Interest Rate Risk

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

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

5.6.4.2 Liquidity

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

5.6.4.3 Return on Investment

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

5.6.5 Standards of Care

5.6.5.1 Delegation of Authority

~~Authority to manage the District’s investment program is derived from the District’s Code of Ordinances 06-002, Ordinance No. 3000.05. Under that ordinance, management responsibility for the investment program is delegated to the General Manager.~~ The Finance Director is hereby designated as the “Investment Officer” in charge of ~~operational management the District’s investment program~~. The Investment Officer may delegate the day-to-day placement of investments to a registered investment advisor. The investment advisor shall make all investment decisions and transactions in strict accordance with State law and this Policy. The Investment Officer shall establish a system of written internal controls to regulate the District’s investment activities, including the activities of the investment advisor and any subordinate officials acting on behalf of the District.

5.6.5.2 Investment Procedures

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

5.6.5.3 Ethics and Conflicts of Interest

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

5.6.6 Safekeeping and Custody

5.6.6.1 Authorized Financial Dealers and Institutions

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

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

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

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

5.6.6.2 Internal Control

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

5.6.6.3 Delivery vs. Payment

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

5.6.7 Authorized and Suitable Investments

5.6.7.1 Investment Types

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

- United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully

guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- U.S. Instrumentalities, United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a category of “AA,” its equivalent, or better by a nationally recognized statistical rating organization (NRSRO) and shall not exceed 30 percent of the District’s moneys that may be invested pursuant to this section.
- Registered state warrants or Treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Securities eligible for investment under this subdivision shall be rated in a category of “A,” its equivalent, or better by a NRSRO.
- Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Securities eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO.
- Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO.
- Bankers’ acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.
 - The maximum maturity may not exceed 180 days;
 - No more than 40 percent of the District’s portfolio may be invested in bankers’ acceptances; and
 - Rated in a rating category of “A-1,” its equivalent, or better by at NRSRO.
- Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):
 - (1) is organized and operating in the United States as a general corporation with total assets greater than \$500 million with other debt rated in a rating category of “A,” its equivalent, or better by a NRSRO, or
 - (2) is organized within the U.S. as a special purpose corporation, trust or limited liability company with program-wide credit enhancements and

its commercial paper is rated in a rating category of “A-1,” its equivalent, or higher by a NRSRO.

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

- Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Negotiable certificates of deposit eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better for long term certificates, or rated in a rating category of “A-1,” its equivalent, or better for short term certificates by a NRSRO. Purchases of negotiable certificates of deposit may not exceed 30 percent of the District's portfolio, which may be invested pursuant to this section.
- Local Agency Investment Fund (LAIF), the State of California managed investment pool may be used up to the maximum permitted by California law.
- Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. No more than 5% of the investment portfolio may be invested in this investment type. A maturity limitation of two years is applicable.
- Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A,” its equivalent, or better by a NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the District's money that may be invested pursuant to this section.
- Money Market Funds invested in U.S. Government securities are permitted under this policy and under the California Government Code Section 53601. In order to be eligible for investment under this section, an investment objective of such a fund must be the maintenance of a price per share of \$1.00. The following criteria must also be met:
 - The fund shall have a minimum of \$500 million in total portfolio value.
 - The fund shall be registered with the Securities and Exchange Commission, and shall have achieved a rating of Aaa by Moody’s and AAA by S&P.
 - The fund shall have retained an advisor which is registered with the SEC, or which is exempt from such registration.
 - Investment in such funds shall not exceed 20% of the District’s total portfolio.

- No more than 10% of the District’s total portfolio may be invested in any one mutual fund.
- Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond ~~of a maximum of five years' maturity.~~ Securities eligible for investment under this subdivision shall be ~~issued by an issuer in a rating category of "A," its equivalent, or better for the issuer's debt as provided by a NRSRO and~~ rated in a rating category of "AA," its equivalent, or better by a NRSRO ~~and have a maximum remaining maturity of five years or less.~~ Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's surplus money that may be invested pursuant to this section.
- Local Government Investment Pools (LGIPs), shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Section 56301 subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
 - (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
 - (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

5.6.7.2 Ineligible Investments

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

5.6.8 Investment Parameters

5.6.8.1 Diversification

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

in a single issuer. The diversification requirements of the portfolio apply at time of purchase.

5.6.8.2 Maximum Maturities

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

5.6.8.3 Investment Earnings

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

5.6.8.4 Investment Pools

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

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

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

5.6.8.5 Review of Investment Portfolio

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

5.6.9 Policy Considerations

5.6.9.1 Legislative Changes

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

5.6.9.2 Investment Policy Adoption

The District's Investment Policy will be adopted by resolution [or motion](#) of the District's Board of Directors. The policy will be reviewed and updated [annually periodically for approval by the Board](#).

5.6.10 Reporting

5.6.10.1 Methods

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

- A listing of the securities held by category;
- Maturity date of all investments;
- Coupon, discount or earnings rate;
- Par Value, Amortized Book Value and Market Value; and
- Percentage of the portfolio by category.

5.6.10.2 Performance Standards

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

5.6.10.3 Marking to Market

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

Glossary of Cash Management Terms

Accrued Interest: Interest earned but not yet received.

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

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

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

Asked: The price at which securities are offered.

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

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

Bid: The price offered by a buyer of securities.

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

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

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

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

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

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

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

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

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

Glossary (con't)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary (con't)

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

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

Inactive Deposits: Funds not immediately needed for disbursement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary (con't)

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

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

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

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

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

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

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

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

Risk: Degree of uncertainty of return on an asset.

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

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

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

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

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

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

Glossary (con't)

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

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

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

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

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

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

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

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

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

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

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

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

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

Revision History:

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

Section	FIN-5 Finance	Approval Date	10/23/03
Policy	FIN-5.6 Investment Policy	Latest Revision	2/28/18

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FIN-5.6 Investment Policy

5.6.1 Policy

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

5.6.2 Scope

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

5.6.2.1 Exceptions

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

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

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

5.6.2.2 Pooling of Funds

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

5.6.3 Prudence

5.6.3.1 Standard of Prudence

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

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

section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

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

5.6.4 Objectives

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

5.6.4.1 Safety

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

5.6.4.1.1 Credit Risk

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

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

5.6.4.1.2 Interest Rate Risk

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

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

5.6.4.2 Liquidity

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

5.6.4.3 Return on Investment

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

5.6.5 Standards of Care

5.6.5.1 Delegation of Authority

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

5.6.5.2 Investment Procedures

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

5.6.5.3 Ethics and Conflicts of Interest

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

5.6.6 Safekeeping and Custody

5.6.6.1 Authorized Financial Dealers and Institutions

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

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

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

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

5.6.6.2 Internal Control

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

5.6.6.3 Delivery vs. Payment

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

5.6.7 Authorized and Suitable Investments

5.6.7.1 Investment Types

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

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

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

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

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

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

securities authorized by this subdivision may not exceed 20 percent of the District's surplus money that may be invested pursuant to this section.

- Local Government Investment Pools (LGIPs), shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Section 56301 subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
 - (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
 - (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

5.6.7.2 Ineligible Investments

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

5.6.8 Investment Parameters

5.6.8.1 Diversification

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

5.6.8.2 Maximum Maturities

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

5.6.8.3 Investment Earnings

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

5.6.8.4 Investment Pools

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

- a determination of the eligible investment securities;

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

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

5.6.8.5 Review of Investment Portfolio

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

5.6.9 Policy Considerations

5.6.9.1 Legislative Changes

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

5.6.9.2 Investment Policy Adoption

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

5.6.10 Reporting

5.6.10.1 Methods

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

- A listing of the securities held by category;
- Maturity date of all investments;
- Coupon, discount or earnings rate;
- Par Value, Amortized Book Value and Market Value; and
- Percentage of the portfolio by category.

5.6.10.2 Performance Standards

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

5.6.10.3 Marking to Market

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

Glossary of Cash Management Terms

Accrued Interest: Interest earned but not yet received.

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

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

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

Asked: The price at which securities are offered.

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

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

Bid: The price offered by a buyer of securities.

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

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

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

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

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

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

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

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

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

Glossary (con't)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary (con't)

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

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

Inactive Deposits: Funds not immediately needed for disbursement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary (con't)

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

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

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

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

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

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

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

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

Risk: Degree of uncertainty of return on an asset.

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

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

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

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

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

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

Glossary (con't)

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

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

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

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

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

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

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

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

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

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

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

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

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

Revision History:

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

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: August 19, 2020
Subject: SJWD Board Policy Updates (*Policies to be repealed*)

RECOMMENDED ACTION

Staff recommends a motion to repeal the following Board Policies:

- 3300 Emergency Response Plan
- 3400 Mutual Aid Plan
- 5000 Water Shortage Policy
- 5100 Capital Projects – Benefit and Financial Responsibility
- 5200 Wells Constructed with District Funds within Retail Agencies Boundaries
- 5300 Penalties and Interest for Delinquent Water Charges under San Juan Water District's Wholesale Water Supply Agreements

BACKGROUND

The SJWD Board Policies are designed to record policies adopted by the Board of Directors of San Juan Water District. The policies are periodically reviewed and amended as needed.

CURRENT STATUS

In 2019, staff reformatted the Board Policies and is working to make sure that the Board Policies reflect the policies which the Board of Directors have adopted. During this process, several policies were discovered that should not be contained in the Board Policy Manual.

Policy 3300 Emergency Response Plan and Policy 3400.00 Mutual Aid Plan should be removed from Board Policies as they are both Operations procedures.

Policy 5000 Water Shortage Policy is included in the Wholesale Water Supply Agreements and need not be included under Board Policies.

Policy 5100 Capital Projects – Benefit and Financial Responsibility is not a Board Policy and the policy document states it is a separate item not included in the existing document.

Policy 5200 Wells Constructed with District Funds within Retail Agencies Boundaries documents a past action that is covered under a Memorandum of Understanding and is not a Board policy.

Policy 5300 Penalties and Interest for Delinquent Water Charges under San Juan Water District's Wholesale Water Supply Agreements should be rescinded. The wholesale water supply agreements state that “water rates and charges will include interest and penalties for delinquent payments, as appropriate”, but do not state the amount. At the June 24, 2020 meeting of the Board of Directors the addition of interest and penalties for wholesale customers was added to the Schedule of Rates, Fees, Charges and Deposits. This policy is no longer needed.

Attachments:

- 3300 Emergency Response Plan
- 3400 Mutual Aid Plan
- 5000 Water Shortage Policy
- 5100 Capital Projects – Benefit and Financial Responsibility
- 5200 Wells Constructed with District Funds within Retail Agencies Boundaries
- 5300 Penalties and Interest for Delinquent Water Charges under San Juan Water District's Wholesale Water Supply Agreements

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: General Policies
POLICY TITLE: Emergency Response Plan
POLICY NUMBER: 3300
DATE ADOPTED: October 23, 2003
DATES AMENDED:

3300.00 Emergency Response Plan

An emergency Response Plan to ensure the continuity of services and operations in the event of actual or potential emergency situations will be implemented and maintained. The District will prepare and adopt an Emergency Response Plan and review and update as needed to ensure that the Plan remains current and consistent with District operations. The Plan will set forth the District's emergency response organization, outline the circumstances under which the Emergency Operation Center (EOC) is activated, and provide a strategy and method for emergency management activities. Primary responsibility for implementing and maintaining the Plan is the responsibility of the General Manager.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: General Policies
POLICY TITLE: Records Retention
POLICY NUMBER: 3400
DATE ADOPTED: October 23, 2003
DATES AMENDED:

3400.00 Mutual Aid Plan

The District supports the sharing of resources with other public agencies during emergencies. The District will provide mutual assistance in accordance with the California Emergency Services Act and any mutual aid agreements to which the District may be a signatory.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: Wholesale Policies
POLICY TITLE: Water Shortage Policy
POLICY NUMBER: 5000
DATE ADOPTED: October 23, 2003
DATES AMENDED:

5000.00 Water Shortage Policy

Included as an attachment to wholesale customer agency water supply agreements.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: Wholesale Policies
POLICY TITLE: Capital Projects – Benefit and Financial Responsibility
POLICY NUMBER: 5100
DATE ADOPTED: October 23, 2003
DATES AMENDED:

5100.00 Capital Projects – Benefit and Financial Responsibility

(supplied under separate cover for board action)

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: Wholesale Policies
POLICY TITLE: Wells Constructed with District Funds within Retail Agencies
Boundaries
POLICY NUMBER: 5200
DATE ADOPTED: October 23, 2003
DATES AMENDED:

5200.00 Wells Constructed with District Funds within Retail Agencies Boundaries

[from 1990 Memorandum of Understanding] – In 1990, the District utilized \$1,060,000 in funding from the 1979 Water Bonds (“Bond”) for the purpose of constructing groundwater wells in Citrus Heights Water District’s, Fair Oaks Water District’s and Orange Vale Water Company’s retail service areas. Each agency was responsible for purchasing or obtaining well sites. The funds from the bond proceeds were used for any and all other related costs of well development.

5200.01 Normal Operating Conditions

All wells developed as a result of Bond fund expenditures are solely owned, operated and maintained by the respective agency responsible for the distribution system to which the well is attached. The respective agency is able to use the wells during normal operating conditions.

5200.02 Emergency Water Conditions

It was mutually agreed that under emergency water conditions, the benefits of additional supply as a result of the new wells developed and paid for by the Bond funds will be shared. There were two wells installed each in Fair Oaks Water District and Citrus Heights Water District retail service areas, and one well installed in Orange Vale Water Company retail service area.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: Wholesale Policies
POLICY TITLE: Penalties and Interest for Delinquent Water Charges under San Juan Water District's Wholesale Water Supply Agreements
POLICY NUMBER: 5300
DATE ADOPTED: February 23, 2011
DATES AMENDED:

5300.00 Penalties and Interest for Delinquent Water Charges under San Juan Water District's Wholesale Water Supply Agreements

5300.01 Penalties and Interest for Delinquent Water Charges

The following penalties and interest will apply to any charges due to San Juan by a wholesale customer agency under a wholesale water supply agreement that are delinquent as of 45 days after receipt (as identified in Section F of the agreement) of the invoice from San Juan, or 2 weeks after the next scheduled wholesale customer agency board meeting after receipt of the invoice from San Juan, whichever is later: (1) a 10% penalty; and (2) 1% per month in interest on the delinquent balance until paid in full. These penalties and interest will not apply to delinquencies that are outstanding prior to the effective date of this change in San Juan's wholesale water rates and charges.

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: August 19, 2020
Subject: SJWD Board Policy Updates (*Records Management Policy Revisions*)

RECOMMENDED ACTION

Staff recommends a motion to approve revisions to the ADM-3.6 Records Management Policy.

BACKGROUND

The SJWD Records Management Policy was created to establish and describe the Records Management Policy ("Policy") of the San Juan Water District ("District"). The Policy establishes the guidelines and procedures, under which District staff will retain, organize, purge, and destroy District records maintained by all departments. In addition, this Policy contains the Appendix A - Records Retention Schedule and provides references to the applicable state and federal statutes that regulate public records retention. The SJWD Records Management Policy Appendix A was last updated on January 13, 2010.

CURRENT STATUS

The SJWD Records Management Policy was significantly revised and Appendix A - Records Retention Schedule was directly incorporated into the policy. The redline version of the SJWD Records Management Policy will be attached to this staff report along with the clean version. Legal Counsel reviewed the amendments to the policy.

Attachments:

ADM-3.6 Records Management Policy (redline version)

Section	ADM-3 Administration	Approval Date	10/23/03
Policy	ADM-3.6 Records Management Policy, Appendix A	Latest Revision	1/13/10

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ADM-3.6 Records Management Policy

3.6.1 Policy

3.6.1.1 Purpose

The purpose of this document is to establish and describe the Records Management Policy (“Policy”) of the San Juan Water District (“District”). The Policy establishes the guidelines and procedures under which District staff will retain, organize, purge, and destroy District records maintained by all departments. In addition, this Policy contains [the Records Retention Schedules \(Appendix A\)](#) and provides references to the applicable state and federal statutes that regulate public records retention.

3.6.1.2 Preparation and Amendment

The Policy shall be prepared under the direction of the General Manager and reviewed by District Legal Counsel to ensure compliance with applicable statutes. This Policy will be ~~updated~~reviewed bi-annually in order to maintain currency with legal and District requirements.

3.6.2 Definitions

The following definitions apply to terms used in this Policy and ~~in the attached~~Appendix A - Records Retention Schedule:

3.6.2.1 Records

Records includes any documents, pictures, video recordings, audio recordings, books, paper, microfilm, computer printouts, computer disks or tapes, and any other fixed or permanent medium, which contain information relating to the conduct of the public's business prepared, owned, used, or retained by the District regardless of physical form or characteristics. A record is not a compilation of existing records created outside the normal course of business.

Public Records - Any Record relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics that is otherwise not exempt from disclosure under Government Code sections 6254 and 6255 and other applicable provisions of law.

3.6.2.2 Functional Area

This refers to the area or department that generates, maintains or is responsible for a Record.

3.6.2.3 Office

Defines on the Records Retention Schedule the length of time for which a Record in its original form must be maintained in the department where the document originated or is kept.

3.6.2.4 Archive

Defines on the Records Retention Schedule the length of time for which the original or approved permanent copy of a Record must be transferred from the retaining department to storage for the archival retention period prescribed in the Records Retention Schedule.

3.6.2.5 Total Retention

Defines on the Records Retention Schedule the total length of time for which a Record must be retained by the District before it can be destroyed.

3.6.2.6 Records Retention Schedule

A list of all records produced or maintained by the District and the actions taken with regards to those records. A retention schedule is the District's legal authority to receive, create, retain, and dispose of official public records. It assists the District by documenting which records require office or temporary storage, which records have historic or research value, and which records should be destroyed because they no longer have any administrative, fiscal, or legal value. In the event of litigation, courts

accept a retention schedule as establishing an agency's "normal course of doing business".

3.6.2.7 Retention Period

The length of time a record must be retained to fulfill its administrative, fiscal and/or legal function. Then a record should be disposed of as soon as possible in accordance with an approved Records Retention Schedule.

3.6.3 Implementation and Management

This Policy will be implemented and managed under the direction of the General Manager. Administrating and updating of this Policy is delegated to the District's Director of Finance.

3.6.3 Records Retention

The criteria used to determine the length of time to retain records includes: statutory requirements; purpose, function and use; information content; and uniqueness (whether the information exists elsewhere). Records must be retained in accordance with Government Code sections 60200 through 60204 governing retention and destruction of the records of special districts. However, specific state and federal statutes may require longer, or shorter, retention periods.

The District maintains permanent Records indefinitely in accordance with Government Code section 60201. The permanent records of the District are listed in the Records Retention Schedule attached to within this Policy. The District Board of Directors has adopted the Record Retention Schedule by Resolution 07-15 in accordance with Government Code section 12236 and 60201, subdivision (b)(2).

