



< Kokila Reservoir Drainage Pipeline

**SAN JUAN  
WATER DISTRICT**

GRANITE BAY, CALIFORNIA

**ADOPTED BUDGET**

FISCAL YEAR 2019-20

*Cover Photo: Drainage pipeline for Kokila Reservoir. Kokila Reservoir (a retail facility) is scheduled for replacement in Fiscal Year 2020-2021. The District is currently seeking alternative, low-cost financing for this large infrastructure replacement project, in order to put continued downward pressure on water rates while ensuring the delivery of a reliable water supply of the highest quality.*

# San Juan Water District

## Fiscal Year 2019-20 Budget



Prepared by the Finance Department under Direction of  
the General Manager

## **Mission Statement:**

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

## **Vision Statement:**

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





**San Juan Water District**  
9935 Auburn Folsom Road  
Granite Bay, California 95746  
(916) 791-0115  
[www.sjwd.org](http://www.sjwd.org)

**Elected Officials**

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

**Appointed Officials**

Paul Helliker, General Manager

**Management Team**

Tony Barela, Operations Manager  
Lisa Brown, Customer Services Manager  
George Machado, Field Services Manager  
Donna Silva, Director of Finance/Treasurer  
Greg Turner, Water Treatment Plant Manager  
Chris von Collenberg, Information Technology Manager  
Rob Watson, Engineering Services Manager  
Greg Zlotnick, Water Resources Manager

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**San Juan Water District**

Fiscal Year 2019-20 Budget

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June 26, 2019

Board of Directors  
Citizens of the San Juan Water District

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

On behalf of the San Juan Water District and its staff, I am pleased to present the Budget for Fiscal Year 2019-20. The Budget has been developed to be fiscally responsible in support of the District's Mission Statement:

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

Adoption and implementation of this budget will allow the District to accomplish major priorities in Fiscal Year 2019-20, detailed throughout this document.

The District continues to focus on implementing the Strategic Plan that it adopted in March of 2018. The plan includes the mission statement just described, as well as a vision statement, organizational values, strategic goals and objectives and performance metrics. The plan can be found at the following link on the District's website:

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

The District's strategic goals are:

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

These strategic goals will guide our actions to respond to the following significant issues and priorities that we will face during fiscal year 2019-20, including, but not limited to the following:

- Development and adoption by the State of a new regulatory structure to implement water efficiency targets, pursuant to SB 606 and AB 1668
- Completion of the hearings on the change petition for water rights associated with the California WaterFix, and potential resolution of the District's protest

# San Juan Water District

## Fiscal Year 2019-20 Budget

- Completion of an update to the Water Quality Control Plan for the Sacramento/San Joaquin Delta, and a possible voluntary settlement agreement by the District and neighboring agencies in the American River Basin
- Further deliberations on a revision to the California WaterFix project, and potential resolution of the District's protest and challenge to the Environmental Impact Report
- Development and implementation of the Sacramento regional groundwater bank
- Development by the State of water loss standards for drinking water systems
- Consideration of greater collaboration with and potential integration of San Juan's programs with those of neighboring water agencies, to improve services to our customers and save them money
- Working with our Wholesale Customer Agencies to update our Water Supply Contract
- Updating the District's master plans for retail and wholesale facilities and updating capital improvement plans for portions of the District's supply, treatment and distribution systems
- Planning and executing significant infrastructure repair and replacement projects, including preparation for the replacement of the cover and liner of Hinkle Reservoir and developing a plan for replacement of retail service area meters
- Successfully implementing new enterprise software systems, such a billing and customer service, maintenance management, supervisory control and data acquisition, etc.
- Meeting current and evolving regulatory requirements for water quality, system operations, health and safety, human resources management, etc.