3.6.3.2 Public Record Requests

~~A person may obtain a copy of an identifiable public record of the District, preferably via written request, though verbal requests may be acceptable. The District reserves the right to require a written request. Public records of the District are open to inspection during regular business hours and every person has a right to inspect these records. A public record is any Record that is not otherwise exempt from disclosure in accordance with applicable laws. Records kept by District consultants are not public records of the District because they are not held by the District in the normal course of business. Officers, agents and employees of the District are not required to request records in compliance with this section when acting within the course and scope of employment or office holding.~~

~~Copies of requested Records will be provided by the District within ten days or the District will notify the requestor within ten days when the requested Records will be provided.~~

~~The District will provide the requestor with exact copies of all requested Records unless a record is in electronic form or in a specialized format, in which case the District will provide the most accurate copy possible within the limits of available technology and the requestor's~~

~~instructions and willingness to pay the legally chargeable costs to retrieve and reproduce copies of such non-standard records.~~

~~Certain Records are exempt from disclosure under the California Public Records Act (Government Codes sections 6250-6276.48). The District will justify withholding a Record by demonstrating the Record is exempt under the express provisions of Government Code section 6254 or by demonstrating in accordance with Government Code section 6255 that the public interest served by not making the Record available clearly outweighs the public interest served by disclosing the Record. The District will provide a requestor with written notice of an intent to withhold a Record stating the reasons for the withholding within ten days of the request for inspection as required by Government Code sections 6253, subdivision (c) and 6255, subdivision (b).~~

~~3.6.3.2.1 — Copy Charge~~

~~The District may charge \$.25 per page of a copied Record. The copy cost may be changed by resolution of the Board of Directors. No charge will be imposed for research. The District reserves the right to have copies of specialized, oversized and color Records printed by an outside copy service and to charge the requestor the actual costs for such outside copy services. The District also reserves the right to require a requestor to deposit the estimated amount of copying fees before copying and delivering requested Records.~~

~~3.6.3.2.2 — Request List~~

~~The District will maintain a log of requests for inspection that are denied and the reasons for the denial.~~

3.6.3.34 Destruction and Disposal of Records

Destruction of Records will be in accordance with this Policy and the attached Record^s Retention Schedule, as authorized by the General Manager or his/her designee. Records must be destroyed after the expiration of the applicable retention period in accordance with this Policy and generally accepted records information management guidelines and procedures. The acceptable method(s) of destruction are listed on the Record^s Retention Schedule. Generally, Records not containing information of a confidential or proprietary nature may be destroyed by means of recycling or other waste removal service. Records containing confidential or proprietary information must be shredded or otherwise permanently destroyed. Records recorded on electronic or magnetic media may be erased and the media re-used or discarded.

District Records may be destroyed by District staff or a licensed, bonded and insured document destruction service. If District staff destroys Records, the staff member destroying the Records will prepare and sign a "Certificate of Destruction." If the District uses a document destruction service, it shall obtain a Certificate of Destruction from the document destruction service

following destruction of District records. All Certificates of Destruction shall be filed with the District Records Disposal Log.

3.6.45 Retention of Other Records

3.6.45.1 The District must retain the following records, regardless of any different destruction policy or schedule as to any identified record or records specified in the Records Retention Schedule:

- ~~(2)~~(1) Any record of the District that is the subject of a pending request made under the California Public Records Act, Government Code sections 6250 through 6276.48, until the District has either (a) complied with the request or (b) withheld the record and provided written notice to the requestor denying the request;
- ~~(3)~~(2) Documents related to public works not accepted by the District or to which a stop notice claim may be legally presented;
- ~~(4)~~(3) Documents related to any non-discharged District debt; and
- (4) Any document that has not yet fulfilled the administrative, fiscal, or legal purpose for which it was created or received by the District.
- (5) [Documents related to a Natural Disaster or Federal Emergency Management Agency \(FEMA\) claim.](#)

3.6.45.2 The District may dispose of the following records at any time, without maintenance of a copy:

- ~~(2)~~(1) Duplicates, the original or a permanent photographic record of which is on file;
- ~~(3)~~(2) Rough drafts, notes, working papers and audio recordings prepared or kept by any employee or accumulated in the preparation of a communication, study or other document, unless of a formal nature contributing significantly to the preparation of the document, including but not limited to meter books after the contents thereof have been transferred to other records;
- ~~(4)~~(3) Cards, listings, non-permanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters, and tracer letters;
- ~~(5)~~(4) Canceled coupon sheets from registered bonds; and
- ~~(6)~~(5) Telephone messages and inter-departmental notes.

3.6.6 Public Record Requests

[A person may obtain copies of Public Records of the District, preferably via written request, though verbal requests may be acceptable. The District reserves the right to require a written request. Public Records of the District are open to inspection during regular business hours and every person has a right to inspect these records. Officers, agents and employees of the District are not required to request records in compliance with this section when acting within the course and scope of employment or office holding.](#)

Copies of requested Public Records will be provided by the District within ten days or the District will notify the requestor within ten days when the requested Public Records will be provided.

The District will provide the requestor with exact copies of all requested Public Records unless a record is in electronic form or in a specialized format, in which case the District will provide the most accurate copy possible within the limits of available technology and the requestor's instructions and agreement to pay the legally-chargeable costs to retrieve and reproduce copies of such non-standard records.

Certain Public Records are exempt from disclosure under the California Public Records Act (Government Codes sections 6250-6276.48). The District will justify withholding a Record by demonstrating that it is exempt under the express provisions of Government Code section 6254 or by demonstrating in accordance with Government Code section 6255 that the public interest served by not making the Record available clearly outweighs the public interest served by disclosing the Record. The District will provide a requestor with written notice of an intent to withhold a Record stating the reasons for the withholding within ten days of the request for inspection as required by Government Code sections 6253, subdivision (c) and 6255, subdivision (b).

3.6.6.1 Copy Charge

The District may charge a per page fee to copy a record, in an amount specified on the District's current Schedule of Rates, Fees, Charges and Deposits. If the request includes Public Records created in an electronic format, the District may charge the costs of producing such Records in accordance with Government Code section 6253.9. No charge will be imposed for research. The District reserves the right to have copies of specialized, oversized and color Records printed by an outside copy service and to charge the requestor the actual costs for such outside copy services. The District also reserves the right to require a requestor to deposit the estimated amount of copying fees and any costs for mailing before copying and delivering requested Records.

3.6.6.2 Request List

The District will maintain a log of requests for inspection that are denied and the reasons for the denial.

3.6.7 Public Counter Records

3.6.7.1 Except for writings exempt from public disclosure, the District Secretary will maintain a duplicate copy of the last approved Board meeting minutes and the agenda and written materials distributed to the Board for discussion or consideration at the next scheduled Board meeting. These records will be maintained at the public counter located in the District's administrative office. Public records discussed during a public meeting but not previously available will be made available before the commencement of discussion at such meeting or as soon thereafter as practicable.

3.6.7.2 No charge will be imposed for the use or review of the records described in this section. The District will, however, impose a copy charge if a copy of a public counter record is requested.

3.6.7.3 The District also posts on its website copies of all public counter records, archived Board meeting minutes and agendas, current Board policies, and other important District documents. Requestors are encouraged to view and obtain copies of available documents on the District’s website by visiting: www.sjwd.org

Revision History:

Revision Date	Description of Changes	Requested By

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Administration					
<i>Board of Directors and Committees</i>					
Authorizing Documents	Permanent	Permanent	Permanent		G.C. §60201(d)(1)
Board Policies and Procedures	Current + 3 years	Permanent	Permanent		
Conflict of Interest Code	Current + 3 years	Permanent	Permanent		G.C. §87300
Ethics Code	Current + 3 years	Permanent	Permanent		
Proofs of Completion of Ethics Training - Proofs of Completion	5 years	None	5 years	Destroy Shred	G.C. §53235.2(a)
Form 700 Statements of Economic Interests	7 years from Filing	None	7 years from Filing	Shred	G.C. §81009(e)
Meeting Agendas	3 years	Permanent	Permanent		
Meeting Audio Recordings	30 days or until minutes approved	None	30 days or until minutes approved	Deletion	
Board and Committee Meeting Minutes	Permanent	Permanent	Permanent		G.C. §60201(d)(3)
Meeting Notices	3 years	Permanent	Permanent		
Ordinances and Resolutions - current ³	Permanent	Permanent	Permanent		G.C. §60201(d)(2)
Ordinances and Resolutions - Repealed/Invalid	5 years from Repeal	None	5 years from Repeal	Disposal	G.C. §60201(d)(2)
Reports —staff, studies, (including all attachments)	3 years	Permanent	Permanent		
<i>Election Materials</i>					
General	3 years	Permanent	Permanent		G.C. §81009(ea)&(e)
Special	3 years	Permanent	Permanent		G.C. §81009(ea)&(e)
<i>Legal</i>					
Attorney Correspondence	1 year	Permanent 2 years	Permanent 3 years	Shred	

¹ Archived Records may be retained in original form or the original may be copied in a permanent medium and the original destroyed.

² For all Record categories where no legal authority is cited, the District has discretion to set the retention period in accordance with Government Code section 60201, subdivision (b)(2)

³ Ordinances and Resolutions that are superseded, repealed, unenforceable or otherwise invalid may be disposed of five years after being rendered invalid.

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
General Correspondence	1 year	Permanent <u>2 years</u>	Permanent <u>3 years</u>	<u>Shred</u>	
Lawsuits/Claims	<u>Until Closed + 2</u> 1 years	Permanent <u>one</u>	Permanent <u>Until Close + 25 years</u>	<u>Shred</u>	G.C. §60201(d)(4)
<u>Opinions</u>	<u>1 year</u>	<u>7 years</u>	<u>7 years</u>	<u>Shred</u>	
Real Property Interests (Title, Acquisition, Disposition)	Permanent	Permanent	Permanent		G.C. §60201(d)(8)
Customer Service					
<u>Utility Billing</u>					
Connection Records/Will Serves	1 year	Permanent	Permanent		
Credit Bureau Assignments	1 year	3 years	Audit + 3 years	Shred	
Deposit Slips	1 year	3 years	Audit + 3 years	Shred	
Meter Reads <u>in Billing System</u>	1 year <u>Permanent</u>	3 years <u>None</u>	Audit + 3 years <u>Permanent</u>	<u>Shred</u>	
Payment Stubs & Tapes	1 year	3 years	Audit + 3 Years	Shred	
Refunds	<u>Audit + 1 year</u>	<u>6 years</u>	Audit + 3 <u>7</u> Yrs	Shred	<u>G.C. §60201(d)(12)</u>
Service Requests	1 year	3 years	Audit + 3 years	Shred	
Utility Billing Register	1 year	3 years	Audit + 3 years	Shred	
Daily Call Log Reports	3 years	0 years	3 years	Shred	
<u>Water Efficiency</u>					
<u>Landscape irrigation reports</u>	<u>1 year</u>	<u>3 years</u>	<u>4 years</u>	<u>Shred</u>	
<u>Rebate Applications</u>	<u>1 year</u>	<u>5 years</u>	<u>6 years</u>	<u>Shred</u>	
<u>Water Loss Audit & Validation</u>	<u>3 years</u>	<u>Permanent</u>	<u>Permanent</u>		
Finance					
<u>Accounts Payable (A/P)</u>					
1099's <u>Issued Tax Information</u>	Audit + 1 year	6 years	Audit +7 years	Disposal	<u>26 CFR Sec, 31.6001-1(e)(2)G.C. §60201(d)(12)</u>

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
A/P Account Distribution Report (monthly)	Audit + 1 Yr	6 Yrs	Audit + 7 Yrs	Disposal	G.C. §60201(d)(12)
A/P supporting documentation (voucher, invoice, purchase order, receiving documents)	Audit + 1 year	6 years	Audit + 7 years	Disposal	G.C. §60201(d)(12)
Check Register Packet	Audit + 1 year	6 years	Audit + 7 years	Disposal	G.C. §60201(d)(12)
Payable/Receipt Registers, Adjustment, Void and Check Registers	Audit + 1 year	6 years	Audit + 7 years	Disposal	G.C. §60201(d)(12)
Aged A/P Summary Report (monthly)	1 Yr	3 Yrs	Audit + 3 Yrs	Disposal	
Audit Report last file Electronic Funds Transfer	30 Days	None	None	Shred	
Audit Report last file Positive Pay	30 Days	None	None	Shred	
Check Preview Reports (monthly)	1 Yr	3 Yrs	Audit + 3 Yrs	Disposal	
Open Payables Report (monthly)	30 Days	3 Yrs	Audit + 3 Yrs	Disposal	
Purchase Order File (quote comparisons, email communication, documentation of receipt, requisitions and PO itself)	Audit + 1-2 years	6 yearsNone	Audit + 7-2 years	Disposal	G.C. §60201(d)(12)
US Bank ACH File Confirmation	30 Days	None	None	Shred	
Vendor Information Packet (including W-9, Form 590, etc.Detail (annual))	Audit + 1 yearUntil no longer active + 7 years	6 yearsNone	Audit Until no longer active + 7 years	Disposal	G.C. §60201(d)(12)
Voided ChecksVoid Check Entry Batch Control Report	Audit + 1 year30 Days	None6 years	Audit + 7 years	Disposal	
Voucher & Adjustment Entry Batch Control Report	30 Days	None	None	Disposal	
Accounts Receivable (A/R)					
Cash Receipts	Audit + 1 year	20-6 years	Audit + 20-7 years	Disposal	
Cash Receipts for Connection fees	Audit + 5-1 years	Permanent	Permanent		
Credit Bureau Assignments	Audit + 1 year	3 years	Audit + 4 years	Shred	
Invoices	Audit + 1 year	3 years	Audit + 3-4 years	Shred	
Journal Entries	1 year	3 years	Audit + 3-4 years	Disposal	
Refunds	1 year	3 years	Audit + 3-4 years	Disposal	

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Debt Administration/Tax Collection					
<u>Bond Transcripts (issuing documents)</u>	<u>Cancellation of Debt, Redemption or Maturity</u>	<u>10 years</u>	<u>Cancellation of Debt, Redemption or Maturity + 10 years</u>	<u>Disposal</u>	<u>G.C. §60201(d)(7) CCP 336a and 337.5</u>
<u>Tax Records</u>	<u>1 Yr</u>	<u>5 Yr</u>	<u>Audit + 5 Yr</u>	<u>Disposal</u>	
<u>CalPERs Actuarial Valuation Reports (Pension)</u>	<u>10 years</u>	<u>None</u>	<u>10 years</u>	<u>Disposal</u>	
<u>Bonds Payable and Financing Agreement for Other Long-Term Indebtedness</u>	<u>1 yr Cancellation of Debt, Redemption or Maturity</u>	<u>5 Yrs-10 years</u>	<u>Audit + 5 Yr Cancellation of Debt, Redemption or Maturity + 10 years</u>	<u>Disposal</u>	<u>CCP 336a G.C. §60201(d)(7)</u>
<u>OPEB Valuation Report</u>	<u>10 years</u>	<u>None</u>	<u>10 years</u>	<u>Disposal</u>	
General Ledger					
<u>Audited Financial Statements</u>	<u>1 Yr Audit + 10 years</u>	<u>Permanent 5 Yr</u>	<u>Permanent Audit + 5 Yr</u>	<u>Disposal</u>	
<u>Budgets – adopted/final Budget Reports</u>	<u>Audit + 10 years 1 Yr</u>	<u>Permanent 5 Yr</u>	<u>Permanent Audit + 5 Yr</u>	<u>Disposal</u>	
<u>Detailed General Ledger (electronic)</u>	<u>7 years</u>	<u>None</u>	<u>7 years</u>	<u>Delete</u>	
<u>Cancelled Checks</u>	<u>Audit + 1 Yr</u>	<u>5 Yr</u>	<u>Audit + 5 Yr</u>	<u>Disposal</u>	
<u>Chart of Accounts</u>	<u>1 year</u>	<u>5 years</u>	<u>Audit + 5 years</u>	<u>Disposal</u>	
<u>Fixed Asset Reports Listing (in year-end binder, if not, retain separately as shown)</u>	<u>Audit + 2 years 1 Yr</u>	<u>5 years</u>	<u>Audit + 7 5 years</u>	<u>Disposal</u>	
<u>Monthly Account Reconciliations (Prepaid, etc.)</u>	<u>Audit + 1 Yr</u>	<u>5 Yr</u>	<u>Audit + 5 Yr</u>	<u>Disposal</u>	
<u>Monthly Journal Entries</u>	<u>Audit + 1 year</u>	<u>5-7 years</u>	<u>Audit + 5 7 years</u>	<u>Disposal</u>	
<u>Monthly Bank Reconciliations and Statements</u>	<u>Audit + 1 year</u>	<u>5-6 years</u>	<u>Audit + 5 Yrs 7 years</u>	<u>Disposal</u>	
<u>Monthly Financial Reports (Balance Sheet, Income Statement, General Ledger, etc.)</u>	<u>1 Yr</u>	<u>5 Yr</u>	<u>Audit + 5 Yr</u>	<u>Disposal</u>	
<u>Project Expenditure Reports</u>	<u>1 year</u>	<u>5 years</u>	<u>Audit + 5 years</u>	<u>Disposal</u>	

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Year End Audit Binder (-contains reconciliation and supporting documentation for each account with a material year-end balance – balance sheet and income statement accounts)	Audit + 5 years	Permanent	Permanent		
Grants					
Federal Grant records including procurement documents, expenditures, grant reports, program income receipts and records, etc.	1 Yr Expiration of Grant + 3 years	3 Yr Expiration of Grant + 4 years	Audit + 3 Expiration of Grant + 7 years	Disposal	Gov't Code section 8546.7; 21 CFR 1403.36 & 1403.42(b); 24 CFR 85.42, 91.105(h), & 570.502; 29 CFR 97.42
State Grants	1 Yr	3 Yr	Audit + 3 Yr	Disposal	
Inventory					
Annual Physical Count Documentation	Audit + 1 year	5-6 years	Audit + 5-7 years	Disposal	
Inventory Issue Batch Reports	Audit + 1 year	5-6 years	Audit + 5-7 years	Disposal	
Property Disposal Records	Audit + 1 year	5-6 years	Audit + 5-7 years	Disposal	
Investments					
Acquisition of securities Investment receipts, Advisor Reports and Statements, Investment Confirmations & Trade Tickets and Investment Account Statements	Audit + 1 year	5-6 years	Audit + 5-7 years	Shred	
Natural Disasters Losses / Claims (including supporting documents pertaining thereto)					

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Federal Emergency Management Agency (FEMA) ⁴	Until Closed by FEMA + 3 years	None	Until Closed FEMA + 3 years	Delete/Shred/Disposal	
Broker/Bank Receipts	1 Yr	5 Yr	Audit + 5 Yr	Shred	
Periodic Statements	1 Yr	5 Yr	Audit + 5 Yr	Shred	
Human Resources					
Pre-Employment Records					
Job Announcements	2 years	None	2 Years	Disposal	
Job Applications and Resumes	Duration of employment (if hired) + 2 years	None	Duration of employment + 2 years	Shred	
Payroll Files					
Employee Master File Record	1 Yr	4 Yr	Audit + 4 Yr	Shred	
Employee Programs	Until revised	4 Yr	Audit + 4 Yr	Shred	
Journal Entries	Audit + 1 Yr	4 Yr	Audit + 4 Yr	Disposal	
Medical/Other Leave	1 Yr	4 Yr	Audit + 4 Yr	Shred	
Motor Vehicle Records	90 Days	4 Yr	Audit + 4 Yr	Shred	
Social Security, SSI, Federal, State, Health, Other Payments	Audit + 1 Yr	6 Yr	Audit + 7 Yr	Shred	G.C. §60201(d)(12)
CalPERS Contribution Reports (electronic)	2-yearsPermanent	PermanentNone	Permanent		SJWD Board Policy
Safety Records	1 Yr	4 Yr	Audit + 4 Yr	Shred	
Sick Leave	90 Days	4 Yr	Audit + 4 Yr	Shred	
Taxable Wages	Audit + 1 Yr	6 Yr	Audit + 7 Yr	Shred	G.C. §60201(d)(12)
Timesheets	Audit + 1 Yr	6 Yr	Audit + 7 Yr	Disposal	G.C. §60201(d)(12)
Vacation	90 Days	4 Yr	Audit + 4 Yr	Disposal	
Vehicle Mileage Reimbursement Rates	Audit + 1 Yr	4-7 Yr	Audit + 4-7 Yr	Disposal	G.C. §60201(d)(12)

⁴ Superseding the retention schedules listed above and below; all documents related to any FEMA claim must be kept for the duration of the open claim plus 3 years after the case is closed.