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

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

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

Respectfully submitted,



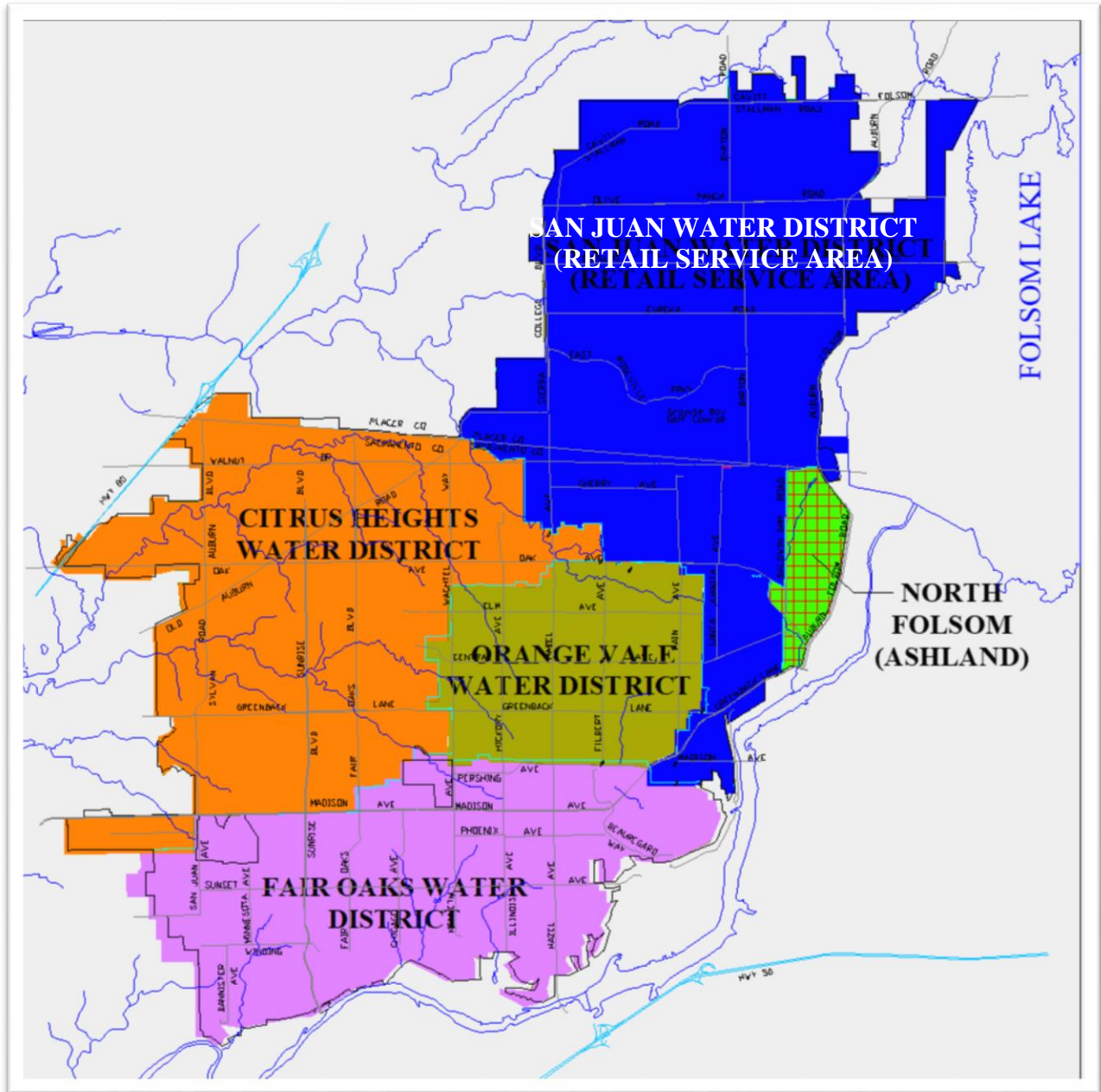