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
<u>W-2's</u>	<u>Audit + 1 Yr</u>	<u>6-7 Yr</u>	<u>Audit + 7 Yr</u>	<u>Shred</u>	<u>G.C. §60201(d)(12)</u>
<u>Workweek/Flex Time MOU</u>	<u>1 Yr</u>	<u>4 Yr</u>	<u>Audit+ 4 Yr</u>	<u>Shred</u>	
<u>Payroll Changes</u>	<u>Audit + 1 year</u>	<u>6 years</u>	<u>Audit + 7 years</u>	<u>Shred</u>	<u>G.C. §60201(d)(12)</u>
<u>Quarterly tax filings and reconciliations of the Federal 941 and the California DE9</u>	<u>Audit + 1 year</u>	<u>6 years</u>	<u>Audit + 7 years</u>	<u>Shred</u>	<u>G.C. §60201(d)(12) and IRS</u>
<u>Timesheets and Payroll Register (taxable wages, hours, earnings, deductions)</u>	<u>Audit + 1 year</u>	<u>6 years</u>	<u>Audit + 7 years</u>	<u>Shred</u>	<u>G.C. §60201(d)(12)</u>
<u>Unlawful Employment Practices, Claims, Investigations and Legal Proceedings including Personnel and Payroll records of complaining parties and all those holding or applying for similar positions</u>	<u>Until Disposition of Case</u>	<u>Appeals Periods</u>	<u>Until Disposition of Case and all appeals periods have expired</u>	<u>Shred</u>	
<u>W-2s</u>	<u>Until updated or termination + 1 year</u>	<u>6 years</u>	<u>Audit + 7 years</u>	<u>Shred</u>	<u>G.C. §60201(d)(12) and 4 yrs per IRS</u>
<u>Wage Garnishment Order</u>	<u>Until Revoked + 7 years</u>	<u>None</u>	<u>7 years after revocation</u>	<u>Shred</u>	
<u>Year-end Payroll Tape/Data Backup</u>	<u>1 Yr</u>	<u>4 Yr</u>	<u>Audit + 4 years</u>	<u>Shred</u>	
<u>Employee Personnel Files</u>					
<u>Employee Files</u>	<u>Until Termination</u>	<u>Permanent</u>	<u>Permanent</u>		
<u>I-9 Forms</u>	<u>Termination + 7 years</u>	<u>None</u>	<u>Termination + 7 years</u>	<u>Shred</u>	
<u>Accommodation Letters (regarding FMLA leave and ability of District to accommodate restrictions)</u>	<u>Termination + 7 years</u>	<u>None</u>	<u>Termination + 7 years</u>	<u>Shred</u>	
<u>Alcohol test results indicating an alcohol concentration of .02 or greater</u>	<u>5 years</u>	<u>None</u>	<u>5 years</u>	<u>Shred</u>	<u>Drug and Alcohol Program Procedure in Personnel Manual</u>
<u>Annual calendar year summary of testings</u>	<u>5 years</u>	<u>None</u>	<u>5 years</u>	<u>Shred</u>	<u>Drug and Alcohol Program Procedure in Personnel Manual</u>

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Benefits: Enrollment Forms, Deduction Agreements, etc.	Until Termination + Audit	Permanent None	Permanent Termination + 7 years	Shred	
Chemicals Safety and Exposure Records	Until Termination + Audit	30 years	Audit + 30 years	Shred/Disposal	8CCR 3204
COBRA Notices	Termination + 7 years	None	Termination + 7 years	Disposal	
Discharge, layoff, transfer and recall records	Termination + 7 years	None	Termination + 7 years	Shred	
Disciplinary Notices	Termination + 7 years	None	Termination + 7 years	Shred	
Documentation of refusals to take required alcohol and/or controlled substances tests	5 years	None	5 years	Shred	Drug and Alcohol Program Procedure in Personnel Manual
Driver evaluation and referrals (including DMV pull program notices)	5 years	None	5 years	Shred	Drug and Alcohol Program Procedure in Personnel Manual
Education Reimbursement Agreement	Termination + 7 years	None	Termination + 7 years	Shred	
Medical Employee Health Records	Until Termination + 7 years	92 years	Until Termination + 99 years	Shred	8CCR 3204
Employment Verifications	Termination + 7 years	None	Termination + 7 years	Shred	
Fitness for Duty Evaluation Results	Termination + 7 years	None	Termination + 7 years	Shred	
General Information: Legal Name, Social Security Number, Birth/Marriage/Death Certificates, Address and Contact Information, etc.	Until Termination + 7 years	Permanent None	Permanent Termination + 7 years	Shred	
Payroll Offer Letter (including workweek) Workweek/Flex Time MOU, Salary, etc.	Until Termination + 7 years	Permanent None	Permanent Audit + 5 years	Shred	

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Performance Management (Evaluations, etc.)	Until Termination + 7 years	None	Until Termination + 7 years	Disposal Shred	
Personnel Action Notices (PAN)	Termination + 7 years	None	Termination + 7 years	Shred	
Records of negative and cancelled controlled substances test results and alcohol test results with a concentration of less than .02	1 year	None	1 year	Shred	Drug and Alcohol Program Procedure in Personnel Manual
Records of verified positive controlled substances test results	5 years	None	5 years	Shred	Drug and Alcohol Program Procedure in Personnel Manual
Records relating to the alcohol and controlled substances collection process.	2 years	None	2 years	Shred	Drug and Alcohol Program Procedure in Personnel Manual
Training: Certificates, etc. (if provided for file)	Until Termination + 7 years	None	Until Termination + 7 years	Disposal Shred	
Confidential	Until Termination + Audit	0	Until Termination	Shred	
Union and Employee Contracts	2-Yr Until Termination + Audit	0 Permanent	2-Yr Permanent	Shred	
Workweek/Flex Time MOU (as it pertains to employee file. Board Secretary should maintain MOU's as permanent documents)	Termination + 7 years	None	Termination + 7 years	Disposal	
Employee Handbook	Until revised	4 Yr	Audit + 4 Yr	Disposal	
<i>Recruitment/Promotion</i>					
Job applications	2 Yr	0	2 Yr	Shred	Title VII, FEHA, ADA, ADEA
Resumes	2 Yr	0	2 Yr	Shred	
Position Advertisements	2 Yr	0	2 Yr	Disposal	
Employment testing results	2 Yr	0	2 Yr	Shred	

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Other					
Membership records	7 Yr	None	7 Yr	Shred	
OSHA Logs and Records	5 years	None	5 years	Shred	
Picture of Posted Labor Posters (electronic)	3 years	None	3 years	Disposal/ Delete	
Salary Survey	Current	2 years after completion of new study	2 years after completion of new study	Shred	
Risk Management					
Insurance					
Certificates of Insurance (District Insurance Policies)	3 Yrs Current + Audit	Permanent	Permanent		For protection from litigation
Coverage Opinions	3 Yrs	Permanent	Permanent		
Endorsements	3 Yrs	Permanent	Permanent		
Claims against the District (Injury, Property, General Liability)	Settlement + 1 year	None	Settlement + 1 year	Disposal	
Insurance Policies	3 Yrs Current + Audit	Permanent	Permanent		For protection from litigation
Memoranda of Coverage	3 Yrs Current + Audit	Permanent	Permanent		For protection from litigation
Surety/Fidelity Bonds Required to be maintained by insurer	3 Yrs Current + Audit	Permanent Expiration + 5 years	Permanent Expiration + 5 years	Disposal	
Vendor Certificates of Insurance and Endorsements (District as Additional Insured)	Completion of Work + 7 years	None	Completion of Work + 7 years	Disposal	
Water System					

Records Retention Schedule by Functional Area

Functional Area Category Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Capital Improvements					
Accepted bid documents	5 years	Permanent	Permanent		
As-built plans/documents (includes submittals, fabrication drawings, cutsheets, etc.)	7 years	Permanent	Permanent		
Contracts (including insurance endorsements naming District as additional insured)	7 years	Permanent	Permanent		G.C. §60201(d)(12)
Unaccepted construction or installation bids & proposals	2 years	None	None	Disposal	G.C. §60201(d)(11)
Source, Treatment, and Distribution					
Maps	7 years	Permanent 10 years	Permanent 10 years	Shred	
Master Plans	10 years	Permanent 10 years	Permanent 10 years	Shred	
Meter Operations	2 years	10 years	10 years	Disposal	
Permits	7 years	10 years	10 years	Disposal	
Policies & Procedures	2 years	10 years	10 years	Disposal	
Rates	2 years	10 years	10 years	Disposal	
Reclamation	2 years	10 years	10 years	Disposal	
Reports	7 years	Permanent 10 years	Permanent 10 years	Shred	
Sources of Supply	2 years	10 years	10 years	Shred	
Surveyor Field Notes	7 years	Permanent 10 years	Permanent 10 years	Shred	
Surveys, Water System Sanitary	7 years	Permanent 10 years	Permanent 10 years	Shred	
Test	2 years	10 years	10 years	Shred	
Valve Main Records	2 years	10 years	10 years	Shred	
Violations, Drinking Water	2 years	10 years	10 years	Shred	
Development					

Records Retention Schedule by Functional Area

Functional Area <i>Category</i> Record Series	Retention			Destruction Method	Legal Authority ²
	Office	Archive ¹	Total		
Acreage Agreements	Permanent	Permanent	Permanent		
Conveyance Agreements	Permanent	Permanent	Permanent		
Connection Related Deposits and Payments	Permanent	Permanent	Permanent		
<i>Property</i>					
Deeds	Permanent	Permanent	Permanent		
Easements	Permanent	Permanent	Permanent		
Encroachment Agreements	Permanent	Permanent	Permanent		

REGION OF SACRAMENTO

Water Utility Collaboration Study– Task 1 AdHoc
Committee Meeting

July 28, 2020

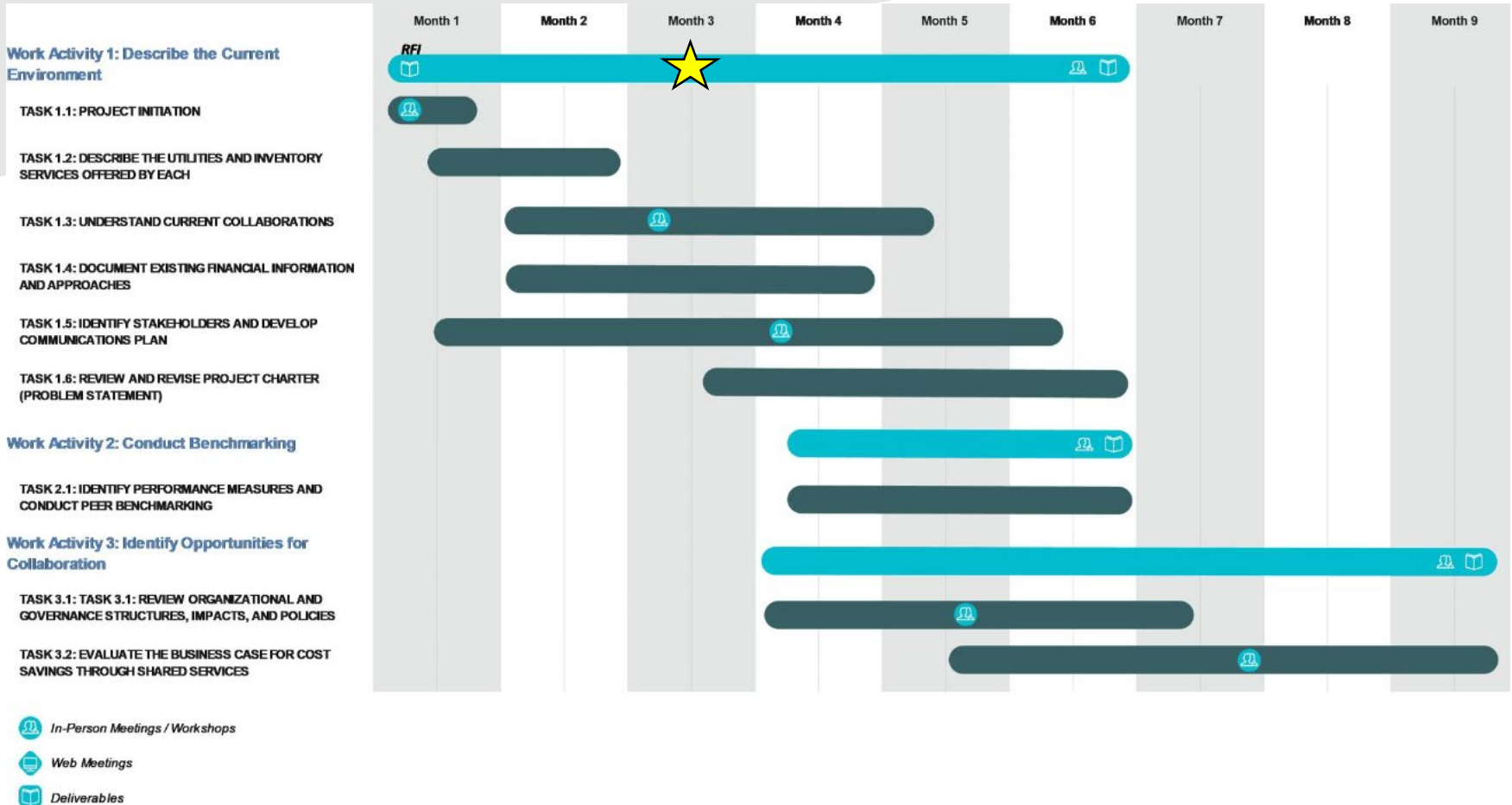


Agenda

- Review Project Activities (scope) and Schedule
- Synopsis of Activity 1 Status and Deliverable:
 - › Interviews and interactions with Participating Agencies
 - › Overview of data collected
 - › Collaboration experiences and opportunities
 - › Vehicles for collaboration
 - › Initial impressions
- Project Charter and Communications Plan
- Collaboration Activities for Study in Next Phases
- Next Steps

Key objective is to provide Board members with an update on the Study status and provide them with an opportunity to ask questions.

Study Status



Despite a late start, timeline is **slightly ahead**. The Task 1 Draft Report was delivered in Month 3 following our April 29th kickoff.

Task 1 Review



1. Information request



2. Submission, review, and data summarization



3. Interviews conducted with agencies included the following roles:

- **Governance:** Board members
- **Leadership:** Environmental and Water Resources Director, General Manager, Contracted Study Staff, Assistant General Manager, Executive Assistant to the General Manager
- **Communications:** Public Information Officer, Communications Manager, Public Relations Consultant
- **Operations:** Operations Manager, Utilities Section Manager, Engineering Manager, Engineering Services Manager
- **Finance / Billing:** Finance Director, Customer Service Manager

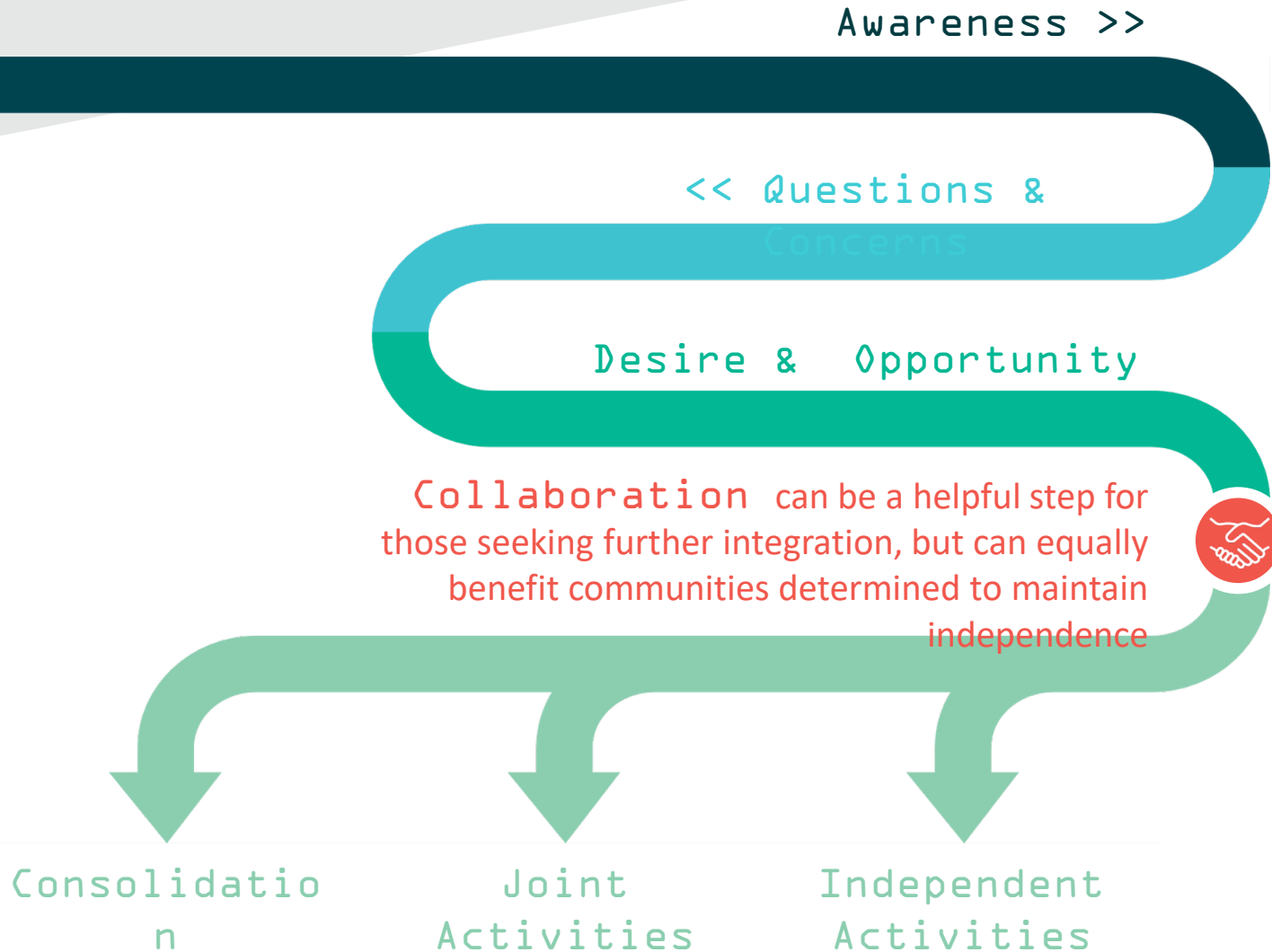
Task 1 Review (cont'd)



4. Task 1 Report Draft- Description of the Current Environment:
 - › High-Level Data Summary
 - › Context & Culture
 - › Service Highlights
 - › Collaborations to Date
 - › Preliminary Opportunities
 - › Water Supply Discussion
 - › Communications Plan & Project Charter

Task 1 next steps include the Final Report.

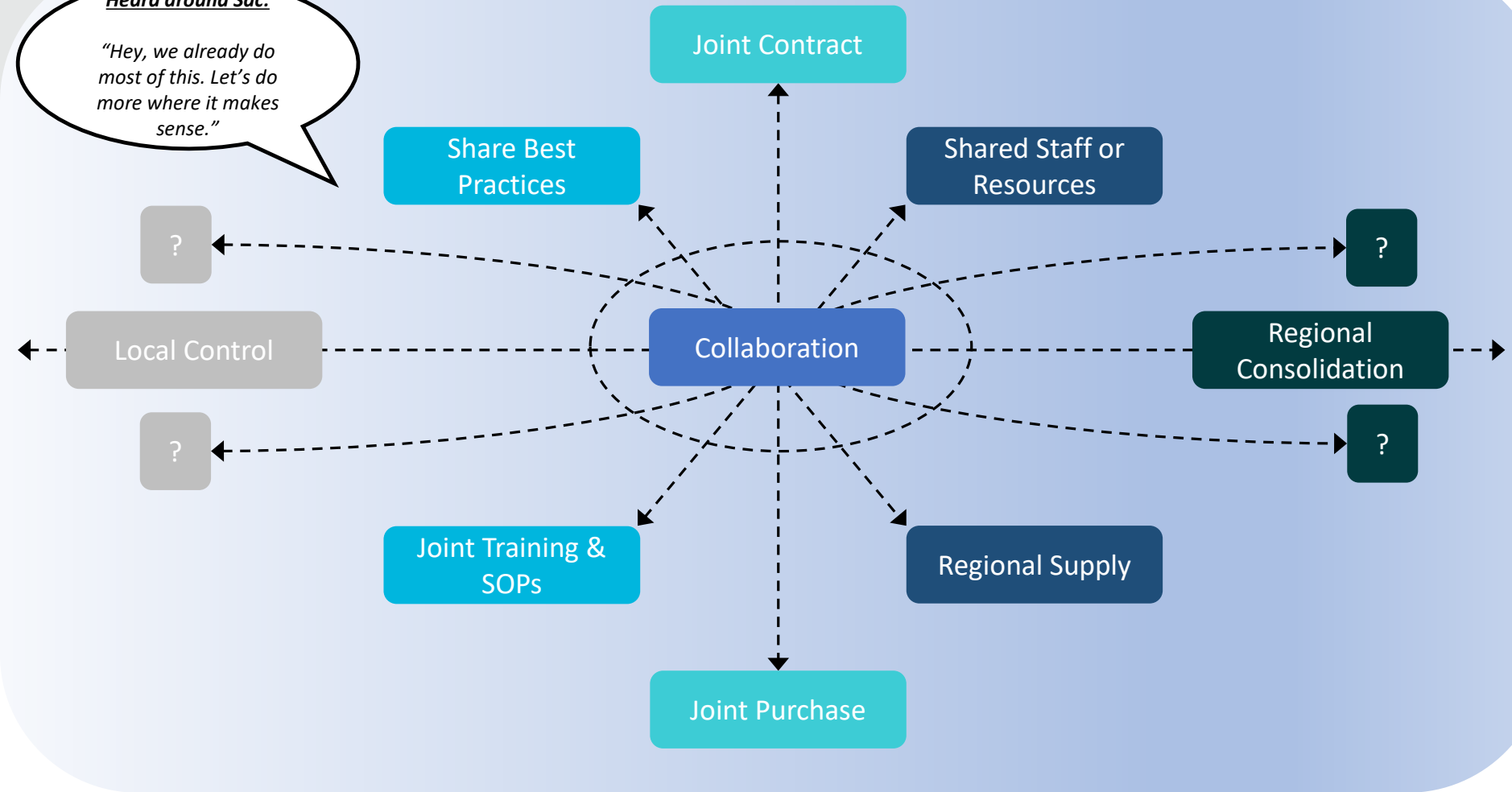
Agencies can choose their own path



The Utility Collaboration Spectrum

Heard around Sac:

"Hey, we already do most of this. Let's do more where it makes sense."



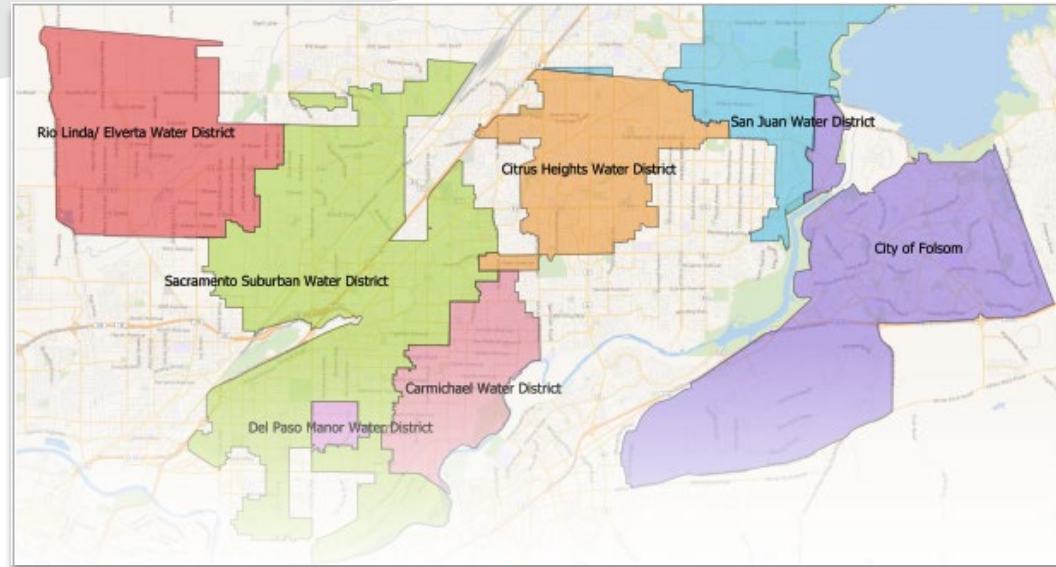
Participation is **optional**, as symbolized by dotted lines. Nor is the collaboration spectrum a linear path, rather it reflects **degrees of intensity of coordination**.

Task 1 Report Overview



Agency Perspectives

- Study perspectives are informed by agency's:
 - › Historical context
 - › Level of service
 - › Resources
 - › Needs
 - › Priorities
- Existing vehicles can ensure regional and local interests are best served:
 - › Existing collaborations
 - › RWA
 - › SGA
 - › SAWWA
 - › Water Forum



*The **momentum required** for success will be attained where opportunities can be shown to yield **cost advantages** that maintain or improve **water quality, reliability, and / or customer service.***

Data Review

	CWD	CHWD	Folsom	DPMWD	RLECWD	SSWD	SJWD
Year Established	1916	1920	?	1955	1948	2002	1954
Full-Time Equivalent Staff (#)	27	35	53	4	10	70	48
Pop. Served (#)	40,000	67,000	70,000	4,967	13,400	182,500	154,781
Avg. Day (MGD)	12.3	14.6	17.1	?	8.9	27.3	40.0
Surface / Groundwater (%)	75% / 25%	?	100% / 0%	0% / 100%	0% / 100%	57% / 43%	100% / 0%
MHI (\$)	\$60,466	\$59,008	\$109,762	\$58,456	\$64,942*	Varies	Varies
Monthly Bill (\$)***	\$79.51	\$71.09	\$50.03	\$58.25	\$81.27	\$91.89	\$83.75

*Population weighted average of Rio Linda and Elverta

**Based on a family of 4 and 143 gallons per capita per day, or about 23.26 ccf per month as per:

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/conservation_reporting.html

Task 2 analytics will further reveal key differences and help advance inter-agency understanding and opportunity identification.

Preliminary Opportunity Prioritization

- › Paving (3)
- › Vehicles (3)
- › Meter testing (2)
- › Mutual aid and intertie template agreements (2)
- › Preventative maintenance (2)
- › Training (2)
- › Clarify the role of RWA
- › Engineering drafting
- › Generating income from unused water
- › Information clearinghouse
- › Lab service and water quality testing
- › Human Resources partnering
- › Joint contracting
- › Joint equipment purchases
- › Joint lobbying
- › Leak detection
- › Leverage regional relationship with Tesco
- › Master Gardener resource
- › Protect water rights as a region
- › Purchasing and inventory for common materials and supplies
- › integrate functionally if redundancy is identified, or even organizationally?

While will revisit the list of opportunities as a group *before moving into fuller assessments*, an initial prioritization is underway.



Strategic Communications Plan

Communication strategy is phased:



1. Raise awareness and understanding internally—with employees and governing bodies



2. Communicate to engage key water industry stakeholders

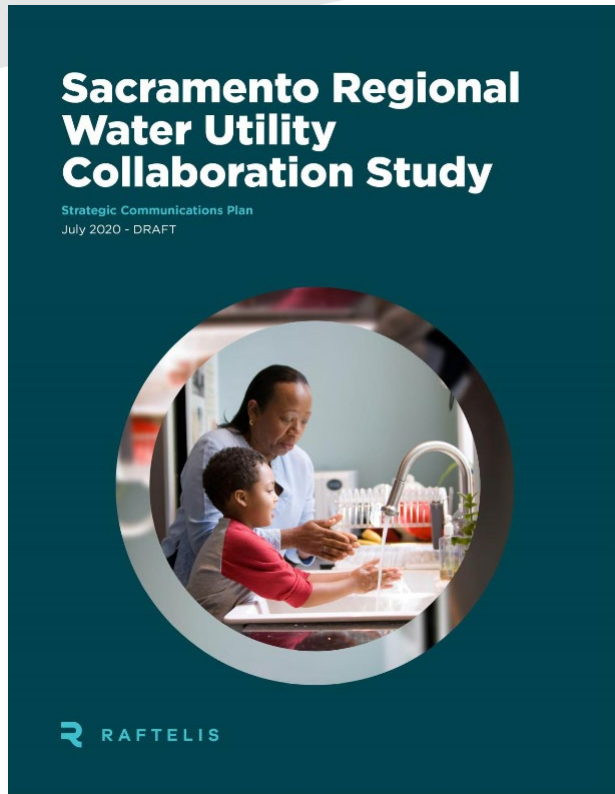


3. Communicate to demonstrate progress on the Study with customers and potentially media





Initial Communication Efforts



- Determine name and look/feel of communication materials
- Include communications as a standing agenda item for the Steering Committee agendas to ensure horizontal alignment among partner agencies
- Create FAQs, onepage summary, presentation to be used with employees and governing bodies





Project Charter

This meeting is an opportunity to provide feedback in the proposed Project Charter:

- Challenge Statements
- Goals
- Boundaries
- Schedule

PARTICIPANTS AND STAKEHOLDERS
Successful cooperation and collaboration will require engagement of several stakeholders. The Steering Committee has identified the following list of key participants and stakeholders:

- The Study Steering Committee itself
- Participating stakeholder entities, including leadership, key staff and/or departments, and boards
- Outside consultants of participating utility organizations
- Other regional water producers/providers (including other potential participants)

PROJECT CHARTER
This Sacramento Region Water Utility Collaboration Study Project Charter has been developed to confirm our understanding of the Study's goals and to provide a reference point as we work through a collaborative process. The Project Charter states our guiding principles for the process and requirements for success.

CHALLENGE STATEMENTS

1. Water supplies in the American River Basin are becoming more variable and thus less reliable than in the past because of climate change, environmental regulatory requirements, and competing demands.
2. The areas served by the participating agencies in this Study were extensively developed during the second half of the last century. The aging water supply infrastructure must be modernized through repair and replacement so we can continue to meet our communities' needs.
3. Owing normal to wet years, some water agencies in this Study have more water available under their water rights and contracts than needed to meet current customer demands. Optimizing this surplus water supply would benefit the region as a whole.
4. Water supply infrastructure among the agencies in this Study has varying levels of underfunded collection, treatment, storage and delivery capacity.
5. The agencies in this Study face various financial and operational challenges in providing services to their customers and performing business functions.
6. All agencies in this Study face increasing operational costs that are passed on to customers.
7. The size of the agencies in this Study limit the ability to dedicate staff resources to advocate on behalf of customers on legislative, policy, and regulatory issues.

GOALS
Through the Collaboration Study we will develop a collaborative way to:

1. Optimize the use of surface water and groundwater supplies to enhance water supply reliability.
2. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
3. Repair, replace and improve water supply infrastructure and related agency assets in the most efficient and cost-effective manner possible.
4. Provide excellent service and the best value to customers.
5. Effectively advocate for the best possible outcomes for our customers related to legislation and regulatory action in both Sacramento and Washington D.C.

SACRAMENTO REGION WATER UTILITY COLLABORATION STUDY: INTERVIEW TOPICS

PROPOSED DATES

April 2020
April/May 2020
May-August 2020
May-July 2020
May-September 2020
June-September 2020
July-September 2020
July-October 2020
August-December 2020

Enlist Stakeholders and Communicate

Institute Change



Next Steps

1. Agency top 5 opportunities, and comments on Task 1 Report Draft.
2. Raftelis will be available for follow-ups on data.
3. Other agencies will be sent the Task 1 Final Report, to provide them with another opportunity to participate.
4. Raftelis will begin Task 2 benchmarking analysis using industry and agency data.



Thank you!

Contact:

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Melissa Elliott / 303 305 1141 / melliott@raftelis.com

Gwyn-Mohr Tully / 916 669 9355 / gtully@tullyandyoung.com



AGENDA ITEM V-1

AMENDMENT NO. 4 TO AGREEMENT WITH GENERAL MANAGER BETWEEN SAN JUAN WATER DISTRICT AND PAUL HELLIKER

This Amendment No. 4 to the January 11, 2017 agreement between the San Juan Water District (“District”) and Paul Helliker (“Mr. Helliker”) concerning Mr. Helliker’s employment as General Manager of the District is made effective as of June 1, 2020, in Granite Bay, California.

RECITALS:

A. On January 11, 2017, District and Mr. Helliker entered into an agreement for the District’s employment of Mr. Helliker as General Manager of the District (“Agreement”); and

B. The District and Mr. Helliker have negotiated and agreed to change certain terms in the Compensation and Termination provisions of the Agreement as approved by the Board of Directors in an open session of a noticed public meeting on August 19, 2020, and as set forth in this Amendment No. 4.

AGREEMENT:

1. Amendment of Section 6 of the Agreement. Subdivision (e) of Section 6 of the Agreement concerning compensation is amended and replaced in full as follows:

e. Mr. Helliker will not be entitled to accrue any annual vacation, Administrative Leave or General Manager’s Leave time unless first approved by the Board, but may cash out any balance of such time at the end of each fiscal year. Any time previously approved for accrual by the Board may be carried over each fiscal year that Mr. Helliker elects not to cash out that accrued time. It is the Board’s policy that the General Manager should generally use the leave time that he earns each fiscal year during that fiscal year to rest and rejuvenate himself to maintain the highest possible performance.

2. Amendment of Section 8 of the Agreement. Subdivision (d) of Section 8 of the Agreement concerning termination of the Agreement is amended and replaced in full as follows:

d. By the District, without cause, upon giving to Mr. Helliker written notice of immediate termination and payment of severance pay in a maximum amount equal to Mr. Helliker's then-monthly salary multiplied by 6 months, consistent with, and as may be limited by, the provisions of Government Code sections 53260 through 53264. Notwithstanding the provisions of any District rule, regulation, policy, procedure or practice to the contrary, upon termination of Mr. Helliker's employment, whether with or without cause, Mr. Helliker will not be entitled to any compensation, damages or other monetary award except as specifically authorized by this Agreement.

3. Effect on Agreement. Except as specifically provided herein, the Agreement, and each of its terms and conditions, shall remain in full force and effect and are incorporated in full herein by this reference.