Paul Helliker  
General Manager



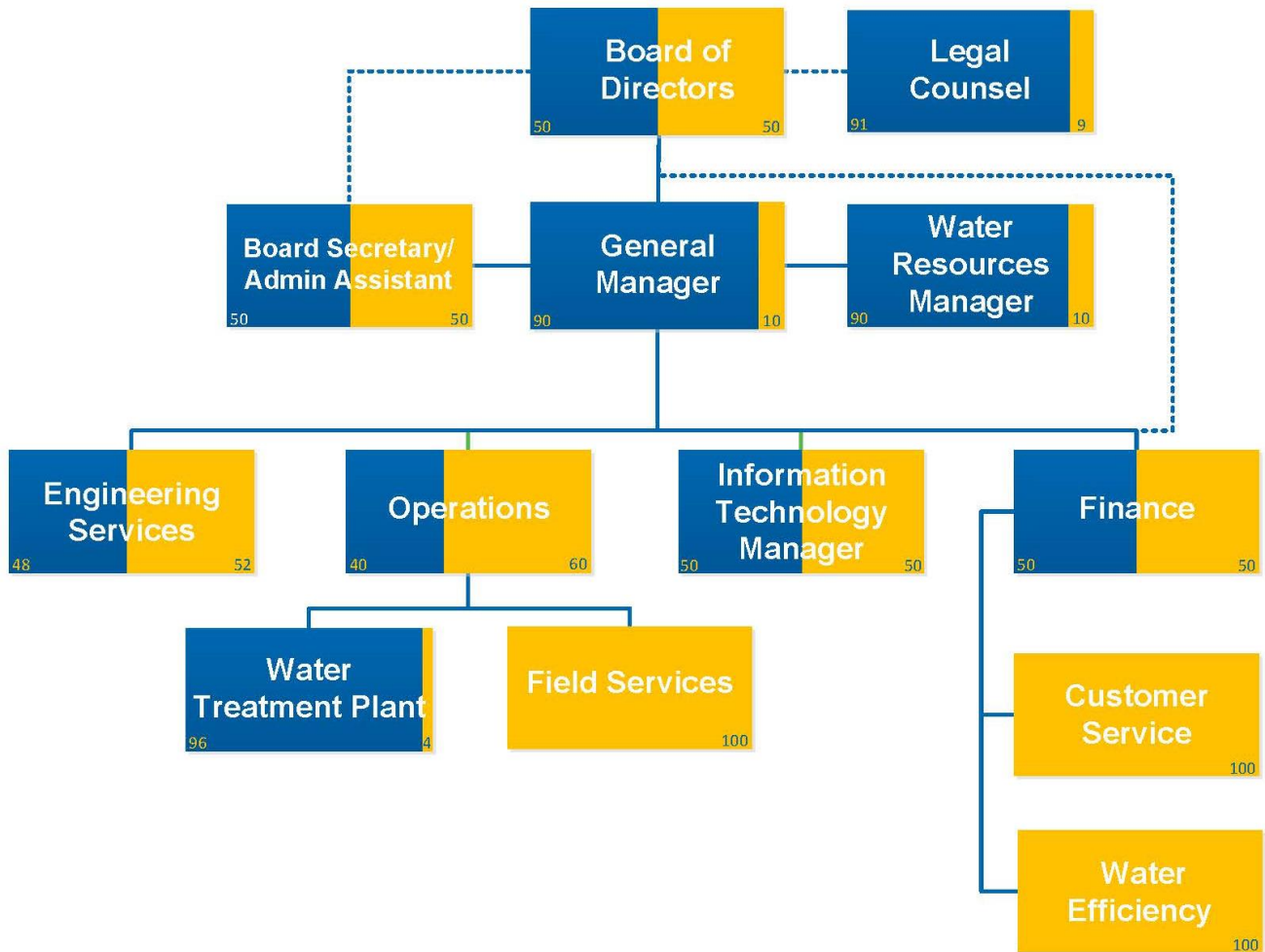
# DISTRICT PROFILE

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**Wholesale Service Area Map**  
(SJWD Retail Service Area – in blue)