SAN JUAN WATER DISTRICT

By:

Ted Costa
President, Board of Directors

MR. HELLIKER:

By:

Paul Helliker

STAFF REPORT

To: Board of Directors
 From: Paul Helliker, General Manager
 Date: August 19, 2020
 Subject: General Manager's Monthly Report (July)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production for July

Item	2020	2019	Difference
Monthly Production AF	5,688.70	6,896.36	-17.5%
Daily Average MG	59.80	72.49	-17.5%
Annual Production AF	21,869.22	25,559.81	-14.4%

Water Turbidity

Item	July 2020	June 2020	Difference
Raw Water Turbidity NTU	1.56	1.38	13%
Treated Water Turbidity NTU	0.022	0.022	0%
Monthly Turbidity Percentage Reduction	98.63%	98.42%	

*Folsom Lake Reservoir Storage Level AF**

Item	2020	2019	Difference
Lake Volume AF	551,227	916,791	-40%

AF – Acre Feet

MG – Million Gallons

NTU – Nephelometric Turbidity Unit

* Total Reservoir Capacity: 977,000 AF

Other Items of Interest:

- Completed electrical tagline replacement on northwest and southwest backwash hoods
- Complete repairs of WTP control room HVAC
- Condition assessment of thickener #2

SYSTEM OPERATIONS

Distribution Operations:

Item	July 2020	June 2020	Difference
Leaks and Repairs	15	5	+10
Mains Flushed	58	60	-2
Valves Exercised	0	0	0
Back Flows Tested	0	134	-134
Customer Service Calls	58	42	+16

Distribution System Water Quality:

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

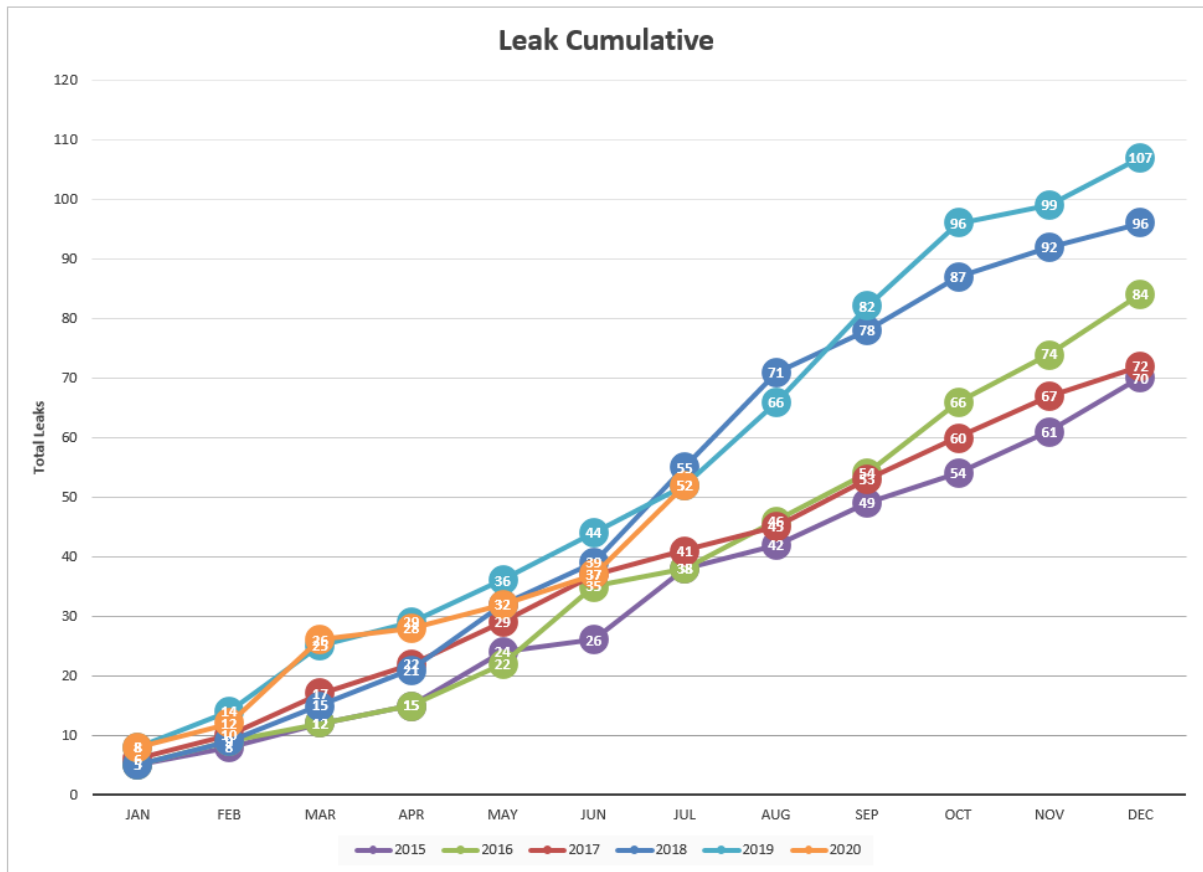


Figure 1: Annual Distribution System Leaks

Other Items of Interest:

- 15 Leaks in July, 2 were mainline leaks and one mainline leak was from a contractor boring through our pipeline.

CUSTOMER SERVICE ACTIVITIES

Billing Information for Month of July

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
5386	410	0	0

Water Efficiency Activities

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
9	91	3	47

Other Activities

- None

ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)

Project Title	Description	Status	Issues / Notes
Canyon Terrace Apts Expansion	Addition of several new Apt buildings at the existing complex	In Design Review	Close proximity to the FO-40 T-main.
Catuna Residential Care Facility (6505 Arabian Circle)	10,400-SF 15-client dementia care facility on 1.9-Ac parcel	In Design Review	
Chula Acres	4-Lot Minor Subdivision (8149 Excelsior Ave)	Approved for Construction	Grading completed, restart in 2020.
Eureka at GB (former Micherra Place Proj.)	28 Condominium Units, High Density (SW Cor. Eureka & AFR)	Approved for Construction	Water main installed, pressure tested, and disinfected.
GB Memory Care	Commercial Business (6400 Douglas Blvd)	In Design Review	Planning for 2020 const. start
Eureka Grove (former Greyhawk III Proj.)	44 high-density & 28 SFR lots (NE Cor. Eureka & SCB)	In Design Review	Planning for 2020 const. start
Premier Soleil (formerly Granite Bay Townhomes)	52-Lot Subdivision (Douglas, east of Auburn Folsom)	In Design Review	Design submitted, under review now
Greenside Parcel Split (5652 Macargo)	Minor parcel split of 2.07-Ac parcel into 3 lots	In Design Review	Design submitted, under review now
Placer County Retirement Residence	Commercial Business (145-Unit Multi-story Assisted Living Facility; 3865 Old Auburn Rd)	In Design Review	Planning for 2020 const. start
Pond View	Commercial Business (5620 5630 5640 Douglas Blvd)	Approved for Construction	Planning to begin const in 2020
Quarry Ridge Prof. Office Park	Comm Business (4 parcels to develop 4 gen/med office Bldgs; NE Corner of Douglas and Berg)	In Construction	Ph II piping was approved and now under construction.
Rancho Del Oro	89 Lot Subdivision (Olive Ranch & Cavitt Stallman)	Will need re-approval for Construction	On hold pending County and Envr Approvals.
Self Parcel Split (3600 & 3630 Allison Ave)	4 Lot Minor Subdivision (on a new street "Laura Lane", off Allison Dr.)	In Construction	Construction nearing completion, finish in 2020.
The Park at Granite Bay	56 lot Subdivision (SCB south of Annabelle)	Approved for Construction	Mass grading done. Re-start in 2020.
The Residences at GB	4-Lot Minor Subdivision (NW Cor. Barton & E Rsvl Pkwy)	In Design Review	
Ventura of GB	33-Lot High Density Subdivision (6832 Eureka Rd)	In Design Review	Initially will only have one source of supply connection, planning for a future 2 nd connection.
7420 Vogle Valley Rd (Wilson Parcel Map)	Minor parcel split of 3.28-Ac parcel into 3 ±1-Ac lots	In Design Review	
Wellquest Senior Living (prior Ovation)	Commercial Business (114-Unit 2-story Assisted Living Facility; 9747 Sierra College Blvd.)	In Construction	Water is done. Offsite PRS const is nearing completion.
Whitehawk I	24-Lot Subdivision (Douglas, west of Barton)	In Design Review	Planning Dept review underway
Whitehawk II	56-Lot Subdivision (Douglas, west of Barton)	In Design Review	Design submitted, under review now

ENGINEERING - CAPITAL PROJECTS

Status Update for Current Retail Projects

Project Title	Description	Status	Issues / Notes
Retail Master Plan Update	Update the 2005/7 Retail Master Plan	Underway	
SCADA Radio Replacements – North Phase	Replace outdated 900 MHz radios with 173 MHz equipment	Under Construction	Radio router issues have now been resolved
GIS Implementation	Update the aged GIS with new software and integrate with the CMMS and FIS/CIS systems	In project close-out	Testing and training sessions completed.
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network	In Design	Construction in FY 20/21
Cavitt Stallman 12" (Mystery Cr to Oak Pines)	Install new pipeline on Cavitt Stallman between Mystery Creek Ln and Oak Pines Ln.	In Design	Construction in FY 20/21
Woodminister Services Replacements	Replace 18 aged services	In Design	Construction in FY 20/21
Kokila (SJWD/PCWA) 12-Inch Intertie Pipeline	Interconnection with PCWA	In Design	Partial funding with RWA grant. Construction in FY 20/21
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 20/21
Eastridge Dr CV Station	Design and construct CV station between Sierra and Gravity Zones. Needed to supply 3,125-gpm fire flow for the Wellquest project on SCB	In construction	Construction complete. In Project close-out.
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	In Design. Pumps pre-purchased and onsite.	Installation and commission in FY 20/21

Status Update for Current Wholesale Projects

Project Title	Description	Status (% Complete)	Issues/ Notes
WTP Thickeners Lining	Clean, repair and line the interior walls and floor of the three thickeners to eliminate leakage and protect the concrete and reinforcing from damage	In Construction.	Construction complete. In Project close-out.
WTP 48-inch Hinkle Bypass Pipeline Cleaning	Clean the interior of the 48-inch Hinkle Bypass Pipeline by removing deposited filter media and disinfection.	In Construction.	Construction complete. In Project close-out.
WTP Filters Improvements	R&R Filter Materials, nozzles, and resurface spalled filter floor and wall areas	In Construction.	North Basin completion in FY 19/20 with South Basin in FY 20/21
Hinkle Liner & Cover Repl'mt	Replace both the hypalon cover and liner.	In Design Phase. 75% Design Plans & Specs submitted and under review. (Also - Operations required Temp Storage Tanks are under design.)	Applying for SRF funding. Planning to operate WTP without Hinkle.
Temporary Storage Tanks	Installation of two temporary ±1.0-MG finished water storage tanks to operate when Hinkle Reservoir is out of service	In Construction.	
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Design	
WTP On-Site Residuals Management Improvement Project	Management of the WTP residuals disposal area and improvements needed to meet regulatory requirements.	In Bid Phase.	Bids received and evaluated. Contract pending BOD approval.
Bacon and Upper Granite Bay Pump Station Generator Replacements	Replacing generators at both the Bacon Pump Station Facility and at Upper Granite Bay Pump Station	Design RFP Issued	Proposals received and evaluated. Contract pending BOD approval.
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	Design and Environmental Underway	

SAFETY & REGULATORY TRAINING – July 2020

Training Course	Staff
Driving Safety	All Staff
Distracted Driving	All Staff
PPE Proper Selection and Use	Operations Staff
Overhead Crane Safety	WTP

FINANCE/BUDGET

See attached



San Juan Water District, CA

Wholesale Operating Income Statement

Group Summary

For Fiscal: 2020-2021 Period Ending: 07/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	9,264,600.00	9,264,600.00	1,593,859.50	1,593,859.50	7,670,740.50
43000 - Rebate	1,500.00	1,500.00	0.00	0.00	1,500.00
49000 - Other Non-Operating Revenue	114,000.00	114,000.00	0.00	0.00	114,000.00
Revenue Total:	9,380,100.00	9,380,100.00	1,593,859.50	1,593,859.50	7,786,240.50
Expense					
51000 - Salaries and Benefits	4,071,700.00	4,071,700.00	285,589.52	285,589.52	3,786,110.48
52000 - Debt Service Expense	896,200.00	896,200.00	454,823.82	454,823.82	441,376.18
53000 - Source of Supply	503,600.00	503,600.00	75,445.89	75,445.89	428,154.11
54000 - Professional Services	814,400.00	814,400.00	4,660.49	4,660.49	809,739.51
55000 - Maintenance	359,300.00	359,300.00	11,892.58	11,892.58	347,407.42
56000 - Utilities	149,300.00	149,300.00	0.00	0.00	149,300.00
57000 - Materials and Supplies	616,100.00	616,100.00	28,201.73	28,201.73	587,898.27
58000 - Public Outreach	49,400.00	49,400.00	2,000.00	2,000.00	47,400.00
59000 - Other Operating Expenses	562,600.00	562,600.00	118,903.54	118,903.54	443,696.46
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	0.00	1,500.00
69900 - Transfers Out	617,500.00	617,500.00	0.00	0.00	617,500.00
Expense Total:	8,641,600.00	8,641,600.00	981,517.57	981,517.57	7,660,082.43
Fund: 010 - WHOLESALE Surplus (Deficit):	738,500.00	738,500.00	612,341.93	612,341.93	126,158.07
Total Surplus (Deficit):	738,500.00	738,500.00	612,341.93	612,341.93	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	738,500.00	738,500.00	612,341.93	612,341.93	126,158.07
Total Surplus (Deficit):	738,500.00	738,500.00	612,341.93	612,341.93	



San Juan Water District, CA

Wholesale Capital Income Statement

Group Summary

For Fiscal: 2020-2021 Period Ending: 07/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,173,000.00	1,173,000.00	0.00	0.00	1,173,000.00
44000 - Connection Fees	75,000.00	75,000.00	37,694.00	37,694.00	37,306.00
44500 - Capital Contributions - Revenue	68,600.00	68,600.00	34,328.66	34,328.66	34,271.34
49000 - Other Non-Operating Revenue	178,000.00	178,000.00	0.00	0.00	178,000.00
49990 - Transfer In	617,500.00	617,500.00	0.00	0.00	617,500.00
Revenue Total:	2,112,100.00	2,112,100.00	72,022.66	72,022.66	2,040,077.34
Expense					
55000 - Maintenance	250,000.00	250,000.00	0.00	0.00	250,000.00
61000 - Capital Outlay	5,829,000.00	5,829,000.00	7,066.46	7,066.46	5,821,933.54
Expense Total:	6,079,000.00	6,079,000.00	7,066.46	7,066.46	6,071,933.54
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	-3,966,900.00	-3,966,900.00	64,956.20	64,956.20	-4,031,856.20
Total Surplus (Deficit):	-3,966,900.00	-3,966,900.00	64,956.20	64,956.20	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
011 - Wholesale Capital Outlay	-3,966,900.00	-3,966,900.00	64,956.20	64,956.20	-4,031,856.20
Total Surplus (Deficit):	-3,966,900.00	-3,966,900.00	64,956.20	64,956.20	



San Juan Water District, CA

Retail Operating Income Statement

Group Summary

For Fiscal: 2020-2021 Period Ending: 07/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	12,806,500.00	12,806,500.00	1,291,855.72	1,291,855.72	11,514,644.28
45000 - Other Operating Revenue	420,000.00	420,000.00	21,704.18	21,704.18	398,295.82
49000 - Other Non-Operating Revenue	204,700.00	204,700.00	21,450.00	21,450.00	183,250.00
Revenue Total:	13,431,200.00	13,431,200.00	1,335,009.90	1,335,009.90	12,096,190.10
Expense					
51000 - Salaries and Benefits	5,403,300.00	5,403,300.00	393,346.19	393,346.19	5,009,953.81
52000 - Debt Service Expense	498,600.00	498,600.00	252,385.53	252,385.53	246,214.47
53000 - Source of Supply	3,034,700.00	3,034,700.00	531,877.53	531,877.53	2,502,822.47
54000 - Professional Services	1,459,200.00	1,459,200.00	7,590.70	7,590.70	1,451,609.30
55000 - Maintenance	226,800.00	226,800.00	10,331.32	10,331.32	216,468.68
56000 - Utilities	313,700.00	313,700.00	0.00	0.00	313,700.00
57000 - Materials and Supplies	463,900.00	463,900.00	5,603.37	5,603.37	458,296.63
58000 - Public Outreach	70,500.00	70,500.00	0.00	0.00	70,500.00
59000 - Other Operating Expenses	750,200.00	750,200.00	83,503.98	83,503.98	666,696.02
69000 - Other Non-Operating Expenses	1,500.00	1,500.00	0.00	0.00	1,500.00
69900 - Transfers Out	592,400.00	592,400.00	0.00	0.00	592,400.00
Expense Total:	12,814,800.00	12,814,800.00	1,284,638.62	1,284,638.62	11,530,161.38
Fund: 050 - RETAIL Surplus (Deficit):	616,400.00	616,400.00	50,371.28	50,371.28	566,028.72
Total Surplus (Deficit):	616,400.00	616,400.00	50,371.28	50,371.28	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	616,400.00	616,400.00	50,371.28	50,371.28	566,028.72
Total Surplus (Deficit):	616,400.00	616,400.00	50,371.28	50,371.28	



San Juan Water District, CA

Retail Capital Income Statement

Group Summary

For Fiscal: 2020-2021 Period Ending: 07/31/2020

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,173,000.00	1,173,000.00	0.00	0.00	1,173,000.00
44000 - Connection Fees	100,000.00	100,000.00	471,780.00	471,780.00	-371,780.00
49000 - Other Non-Operating Revenue	52,600.00	52,600.00	0.00	0.00	52,600.00
49990 - Transfer In	592,400.00	592,400.00	0.00	0.00	592,400.00
Revenue Total:	1,918,000.00	1,918,000.00	471,780.00	471,780.00	1,446,220.00
Expense					
54000 - Professional Services	33,000.00	33,000.00	0.00	0.00	33,000.00
61000 - Capital Outlay	5,434,300.00	5,434,300.00	0.00	0.00	5,434,300.00
Expense Total:	5,467,300.00	5,467,300.00	0.00	0.00	5,467,300.00
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	-3,549,300.00	-3,549,300.00	471,780.00	471,780.00	-4,021,080.00
Total Surplus (Deficit):	-3,549,300.00	-3,549,300.00	471,780.00	471,780.00	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
055 - Retail Capital Outlay	-3,549,300.00	-3,549,300.00	471,780.00	471,780.00	-4,021,080.00
Total Surplus (Deficit):	-3,549,300.00	-3,549,300.00	471,780.00	471,780.00	

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
201120	Tag Line Replacement for BW Hoods	0.00	366.46	-366.46
201144	Hinkle Reservoir Temporary Tanks and	0.00	6,700.00	-6,700.00
Project Totals:		0.00	7,066.46	-7,066.46

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	0.00	7,066.46	-7,066.46
Group Totals:	0.00	7,066.46	-7,066.46

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	0.00	7,066.46	-7,066.46
Type Totals:	0.00	7,066.46	-7,066.46

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-700-61145	Capital Outlay - WTP & Improv...	0.00	366.46	366.46
011-700-61155	Capital Outlay - Reservoirs & I...	0.00	6,700.00	6,700.00
GL Account Totals:		0.00	7,066.46	7,066.46



San Juan Water District, CA

Balance Sheet

Account Summary

As Of 07/31/2020

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	5,111,484.83	13,756,551.91	2,970,873.78	6,181,556.73	28,020,467.25
10510 - Accounts Receivable	1,632,985.99	14,801.97	292,500.67	0.06	1,940,288.69
11000 - Inventory	0.00	0.00	132,959.13	0.00	132,959.13
12000 - Prepaid Expense	101,860.04	0.00	47,390.95	0.00	149,250.99
14010 - Deferred Outflows	3,200,491.70	0.00	3,309,974.23	0.00	6,510,465.93
17010 - Capital Assets - Work in Progress	3,299,353.34	0.00	404,708.24	0.00	3,704,061.58
17150 - Capital Assets - Land Non-depreciable	98,212.00	0.00	166,272.00	0.00	264,484.00
17160 - Capital Assets - Land Improvements	814,105.59	0.00	83,970.80	0.00	898,076.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	5,946,955.73	0.00	12,994,133.73
17300 - Capital Assets - Buildings & Improvements	1,267,245.92	0.00	263,336.06	0.00	1,530,581.98
17350 - Capital Assets - Water Treatment Plant & Imp	35,573,069.88	0.00	16,000.00	0.00	35,589,069.88
17400 - Capital Assets - Mains/Pipelines & Improvements	29,272,109.94	0.00	46,068,531.54	0.00	75,340,641.48
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	13,655,052.49	0.00	1,106,546.03	0.00	14,761,598.52
17750 - Capital Assets - Vehicles	304,780.00	0.00	499,226.87	0.00	804,006.87
17800 - Capital Assets - Software	447,653.38	0.00	403,200.40	0.00	850,853.78
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-37,924,426.75	0.00	-28,701,186.70	0.00	-66,625,613.45
Total Type 1000 - Assets:	67,490,799.85	13,771,353.88	35,503,681.63	6,181,556.79	122,947,392.15
Total Asset:	67,490,799.85	13,771,353.88	35,503,681.63	6,181,556.79	122,947,392.15
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	100,343.86	0.00	100,343.86
Total Type 1000 - Assets:	0.00	0.00	100,343.86	0.00	100,343.86
Type: 2000 - Liabilities					
20010 - Accounts Payable	56,376.20	5,392.92	24,105.29	0.00	85,874.41
20100 - Retentions Payable	0.00	108,844.54	0.00	4,236.51	113,081.05
21200 - Salaries & Benefits Payable	35,271.02	0.00	59,390.10	0.00	94,661.12
21250 - Payroll Taxes Payable	8.29	0.00	-14.36	0.00	-6.07
21300 - Compensated Absences	363,585.16	0.00	483,191.25	0.00	846,776.41
21500 - Premium on Issuance of Bonds Series 2017	1,806,328.11	0.00	1,006,478.78	0.00	2,812,806.89
21600 - OPEB Liability	1,766,453.29	0.00	2,297,045.78	0.00	4,063,499.07
21700 - Pension Liability	680,652.08	0.00	884,065.34	0.00	1,564,717.42

Balance Sheet

As Of 07/31/2020

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
22010 - Deferred Income	0.00	0.00	170,577.18	0.00	170,577.18
22050 - Deferred Inflows	1,154,523.27	0.00	1,499,553.20	0.00	2,654,076.47
24200 - 2012 Bonds Payable	5,920,393.50	0.00	3,214,606.50	0.00	9,135,000.00
24250 - Bonds Payable 2017 Refunding	15,379,200.00	0.00	8,650,800.00	0.00	24,030,000.00
Total Type 2000 - Liabilities:	27,162,790.92	114,237.46	18,289,799.06	4,236.51	45,571,063.95
Total Liability:	27,162,790.92	114,237.46	18,390,142.92	4,236.51	45,671,407.81
Equity					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	34,786,452.14	0.00	16,134,143.55	0.00	50,920,595.69
30500 - Designated Reserves	4,929,214.86	13,592,160.22	929,023.88	5,705,540.28	25,155,939.24
Total Type 3000 - Equity:	39,715,667.00	13,592,160.22	17,063,167.43	5,705,540.28	76,076,534.93
Total Total Beginning Equity:	39,715,667.00	13,592,160.22	17,063,167.43	5,705,540.28	76,076,534.93
Total Revenue	1,593,859.50	72,022.66	1,335,009.90	471,780.00	3,472,672.06
Total Expense	981,517.57	7,066.46	1,284,638.62	0.00	2,273,222.65
Revenues Over/Under Expenses	612,341.93	64,956.20	50,371.28	471,780.00	1,199,449.41
Total Equity and Current Surplus (Deficit):	40,328,008.93	13,657,116.42	17,113,538.71	6,177,320.28	77,275,984.34
Total Liabilities, Equity and Current Surplus (Deficit):	67,490,799.85	13,771,353.88	35,503,681.63	6,181,556.79	122,947,392.15



San Juan Water District, CA

Check Report

By Check Number

Date Range: 07/01/2020 - 07/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
03406	Alpha Analytical Laboratories Inc.	07/06/2020	Regular	0.00	300.00	55678
01073	Amarjeet Singh Garcha	07/06/2020	Regular	0.00	1,500.00	55679
01138	AT&T Mobility II LLC	07/06/2020	Regular	0.00	63.24	55680
03594	Borges & Mahoney, Inc.	07/06/2020	Regular	0.00	2,981.87	55681
01378	Clark Pest Control of Stockton	07/06/2020	Regular	0.00	150.00	55682
02616	Darr, Toni	07/06/2020	Regular	0.00	4.76	55683
03376	Del Paso Pipe & Steel Inc.	07/06/2020	Regular	0.00	265.35	55684
03548	Digital Deployment, Inc.	07/06/2020	Regular	0.00	400.00	55685
01554	Electrical Equipment Co	07/06/2020	Regular	0.00	1,434.82	55686
01068	Glenn C. Walker	07/06/2020	Regular	0.00	1,050.40	55687
03091	Granite Bay Ace Hardware	07/06/2020	Regular	0.00	229.30	55688
01733	Harris Industrial Gases	07/06/2020	Regular	0.00	32.90	55689
03716	Janice D. Thompson & Associates, LLC	07/06/2020	Regular	0.00	28.75	55690
03520	Johnson, Jeff A	07/06/2020	Regular	0.00	194.82	55691
03754	Liebert Cassidy Whitmore	07/06/2020	Regular	0.00	1,567.00	55692
02131	Office Depot, Inc.	07/06/2020	Regular	0.00	1,228.23	55693
02150	Pace Supply Corp	07/06/2020	Regular	0.00	3,730.64	55694
02280	Rawles Engineering, Inc	07/06/2020	Regular	0.00	50,847.50	55695
02223	Rexel Inc (Platt - Rancho Cordova)	07/06/2020	Regular	0.00	2,590.29	55696
02302	Riebes Auto Parts, LLC	07/06/2020	Regular	0.00	46.83	55697
03183	River City Printers LLC	07/06/2020	Regular	0.00	5,092.73	55698
02328	Rocklin Windustrial Co	07/06/2020	Regular	0.00	43.02	55699
02651	United Parcel Service Inc	07/06/2020	Regular	0.00	150.83	55700
03406	Alpha Analytical Laboratories Inc.	07/14/2020	Regular	0.00	685.00	55702
01073	Amarjeet Singh Garcha	07/14/2020	Regular	0.00	800.00	55703
01137	Astra Construction & Design	07/14/2020	Regular	0.00	1,765.60	55704
01165	Backflow Technologies	07/14/2020	Regular	0.00	6,993.00	55705
01189	Bay Area Coating Consultants, Inc.	07/14/2020	Regular	0.00	4,719.10	55706
03706	Capra Environmental Services, Corp.	07/14/2020	Regular	0.00	7,500.00	55707
01370	Citrus Heights Chamber of Commerce	07/14/2020	Regular	0.00	680.00	55708
01494	Dewey Services Inc.	07/14/2020	Regular	0.00	86.00	55709
01575	Engineering Supply Company, Inc	07/14/2020	Regular	0.00	1,150.26	55710
01630	FM Graphics, Inc.	07/14/2020	Regular	0.00	689.73	55711
03784	Forsgren Associates Inc.	07/14/2020	Regular	0.00	18,801.88	55712
01659	Gary Webb Trucking	07/14/2020	Regular	0.00	4,072.50	55713
01733	Harris Industrial Gases	07/14/2020	Regular	0.00	165.04	55714
01763	Holt of California	07/14/2020	Regular	0.00	2,354.39	55715
03716	Janice D. Thompson & Associates, LLC	07/14/2020	Regular	0.00	900.00	55716
02649	MUFG Union Bank, N.A.	07/14/2020	Regular	0.00	1,530.85	55717
02131	Office Depot, Inc.	07/14/2020	Regular	0.00	20.85	55718
02280	Rawles Engineering, Inc	07/14/2020	Regular	0.00	80,493.50	55719
02281	Ray A Morgan Company Inc	07/14/2020	Regular	0.00	264.53	55720
02452	Sierra National Construction, Inc.	07/14/2020	Regular	0.00	9,370.24	55721
03644	Tully & Young, Inc.	07/14/2020	Regular	0.00	975.00	55722
02667	US Bank Corporate Payments Sys (CalCard)	07/14/2020	Regular	0.00	9,424.99	55723
	Void	07/14/2020	Regular	0.00	0.00	55724
	Void	07/14/2020	Regular	0.00	0.00	55725
	Void	07/14/2020	Regular	0.00	0.00	55726
	Void	07/14/2020	Regular	0.00	0.00	55727
	Void	07/14/2020	Regular	0.00	0.00	55728
	Void	07/14/2020	Regular	0.00	0.00	55729
	Void	07/14/2020	Regular	0.00	0.00	55730
02690	Verizon Wireless	07/14/2020	Regular	0.00	1,924.76	55731
02717	Water Research Foundation	07/14/2020	Regular	0.00	28,007.00	55732

Check Report

Date Range: 07/01/2020 - 07/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01368	Citrus Heights Water District	07/20/2020	Regular	0.00	41,489.00	55735
02223	Rexel Inc (Platt - Rancho Cordova)	07/20/2020	Regular	0.00	258.26	55736
03183	River City Printers LLC	07/20/2020	Regular	0.00	6,367.05	55737
02357	Sacramento Municipal Utility District (SMUD)	07/20/2020	Regular	0.00	21,877.51	55738
02384	Sacramento Suburban Water District	07/20/2020	Regular	0.00	3,909.39	55739
02553	TDJE Incorporated	07/20/2020	Regular	0.00	1,861.43	55740
03406	Alpha Analytical Laboratories Inc.	07/27/2020	Regular	0.00	1,862.00	55741
01026	American River Ace Hardware, Inc.	07/27/2020	Regular	0.00	164.36	55742
01372	City of Folsom	07/27/2020	Regular	0.00	38.55	55743
03775	ECORP Consulting, Inc.	07/27/2020	Regular	0.00	11,328.75	55744
01634	Folsom Lake Ford, Inc.	07/27/2020	Regular	0.00	683.42	55745
01681	Golden State Flow Measurements, Inc.	07/27/2020	Regular	0.00	2,437.42	55746
03091	Granite Bay Ace Hardware	07/27/2020	Regular	0.00	431.76	55747
01733	Harris Industrial Gases	07/27/2020	Regular	0.00	94.68	55748
03772	Larsson, Thomas	07/27/2020	Regular	0.00	1,670.00	55749
02024	MCI WORLDCOM	07/27/2020	Regular	0.00	128.21	55750
02649	MUFG Union Bank, N.A.	07/27/2020	Regular	0.00	707,209.35	55751
02131	Office Depot, Inc.	07/27/2020	Regular	0.00	463.39	55752
	Void	07/27/2020	Regular	0.00	0.00	55753
02146	PG&E	07/27/2020	Regular	0.00	5,814.44	55754
	Void	07/27/2020	Regular	0.00	0.00	55755
02210	Placer County Water Agency	07/27/2020	Regular	0.00	65,968.75	55756
02280	Rawles Engineering, Inc	07/27/2020	Regular	0.00	5,419.75	55757
02283	Recology Auburn Placer	07/27/2020	Regular	0.00	657.88	55758
02223	Rexel Inc (Platt - Rancho Cordova)	07/27/2020	Regular	0.00	394.24	55759
02293	RFI Enterprises, Inc	07/27/2020	Regular	0.00	51.34	55760
02384	Sacramento Suburban Water District	07/27/2020	Regular	0.00	5,008.17	55761
02514	State Water Resources Control Board - SWRCB	07/27/2020	Regular	0.00	60.00	55762
01411	SureWest Telephone	07/27/2020	Regular	0.00	1,945.16	55763
02540	Sutter Medical Foundation	07/27/2020	Regular	0.00	426.00	55764
02580	The Eidam Corporation	07/27/2020	Regular	0.00	2,362.80	55765
02638	Tyler Technologies, Inc.	07/27/2020	Regular	0.00	16,104.73	55766
01687	W. W. Grainger, Inc.	07/27/2020	Regular	0.00	1,143.05	55767
01641	Sun Life Assurance Company of Canada	07/02/2020	Bank Draft	0.00	9,888.91	401211
03681	Allied Electronics Inc.	07/06/2020	EFT	0.00	21.46	406732
03739	Azteca Systems Holdings, LLC	07/06/2020	EFT	0.00	150.00	406733
01166	Badger Daylighting Corp	07/06/2020	EFT	0.00	2,244.38	406734
03221	Chemtrade Chemicals Corporation	07/06/2020	EFT	0.00	10,092.99	406735
01509	Domenichelli & Associates, Inc.	07/06/2020	EFT	0.00	4,192.50	406736
01611	Ferguson Enterprises, Inc	07/06/2020	EFT	0.00	203.98	406737
01721	Hach Company	07/06/2020	EFT	0.00	141.28	406738
01741	HDR Engineering, Inc.	07/06/2020	EFT	0.00	3,480.35	406739
03769	Jeffco Painting & Coating, Inc.	07/06/2020	EFT	0.00	92,739.00	406740
02027	Mcmaster-Carr Supply Company	07/06/2020	EFT	0.00	1,472.79	406741
02286	Regional Water Authority	07/06/2020	EFT	0.00	15,246.00	406742
02572	Thatcher Company of California, Inc.	07/06/2020	EFT	0.00	4,594.80	406743
02581	The Ferguson Group, LLC	07/06/2020	EFT	0.00	6,000.00	406744
03412	Virtual Graffiti, Inc.	07/06/2020	EFT	0.00	9,492.89	406745
01486	WAPA - Department of Energy	07/06/2020	EFT	0.00	2,123.43	406746
03681	Allied Electronics Inc.	07/14/2020	EFT	0.00	97.80	406747
03739	Azteca Systems Holdings, LLC	07/14/2020	EFT	0.00	5,800.00	406748
01235	BSK Associates	07/14/2020	EFT	0.00	84.00	406749
01521	DataProse, LLC	07/14/2020	EFT	0.00	3,315.30	406750
03749	Eide Bailly LLP	07/14/2020	EFT	0.00	680.00	406751
01574	Endress + Hauser, Inc.	07/14/2020	EFT	0.00	885.20	406752
01584	ERS Industrial Services, Inc.	07/14/2020	EFT	0.00	335,174.78	406753
01706	Graymont Western US Inc.	07/14/2020	EFT	0.00	6,642.05	406754
01741	HDR Engineering, Inc.	07/14/2020	EFT	0.00	12,045.39	406755
03553	Mallory Safety and Supply LLC	07/14/2020	EFT	0.00	367.65	406756
02027	Mcmaster-Carr Supply Company	07/14/2020	EFT	0.00	391.31	406757
02286	Regional Water Authority	07/14/2020	EFT	0.00	77,751.00	406758

Check Report

Date Range: 07/01/2020 - 07/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03774	Skwentex International Company	07/14/2020	EFT	0.00	6,504.65	406759
03387	WageWorks, Inc	07/14/2020	EFT	0.00	234.04	406760
03711	Western Electrical Services, Inc.	07/14/2020	EFT	0.00	3,734.30	406761
01898	Association of California Water Agencies / JPIA	07/20/2020	EFT	0.00	59,597.26	406762
03739	Azteca Systems Holdings, LLC	07/20/2020	EFT	0.00	100.00	406763
01232	Brower Mechanical, Inc.	07/20/2020	EFT	0.00	1,134.00	406764
01234	Bryce HR Consulting, Inc.	07/20/2020	EFT	0.00	1,609.00	406765
01521	DataProse, LLC	07/20/2020	EFT	0.00	1,350.00	406766
01741	HDR Engineering, Inc.	07/20/2020	EFT	0.00	4,609.75	406767
02027	Mcmaster-Carr Supply Company	07/20/2020	EFT	0.00	1,123.03	406768
02158	Pacific Storage Company	07/20/2020	EFT	0.00	161.68	406769
02275	Ramos Oil Recyclers Inc	07/20/2020	EFT	0.00	489.16	406770
02504	Starr Consulting	07/20/2020	EFT	0.00	580.00	406771
01486	WAPA - Department of Energy	07/20/2020	EFT	0.00	780.66	406772
03681	Allied Electronics Inc.	07/27/2020	EFT	0.00	112.93	406773
01328	Association of California Water Agencies / Joint P	07/27/2020	EFT	0.00	7,314.88	406774
01898	Association of California Water Agencies / JPIA	07/27/2020	EFT	0.00	45,006.64	406775
	Void	07/27/2020	EFT	0.00	0.00	406776
03758	Barry W. Leeder, Inc.	07/27/2020	EFT	0.00	195.96	406777
01232	Brower Mechanical, Inc.	07/27/2020	EFT	0.00	1,092.00	406778
01242	Bureau of Reclamation-MPR	07/27/2020	EFT	0.00	25,740.00	406779
03221	Chemtrade Chemicals Corporation	07/27/2020	EFT	0.00	4,996.29	406780
01509	Domenichelli & Associates, Inc.	07/27/2020	EFT	0.00	5,385.00	406781
03778	Grill, Richard A	07/27/2020	EFT	0.00	6,700.00	406782
03687	HD Supply Facilities Maintenance Ltd.	07/27/2020	EFT	0.00	223.68	406783
01741	HDR Engineering, Inc.	07/27/2020	EFT	0.00	67,893.10	406784
02367	McClatchy Newspapers Inc	07/27/2020	EFT	0.00	3,019.63	406785
02027	Mcmaster-Carr Supply Company	07/27/2020	EFT	0.00	462.54	406786
03550	Netwrix Corporation	07/27/2020	EFT	0.00	928.00	406787
03026	PFM Asset Management	07/27/2020	EFT	0.00	500.00	406788
02572	Thatcher Company of California, Inc.	07/27/2020	EFT	0.00	4,594.80	406789
02581	The Ferguson Group, LLC	07/27/2020	EFT	0.00	125.16	406790
03298	United Rentals (North America), Inc.	07/27/2020	EFT	0.00	261.17	406791
03387	WageWorks, Inc	07/27/2020	EFT	0.00	234.04	406792
02710	WageWorks, Inc	07/27/2020	EFT	0.00	98.00	406793
02730	Western Area Power Administration	07/27/2020	EFT	0.00	7,343.71	406794
03700	Westin Technology Solutions, LLC	07/27/2020	EFT	0.00	1,712.00	406795
03077	VALIC	07/09/2020	Bank Draft	0.00	14,775.15	0003684390
03077	VALIC	07/09/2020	Bank Draft	0.00	4,235.62	0003684390
03077	VALIC	07/24/2020	Bank Draft	0.00	4,237.88	0003703619
03078	CalPERS Health	07/06/2020	Bank Draft	0.00	39,306.66	1001598887
03078	CalPERS Health	07/06/2020	Bank Draft	0.00	46,788.18	1001598887
03078	CalPERS Health	07/06/2020	Bank Draft	0.00	46,788.18	1001598887
03130	CalPERS Retirement	07/08/2020	Bank Draft	0.00	209,998.00	1001602155
03130	CalPERS Retirement	07/08/2020	Bank Draft	0.00	12,411.00	1001602156
03130	CalPERS Retirement	07/08/2020	Bank Draft	0.00	5,294.00	1001602157
03130	CalPERS Retirement	07/10/2020	Bank Draft	0.00	36,650.49	1001603378
01366	Citistreet/CalPERS 457	07/10/2020	Bank Draft	0.00	4,006.90	1001603382
03130	CalPERS Retirement	07/24/2020	Bank Draft	0.00	38,058.96	1001615075
01366	Citistreet/CalPERS 457	07/24/2020	Bank Draft	0.00	4,033.17	1001615081
03163	Economic Development Department	07/10/2020	Bank Draft	0.00	2,888.76	0-796-634-656
03163	Economic Development Department	07/10/2020	Bank Draft	0.00	8,826.14	0-796-634-656
03163	Economic Development Department	07/27/2020	Bank Draft	0.00	8,464.89	1-306-562-848
01039	American Family Life Assurance Company of Colu	07/27/2020	Bank Draft	0.00	603.55	Q3869 07-27-20
01039	American Family Life Assurance Company of Colu	07/27/2020	Bank Draft	0.00	603.55	Q3869 07-27-20
03164	Internal Revenue Service	07/10/2020	Bank Draft	0.00	16,171.07	2700592500721
03164	Internal Revenue Service	07/10/2020	Bank Draft	0.00	51,892.42	2700592500721
03164	Internal Revenue Service	07/27/2020	Bank Draft	0.00	49,959.33	Q3/2020 07-27-
03080	California State Disbursement Unit	07/10/2020	Bank Draft	0.00	832.14	PAY0000000003