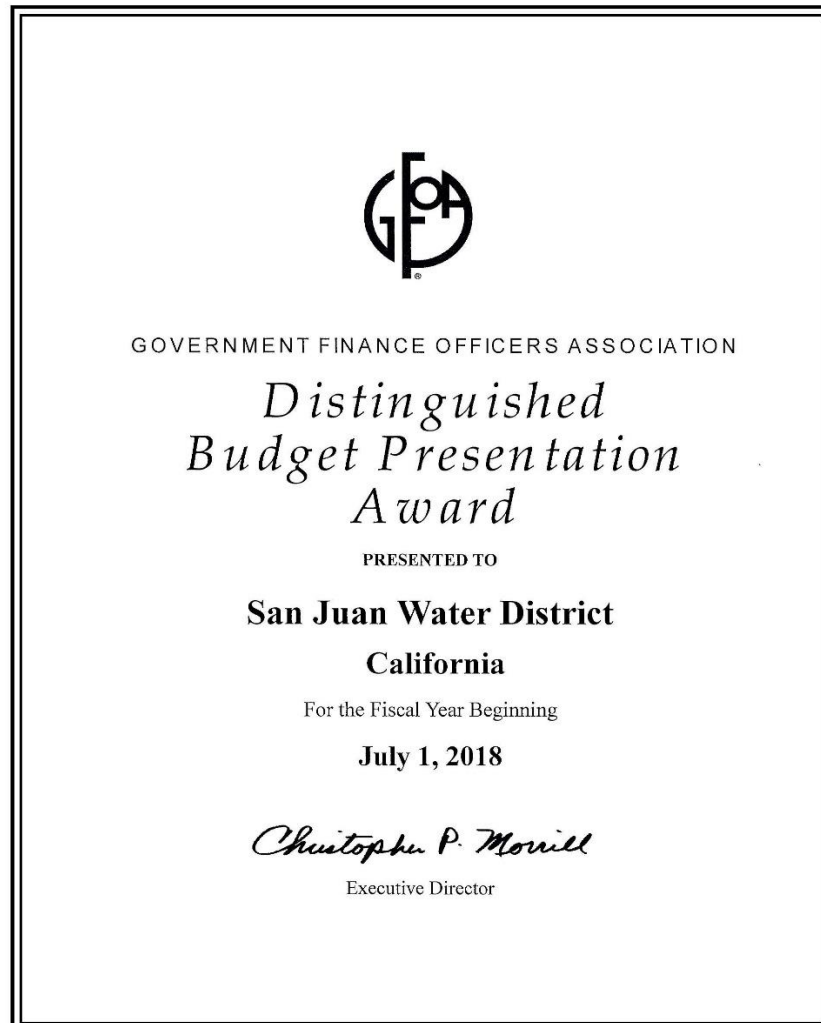
## Organization Chart by Functional Area



### Allocation of Costs

Wholesale	%
Retail	%

**GFOA Budget Award**



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to San Juan Water District for its annual budget for the fiscal year beginning July 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

### By The Numbers – Summary of District Information

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

Miscellaneous Statistical Information	
Size of Service Area	46 square miles
Size of Retail Service Area Only	17 square miles
Population of Service Area (per FY 2017-18 CAFR)	154,781
Population of Retail Service Area Only (per FY 2017-18 CAFR)	29,830
Number of Active Employees	48
Number of Bond Issues Outstanding	2
Wholesale Operating Budget	\$ 8,921,800
Wholesale Capital Budget	\$ 9,380,400
Retail Operating Budget	\$ 11,793,400
Retail Capital Budget	\$ 3,994,300





# ABOUT THE DISTRICT

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## ABOUT THE DISTRICT

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

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

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

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

The District's existing water supply consists of three separate raw water contracts. The first source of water comes from a settlement contract with the U.S. Bureau of Reclamation (Reclamation) whereby it is required to deliver the District's pre-1914 and post-1914 water rights water from the American River, totaling 33,000 acre-feet. The second source is a water service contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The District secured a long-term (40 year) renewal of this contract in 2006. The third water source is a contract with Placer County Water Agency (PCWA) for up to 25,000 acre-feet of water.

All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant. Total raw water delivery for the 2017-2018 fiscal year was 36,050.37 acre-feet and is anticipated to be 35,482 acre-feet for Fiscal Year (FY) 2018-19, and 34,550 for FY 2019-20 excluding pass through deliveries for SSWD.