Check Report

Date Range: 07/01/2020 - 07/31/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03080	California State Disbursement Unit	07/27/2020	Bank Draft	0.00	832.14	PAY0000000003

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	142	78	0.00	1,164,938.34
Manual Checks	0	0	0.00	0.00
Voided Checks	0	9	0.00	0.00
Bank Drafts	24	24	0.00	617,547.09
EFT's	88	64	0.00	861,377.39
	254	175	0.00	2,643,862.82

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	142	78	0.00	1,164,938.34
Manual Checks	0	0	0.00	0.00
Voided Checks	0	9	0.00	0.00
Bank Drafts	24	24	0.00	617,547.09
EFT's	88	64	0.00	861,377.39
	254	175	0.00	2,643,862.82

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	7/2020	2,643,862.82
			2,643,862.82



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2020 - 07/31/2020

Payment Date Range -



Payroll Set: 01-San Juan Water District

Employee Number	Employee Name	Pay Code	# of Payments	Units	Pay Amount
0690	Costa, Ted	Reg - Regular Hours	1	8.00	1,000.00
			0690 - Costa Total:	8.00	1,000.00
1028	Hanneman, Martin	Reg - Regular Hours	1	6.00	750.00
			1028 - Hanneman Total:	6.00	750.00
0670	Miller, Ken	Reg - Regular Hours	1	4.00	500.00
			0670 - Miller Total:	4.00	500.00
1003	Rich, Daniel	Reg - Regular Hours	1	5.00	625.00
			1003 - Rich Total:	5.00	625.00
0650	Tobin, Pamela	Reg - Regular Hours	1	10.00	1,250.00
			0650 - Tobin Total:	10.00	1,250.00
			Report Total:	33.00	4,125.00



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	16.50	2,062.50
	010 - WHOLESALE Total:	16.50	2,062.50
050-010-58110	Director - Stipend	16.50	2,062.50
	050 - RETAIL Total:	16.50	2,062.50
	Report Total:	33.00	4,125.00



Payroll Set: 01-San Juan Water District

<u>Pay Code</u>	<u>Description</u>	<u># of Payments</u>	<u>Units</u>	<u>Pay Amount</u>
Reg - Regular Hours	Regular Hours	5	33.00	4,125.00
		Report Total:	33.00	4,125.00

2020/21 Actual Deliveries and Revenue - By Wholesale Customer Agency

July 2020								
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	1,640	\$ 303,893	1,851	\$ 320,987	210.67	12.8%	\$ 17,094	5.6%
Citrus Heights Water District	1,411	\$ 277,037	1,572	\$ 290,124	161.29	11.4%	\$ 13,087	4.7%
Fair Oaks Water District	947	\$ 192,789	1,162	\$ 210,290	215.68	22.8%	\$ 17,501	9.1%
Orange Vale Water Co.	499	\$ 97,868	584	\$ 104,785	85.25	17.1%	\$ 6,917	7.1%
City of Folsom	144	\$ 28,874	167	\$ 30,772	23.39	16.2%	\$ 1,898	6.6%
Granite Bay Golf Course	56	\$ 1,964	87	\$ 3,061	31.04	55.9%	\$ 1,097	55.9%
Sac Suburban Water District	-	\$ -	-	\$ -	-	0.0%	\$ -	0.0%
TOTAL	4,696	\$ 902,425	5,424	\$ 960,019	727.32	15.5%	\$ 57,593	6.4%

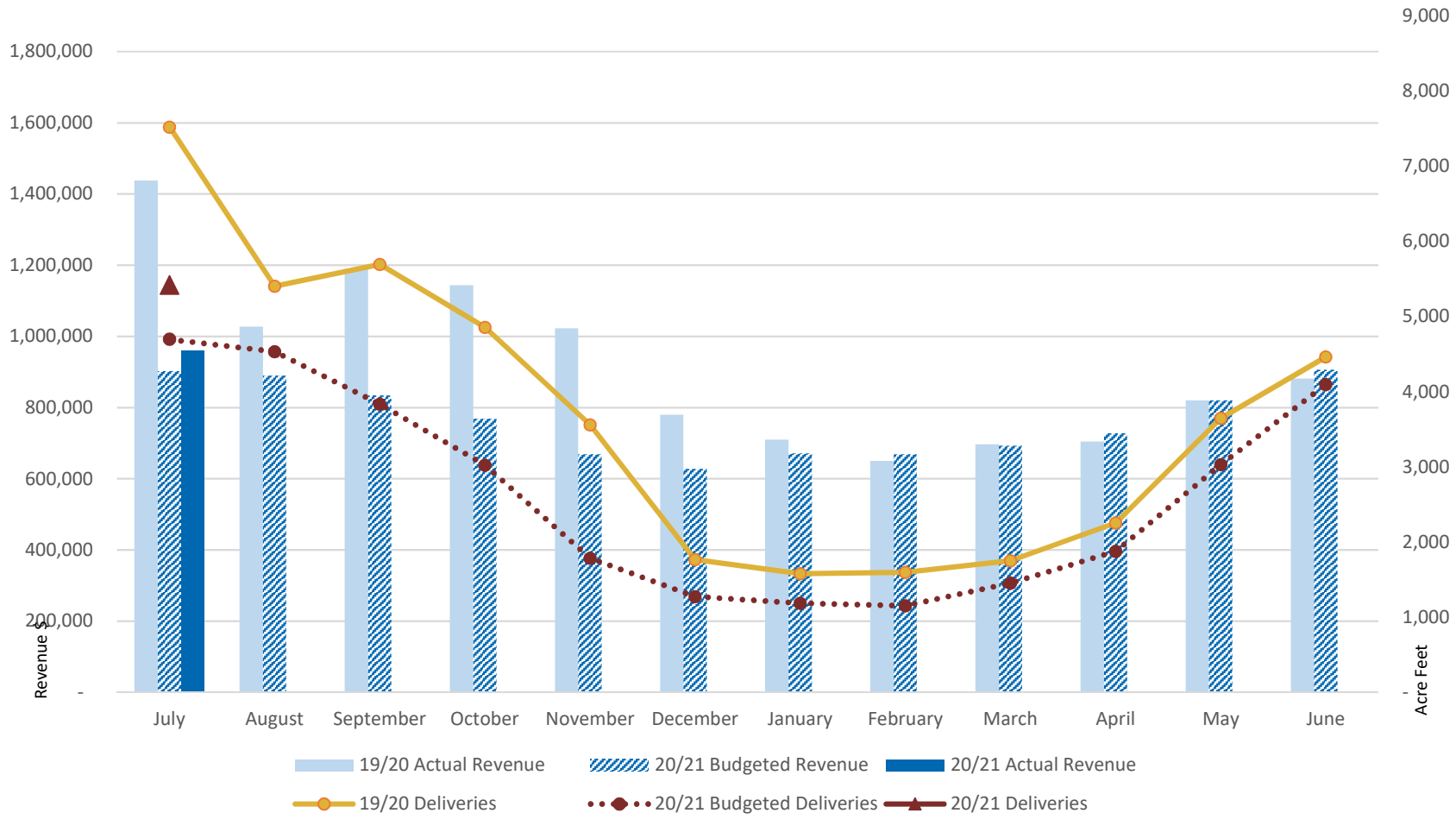
Budgeted Deliveries	4,696.47
Actual Deliveries	5,423.79
Difference	727.32
	15%

Budgeted Water Sale Revenue	\$ 902,425
Actual Water Sale Revenue	\$ 960,019
Difference	\$ 57,593
	6.4%

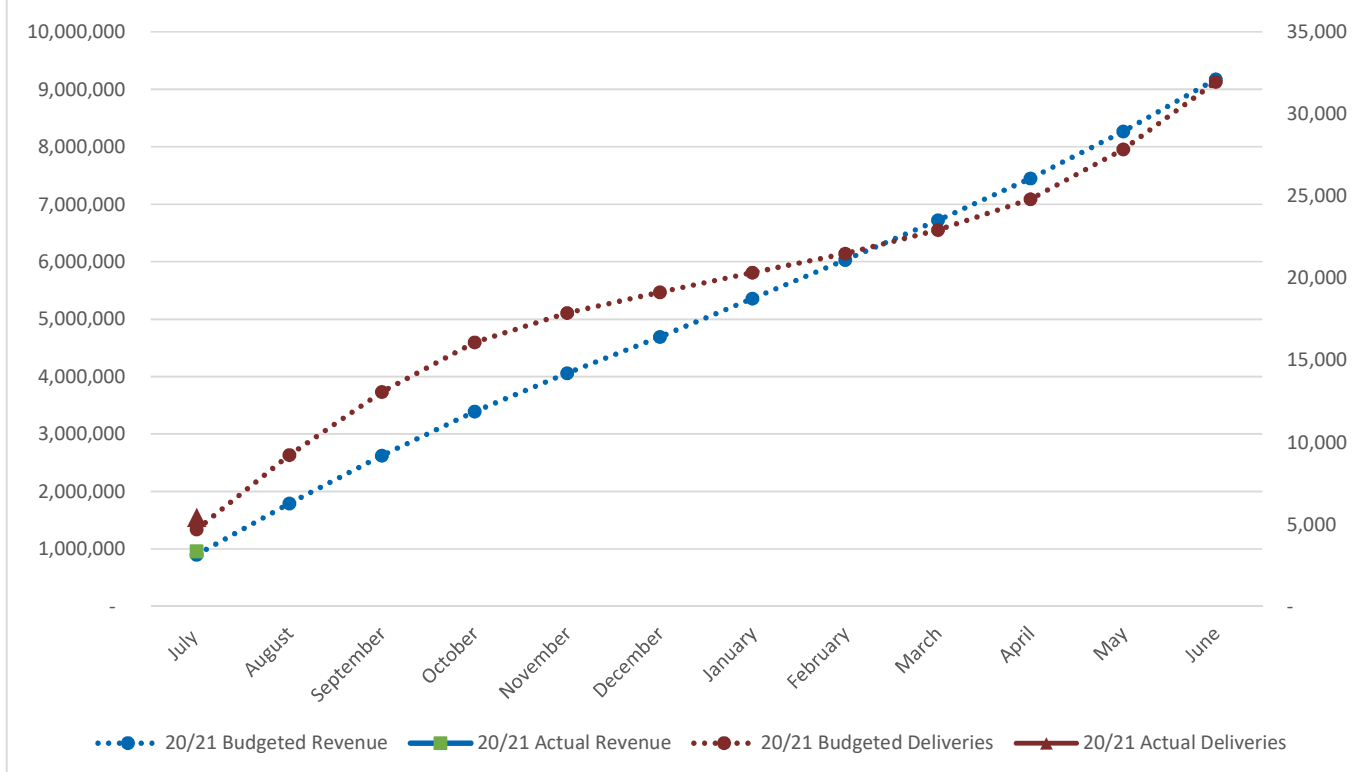
Conclusion:

FY 2020/21 water deliveries have started out the year stronger than expected. Deliveries are 15% greater than anticipated and revenues are 6.4% greater than expected. This uneven variance is expected given that the fixed service charge is not delivery dependent. This trend will likely continue as sales of water to SSWD have been approved but were not included in the budget. This activity will first appear in next month's report.

Comparison of Fiscal Year 2019/2020 Actual to 2020/2021 Projections of Deliveries and Revenue



Cumulative Water Deliveries and Revenues FY 2020-21



AGENDA ITEM VII-3.2

ACWA-JPIA REPORT

BOARD OF DIRECTORS MEETING ~ JULY 27, 2020

By Pam Tobin

The Board ratified three new member agencies:

- 1) Westside Water Authority ~ April 1, 2020 (Liability, Worker's Compensation, Employee Benefits)
- 2) Eastside Water District ~ June 18, 2020 (Liability)
- 3) Otay Water District ~ July 1, 2020 (Liability, Property, Workers' Compensation)

Audited Financial Statements Year Ending September 30, 2019 (Board Approved)

- Gilbert Associates performed the Annual Audit of the JPIA Fiscal Year of Oct. 1, 2018-Sept 30, 2019 with an unmodified opinion.
- Management will submit the report to the GFOA (Government Finance Officers Assoc. to obtain a Certificate of Achievement of Excellence in Financial Reporting.

Operating Budget for Fiscal Year 10/01/2020-2021

- The Board approved the operating budget that covers General & Administrative Expenses for fiscal yr ending Sept 30, 2021.
- The staff salaries increase is due to two additional positions anticipated in Member Services and Admin and Special Projects Manager.
- Staff employee benefits decrease is due to a lower than anticipated expense for pension. In the previous budget \$600K was used but, by comparison this year's budget reflects \$300k pension expense. This is due to a smaller reduction of the discount rate by CalPERS.
- The overall increase in the operating budget is 3.3%. Salaries remain the largest line item in the budget.

Pooled Programs Update

- The JPIA has four pooled programs:
 - The Liability Program ~ began in 1979
 - \$5 Million retention for 2020
 - Program renews Oct 1, 2020

- The Property Program ~ began in 1982
 - Renews July 1, 2020
 - 10% rate increase in pricing for the new year
 - \$100K retention with \$500 Million in limits
 - Catastrophic events continue to dominate pricing

- The Workers' Compensation Program ~ began in 1984
 - Program renewed July 1, 2020
 - \$2 Million Retention for 2020
 - 10% decrease in aggregate pricing for the new year
 - Legislative Changes

- The Employee Benefits Program ~ began July 2012.
 - 2021 rates will be posted after July 23, 2020 Exec. Comm. Meeting
 - Program renews January 1, 2021
 - Self-insured Anthem PPO Medical Plan
 - Advantage Plan
 - Consumer-driven health (CDHP)
 - Anthem HMO Plan
 - Kaiser Medical Plans
 - Self-insured Dental Program
 - Self-insured Dental Program
 - Life Insurance, Disability and Employee Assistance Programs
 - Wellness Grants

- Each Program is administered as separate programs and members choose which ones to participate in, although most participate in all four.

Employee Benefits Update

- Changes have been occurring at unprecedented speed due to complying with mandates in the CARES Act, JPIA has made several benefit enhancements to assist plan participants during these difficult times. COVID-19 treatment is covered in full at this time.
- Mail order requirements have been temporarily lifted to facilitate obtaining maintenance medications and extended period of eligibility

for benefits are offered to members for employees with reduced work hours.

- Staff has worked seamlessly while working remotely to keep members up to date and provide support to its members and their staff.

Workers' Compensation Program Updates

- During March, April & May the dept. was averaging approx. 15 claims per month. Since some employees have returned to the work place there has been an increase in new claims of a total of 31 new claims for June.
- After investigation the first Covid-19 positive claim and eight possible exposures, it was determined that the employee who tested positive was not work related and the other eight employees who were exposed received negative test results.

Human Resources Update

- After March 16, JPIA sent staff to work from home.
- Online Webinars attracted over 120 participants on average.
- JPIA website contains all the information and resources related to Covid-19.

Training Update

- In person classes are not happening. Typically 40 classes per month were being taught prior to Covid 19
- Online learning from home has skyrocketed to almost 4,000 in march and almost 8,000 in April.

Captive Insurance Company Update

- Board of Directors approved a resolution to form the CA Water Insurance Fund (CWIF) A Captive Insurance Company domiciled in Utah.
 - Appointed Officers appointed in June 2019 and received a Certificate of Authority from the State of Utah Oct 1, 2019.
 - Chair of the Board ~ Tom Cuquet
 - Vice Chair ~ David Drake
 - President ~ Walter "Andy" Sells
 - Vice President ~ Robert Greenfield
 - Treasurer ~ David deBernardi
 - Secretary ~ Lorin Barker

- JPIA has ceded Approx \$16 Million of projected losses for the 10/02/2019-2020 Liability Program year to CWIF Oct 1, 2019.
- CWIF investment policy began January 2020.
- January 2020, JPIA Transferred \$12 million of the Liability Catastrophic Reserve Fund to the CWIF authorized by the BOD resolution.
- May 2020 JPIA transferred another \$10 Million to CWIF
- June 30, 2020 book value of CWIF portfolio was \$41,255,000 vs. a market value of \$41,787,000 and increase in value of \$532K for a 6 month period.