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

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

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

The District's water efficiency programs include:

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

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

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

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

### **Budget Purpose, Process and Control**

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

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

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

### **Budget Format**

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

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

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

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

### **Financial Policies**

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

### **Reserve Policy**

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

**WHOLESALE RESERVES:**

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

**RETAIL OPERATING RESERVES:**

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

**Debt Policy**

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

**Investment Policy**

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

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

**Procurement Policy**

The District’s procurement policy creates uniform procedures for acquiring equipment, and goods and services for its operations. The primary purpose of this policy is to provide for the purchase of materials and trade services with the objective that they will be available at the

proper time, in the proper place, in the proper quantity, in the proper quality, and at the best available price, consistent with the needs of the District.

### **Accounting System and Controls**

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

### **Fund Structure and Descriptions**

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

#### **Enterprise Funds:**

- Wholesale Operating Fund
- Retail Operating Fund

#### **Capital Outlay Funds:**

- Wholesale Capital Outlay Fund
- Retail Capital Outlay Fund

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

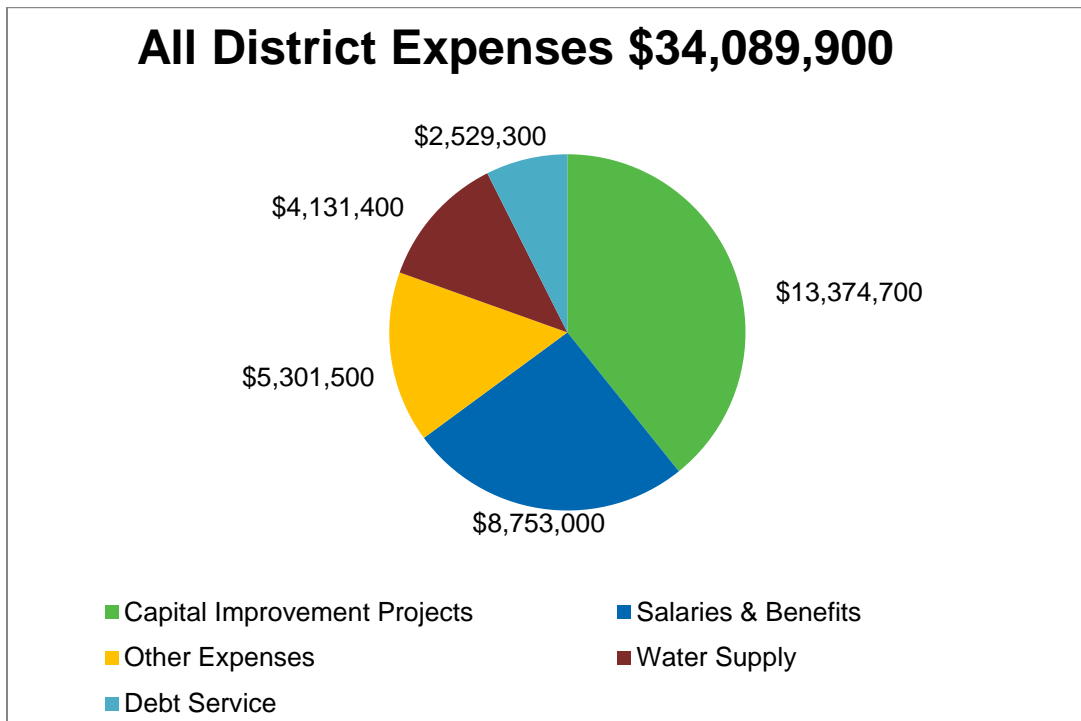
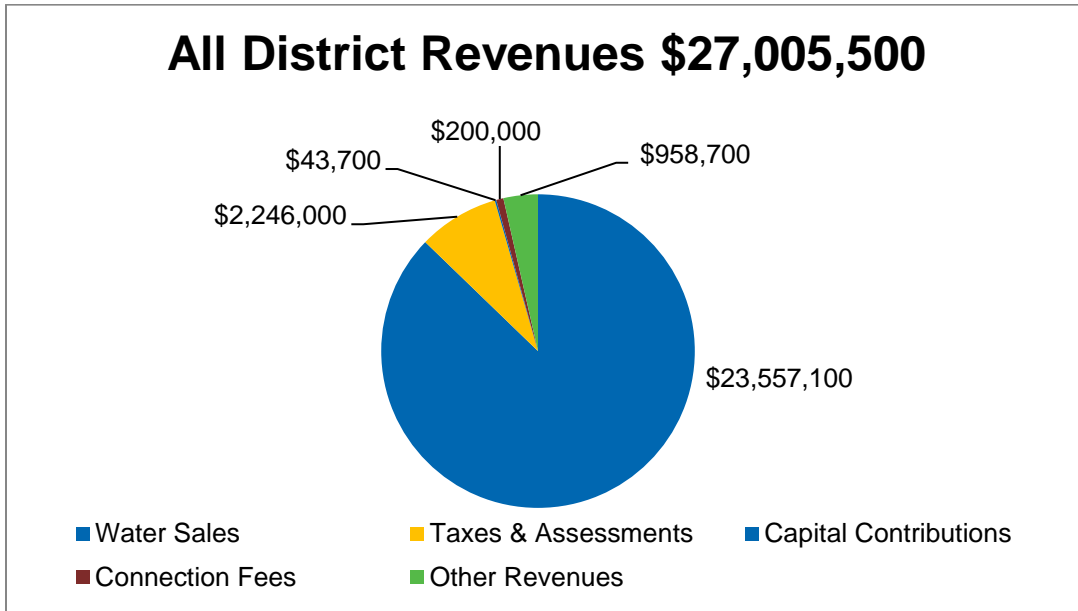