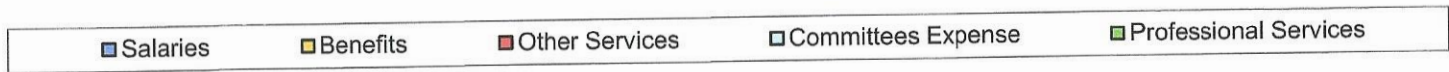
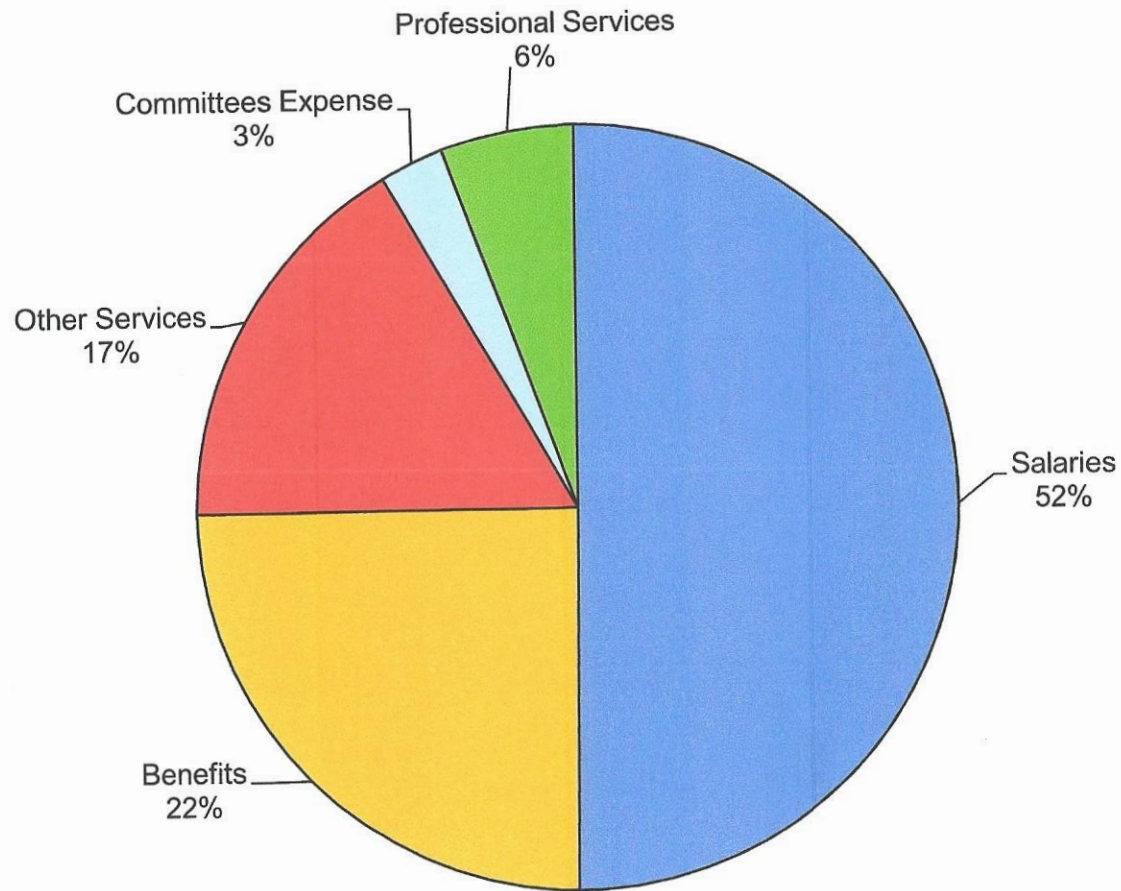
ACWA-JPIA Safety Awards Winners ~ Summer 2020

- Program began in 1999 to promote safety in the workplace.
- 21 nominations were submitted from 17 members for summer 2020. Four members were recognized for their significant program activities and engineering solutions:
 - Rancho California Water district
 - Yuba County Water Agency
 - Humboldt Bay Municipal Water District
 - Vallecitos Water District.
 - See attached for list of all winners

Risk Control Grant Program

- March 20, 2019 the Risk Management Committee and the Exec. Comm. voted unanimously to adopt a Risk Control Grant Program to begin Oct 1, 2019 as a result of the Feb 2018 Strategic Planning session.
- Program is designed to reinforce strategic risk management to loss reduction to member agencies and allows for strategic risk management program improvements and is initiated by district management.
- Grant Recipients are:
 - Florin Resource Conservation District/Elk Grove Water District
 - Tulare Irrigation District
 - Rio Alto Water District
 - Centerville Community Services District
 - Three Valleys Municipal Water District
- Grant is up to \$10K per application and award recipients were notified on March 1, 2020. Winners are located on the JPIA's website under Risk Control/Grant Program/Award Winners.

ACWA JPIA General & Administrative Expenses Fiscal year September 30, 2021



H.R. LaBounty Safety Award Winners – Summer 2020

Name	District
Kelly Gerkenmeyer	Calaveras County Water District
Mike Samorano	Calaveras County Water District
Michael Smith	Elsinore Valley Municipal Water District
Brian Vigil	Elsinore Valley Municipal Water District
Humboldt Bay Staff	Humboldt Bay Municipal Water District
Eric Couture	Merced Irrigation District
Kristina Mahy	Merced Irrigation District
Matt Crowl	Moulton Niguel Water District
Christina Awad	Orange County Water District
Utility Department	Ramona Municipal Water District
Jeff Dixon	Rancho California Water District
Chris Cessna	San Juan Water District
Aaron Davis	San Juan Water District
Cody Sinnock	San Juan Water District
Davis Doane	Sweetwater Authority
Matt Kloska	Sweetwater Authority
Robbie Bargeron	Trabuco Canyon Water District
Robert Baldwin	Trabuco Canyon Water District
Tony Quinonez	Trabuco Canyon Water District
Chris Deering	Vallecitos Water District
Anette Longville	Vallecitos Water District
Dawn McDougale	Vallecitos Water District
Ivan Murguia	Vallecitos Water District
Arturo Sanchez	Vallecitos Water District
Marc Smith	Vallecitos Water District
Matt Weise	Vallecitos Water District
Alicia Yerman	Vallecitos Water District
Alanna Diaz	Walnut Valley Water District
Tom Hunt	Walnut Valley Water District
Don Gehnert	Western Municipal Water District
Sean Torres	Western Municipal Water District
Michael Pilatti	Wheeler Ridge-Maricopa Water Storage District
Jamie Coleman	Yuba County Water Agency



August 13, 2020

Mr. Ted Costa – Board President
San Juan Water District
P.O. Box 2157
Granite Bay, CA 95746

**Re: SJWD CVRA Response – New Division Maps
August 15, 2020 SJWD Special Board Workshop**

Dear Mr. Costa:

Please instruct the Board Secretary to read these written comments during the public comment period of the meeting. Also, please direct the Board Secretary to include this letter in the Board approved minutes for the August 15, 2020 SJWD Special Board Workshop.

The San Juan Water District (SJWD) service area is predominately comprised of four distinct communities: Citrus Heights, Orangevale, Fair Oaks, and Granite Bay. The community of Citrus Heights receives retail water service from the Citrus Heights Water District (CHWD). The community of Orangevale receives retail water service from the Orangevale Water Company (OVWC). The community of Fair Oaks receives retail water service from the Fair Oaks Water District (FOWD). The community of Granite Bay receives retail water service from the San Juan Water District (SJWD-R).

Currently, and for many years prior, four of the five SJWD Board members have come from Granite Bay. These same SJWD Board Members represent two different agencies with uniquely defined service areas – San Juan Water District Retail (SJWD-R) and San Juan Water District Wholesale (SJWD-W).

A sitting Board Member of CHWD, OVWC or FOWD cannot represent their Agency and sit on the SJWD Board due to a potential conflict of interest. A SJWD Board Member can represent both SJWD Retail and SJWD Wholesale. How are these situations different?

The ethics training that all public officials are required to take states that we must avoid even the perception of a conflict of interest. Assuming that having the same Board of Directors representing both the SJWD-R operations and SJWD-W operations is legal, it clearly has the perception of a potential conflict of interest.

When the SJWD Board of Directors is reformed to be elected by divisions representing the wholesale service area, please provide for the SJWD Retail Service Area becoming an independent agency with their own separate Board of Directors elected from within the SJWD Retail Service Area.

The opportunity to make a change is now, while responding to the CVRA litigation. Please take immediate action on the above and resolve this long-standing ethical issue with the SJWD Board of Directors.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom R. Gray", enclosed in a blue oval.

Tom R. Gray
FOWD General Manager
SJWD-R Ratepayer

c: Jennifer Buckman, BKS
Robert Donlan, ES&H
Teri Grant, SJWD Board Secretary

**SAN JUAN WATER DISTRICT
SPECIAL BOARD WORKSHOP AGENDA**

**August 15, 2020
10:00 a.m.**

**WEL Garden (located to the right back of the Boardroom)
9935 Auburn Folsom Road
Granite Bay, CA 95746**

This Board workshop will be conducted at the District's WEL Garden – an outside venue.

Please bring your own chair and wear your mask.

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

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

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

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

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

I. PUBLIC WORKSHOP

1. Transition to Division-Based Elections (W & R) – public workshop to answer questions about the process

II. ADJOURN

UPCOMING MEETING DATES

August 19, 2020 – Regular Board Meeting
Week of August 24th – a 2nd Workshop TBD
September 9, 2020 – Public Hearing #3
September 23, 2020 – Regular Board Meeting
October 14, 2020 – Public Hearing #4

I declare under penalty of perjury that the foregoing agenda for the August 15, 2020 special workshop of the Board of Directors of San Juan Water District was posted by August 12, 2020, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public.

Teri Grant, Board Secretary



August 19, 2020

Mr. Ted Costa – Board President
San Juan Water District
P.O. Box 2157
Granite Bay, CA 95746

**Re: SJWD CVRA Response – New Division Maps
August 19, 2020 SJWD Public Meeting**

Dear Mr. Costa:

Please instruct the Board Secretary to read these written comments during the Public Forum at the referenced public meeting. Also, please direct the Board Secretary to include this letter in the Board approved minutes for the August 19, 2020 SJWD Public Meeting.

I am in the unique position of working with the Fair Oaks Water District Board of Directors to provide a voice to over 37,000 of your wholesale ratepayers while also being a San Juan Water District (SJWD) retail ratepayer. As such, I have been monitoring the SJWD Board of Directors response to the lawsuit against the SJWD for violating the California Voters Rights Act very closely.

On April 22, 2020, you received a letter relative to California Voting Rights Act (CVRA) compliance from fellow elected officials representing over 60% of the population you were also elected to represent. In the following months, you also heard from many community representatives from the Granite Bay area relative to the same issue. Seemingly independent of this input from the SJWD ratepayers, and the public hearing process required for CVRA compliance, the SJWD is working on the development of proposed SJWD Division Maps “*in the dark*” – to be presented at a September 9, 2020 SJWD Board Meeting. Though meeting the minimum requirements for compliance with the CVRA, the process feels like continued disenfranchisement of a majority of the communities that you were elected to serve.

Since you were elected to represent and advocate for all the people, I request that you endorse giving all of your wholesale customers a voice in the creation of division boundary maps for the SJWD by forming a seven-member citizen’s advisory committee of the following:

- 1 member Selected by the Placer County Board of Supervisors
- 1 member Selected by the Sacramento County Board of Supervisors
- 1 member Selected by the City of Folsom
- 1 member Selected by the Orange Vale Water Company
- 1 member Selected by the Citrus Heights Water District
- 1 member Selected by the San Juan Water District – Retail Service Area
- 1 member Selected by the Fair Oaks Water District

Relevant involvement by the proposed citizen's advisory committee would provide for a truly transparent and inclusive process. Again, please consider actively working together with other leaders of the SJWD Wholesale service area to provide the leadership required to give a voice to the diverse population that you were elected to serve.

Sincerely,
Tom R. Gray

A handwritten signature in blue ink, appearing to read "Tom R. Gray", enclosed in a blue oval.

FOWD General Manager
SJWD-R Ratepayer

c: Jennifer Buckman, BKS
Robert Donlan, ES&H
Teri Grant, SJWD Board Secretary

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

**August 19, 2020
6:00 p.m.**

This Board meeting will be conducted both in-person at the District's Boardroom at the address above, and via videoconference. Due to State guidelines on physical distancing in public gatherings, the Boardroom can accommodate a maximum of 10 members of the public at one time. The District recommends that members of the public participate in Board meetings via videoconference per the instructions below. Persons who do plan to attend the meeting in person are urged to contact the Board Secretary prior to the meeting. The contact information for the Board Secretary is:

**Teri Grant
(916) 791-6905
tgrant@sjwd.org**

For members of the public interested in viewing and having the ability to comment at the public meeting via GoToWebinar, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. There will be no call in line to the meeting so please make sure that your device provides audio for you, or plan to attend in person. To register to attend via videoconference, please use the following link:

<https://attendee.gotowebinar.com/register/4060370406127309072>

After registering, you will receive a confirmation email containing information about joining the webinar.

Your line will be muted. If you wish to make a public comment, you may use the "raise your hand" or "question" function to address the Board.

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

Whether attending via videoconference or in person, the public is invited to listen, observe, and provide comments during the meeting by any of the methods described above. The Board President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.

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

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

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

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

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

I. ROLL CALL

II. PUBLIC FORUM

During the Public Forum, the Board may ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determination to add the matter to the agenda.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, July 22, 2020 (W & R)
Recommendation: Approve draft minutes
2. Minutes of the Board of Directors Special Meeting, July 22, 2020 (W & R)
Recommendation: Approve draft minutes
3. Minutes of the Board of Directors Special Meeting, August 3, 2020 (W & R)
Recommendation: Approve draft minutes
4. Minutes of the Board of Directors Special Meeting, August 5, 2020 (W & R)
Recommendation: Approve draft minutes
5. Upper and Lower Granite Bay Pump Stations – Low Flow Pump Improvements Project – Construction Phase Support Services (R)
Recommendation: For authorization and approval of a professional services contract for Construction Phase Support Services during construction of the Upper and Lower Granite Bay Low Flow Pumps Project
6. Baldwin Channel Lining and Culvert Project – Environmental Permitting (W)
Recommendation: To approve authorization and approval of Amendment #1 to ECorp Consulting, Inc. for Environmental Services for the Baldwin Channel Lining and Culvert Project
7. Treasurers Report – Quarter Ending June 30, 2020 (W & R)
Recommendation: Receive and File
8. Capital Asset Policy Revisions (W & R)
Recommendation: Approve amendments to the FIN-5.2 Capital Asset Policy
9. Investment Policy Revisions (W & R)
Recommendation: Approve amendments to the FIN-5.6 Investment Policy

**Engineering Committee Meeting Minutes
San Juan Water District
August 10, 2020
4:00 p.m.**

Committee Members: Dan Rich, Chair (absent)
Ted Costa, Member

District Staff: Paul Helliker, General Manager
Tony Barela, Operations Manager
Andrew Pierson, Engineering Services Manager
Adam Larson, Field Services Manager
Teri Grant, Board Secretary/Administrative Assistant

Members of the Public: Rob Watson

Topics: Upper and Lower Granite Bay Pump Stations – Low Flow Pump Improvements Project – Construction Phase Support Services (R)
Baldwin Channel Lining and Culvert Project – Environmental Permitting (W)
Hinkle Reservoir Replacement Project Update (W)
Other Engineering Matters
Public Comment

1. Upper and Lower Granite Bay Pump Stations – Low Flow Pump Improvements Project – Construction Phase Support Services (R)

Mr. Pierson provided the committee with a staff report which will be attached to the meeting minutes. He explained that the contract is for construction phase support services during construction of the Upper and Lower Granite Bay Low Flow Pumps Project and will cover bid assistance, engineering services, construction management and inspection. He explained that HDR was selected due to their qualifications and previous experience working on both the original 2013/14 design as well as the design for this Project.

The Engineering Committee recommends authorization and approval of a professional services contract for Construction Phase Support Services during construction of the Upper and Lower Granite Bay Low Flow Pumps Project in the amount of \$81,487 with a construction contingency of \$8,150 (10%) for an authorized total construction budget of \$89,637

2. Baldwin Channel Lining and Culvert Project – Environmental Permitting (W)

Mr. Barela provided the committee with a staff report which will be attached to the meeting minutes. He explained that the Baldwin Channel which runs from the Water Treatment Plant to Baldwin Reservoir is slated to have a concrete liner installed to manage weed control; however, ECorp Consulting, which completed the initial evaluation, discovered that the channel is considered Waters of the U.S. and will require an additional level of project permitting review and processing, including a Section 404 Nationwide Permit Preconstruction Notification. In addition, staff recommends that ECorp Consulting increase their scope of work to include evaluation of the entire channel so that maintenance activities and program can be documented. Therefore, an amendment to the current contract is being requested.

The Engineering Committee recommends authorization and approval of Amendment #1 to ECorp Consulting, Inc. for Environmental Services for the Baldwin Channel Lining and Culvert Project in the amount of \$18,900, bringing their total contract to \$61,699

3. Hinkle Reservoir Replacement Project Update (W)

Mr. Pierson reported that he expects the 95% design drawings from HDR this week on the Hinkle Reservoir Replacement Project, then they will be submitted for the SRF loan and to the Division of Safety of Dams (DSOD).

4. Other Engineering Matters

Mr. Pierson informed the committee that he received the signed offer letter from the Senior Engineer candidate, Mr. Mark Hargrove, and we expect him to start in September.

5. Public Comment

There were no public comments.

The meeting was adjourned at 4:17 p.m.

**Finance Committee Meeting Minutes
San Juan Water District
August 18, 2020
4:30 p.m.**

Committee Members: Ken Miller, Director (Chair)
Dan Rich, 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 July 2020 (W & R)

The committee reviewed the July 2020 check register and found it to be in order.

3. Treasurers Report Quarter Ending June 30, 2020 (W & R)

Ms. Silva provided a staff report which was included in the Board packet. She explained that the purpose of the treasurer's report is to update the Board and the public on the status of the District's cash balances and investments. She informed the committee that the District's investment portfolio is faring well in terms of market value.

4. Review Proposed Amendments to District Investment Policy (W & R)

Ms. Silva provided a staff report which was included in the Board packet. She explained that staff and the Investment Advisors at PFM Asset Management, Inc. reviewed the Investment Policy and are recommending changes to the policy. Those changes are for Removal of Requirement for Annual Review, Removal of Reference to Association of Public Treasurer's Excellence Award, and Addressing the Changes in Government Code Section 53601(o), which are explained in detail in the staff report. In addition, she informed the committee that legal counsel reviewed the amendments to the policy.

The Finance Committee recommends that the Board approve the proposed updates to the San Juan Water District Investment Policy.

5. Review Proposed Amendments to District Capital Asset Policy (W & R)

Ms. Silva provided a staff report which was included in the Board packet. She reviewed the revisions that are defined in the staff report. In addition, she informed the committee that legal counsel reviewed the amendments to the policy.

The Finance Committee recommends that the Board approve the proposed updates to the San Juan Water District Capital Asset Policy.

6. Other Finance Matters (W & R)

Ms. Silva announced that the District received the Excellence in Financial Reporting award from GFOA for the FY 2018-19 CAFR, and she commended staff for their excellent work on the CAFR.

7. Public Comment

There was no public comment.

The meeting was adjourned at 4:50 p.m.