### Budget Assumptions

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

- Water rates from Board adopted 5-Year Rate Schedule
- Wholesale water rates reduced on July 1, 2019, to reflect lower debt service costs on refinanced debt.
- 2019 Debt Service Charge – per rate schedule to be charged effective January 2020. However, amount and timing of future debt issuance has changed so this rate will not be assessed in FY 2019-20.
- 3% decline in wholesale water deliveries, based on estimates provided by wholesale customers (excluding water treated for SSWD)
- 7,786 AF of water to be treated for SSWD
- No increase in retail water deliveries
- Property taxes increase 2%
- No Central Valley Project water to be purchased
- Increased cost of water supply to Retail Service Area due to planned reallocation of fixed costs to wholesale customer agencies effective January 1, 2020
- 23% (\$32,000) increase in workers compensation expense – no rate increase but experience modifier increased from .76 to 1.28 due to higher claims
- 6% increase in health care insurance costs
- Salary budget was prepared in accordance with the Board of Directors Compensation Policy which requires the District utilize the CalPERS assumed salary increases. Any COLA's, adjustments from the Compensation Study or merit increases will be constrained by the Salary budget.

Estimated Revenues and Expenditures of Funds – Summary



### Estimated Revenues and Expenditures of Funds – Summary

	Wholesale Operations	Wholesale Capital Outlay	Retail Operations	Retail Capital Outlay	Total
Est. Beginning Available Reserves July 1, 2019	\$ 1,895,966	\$ 15,447,062	\$ 2,209,684	\$ 4,686,241	\$ 24,238,952
<b>Revenues</b>					
Water Sales	11,157,700	-	12,399,400	-	23,557,100
Taxes & Assessments	-	1,123,000	-	1,123,000	2,246,000
Capital Contributions	-	43,700	-	-	43,700
Connection Fees	-	100,000	-	100,000	200,000
Other Revenues	146,100	145,000	517,600	150,000	958,700
<b>Total Revenues</b>	<b>\$ 11,303,800</b>	<b>\$ 1,411,700</b>	<b>\$ 12,917,000</b>	<b>\$ 1,373,000</b>	<b>\$ 27,005,500</b>
<b>Expenses</b>					
Capital Improvement Projects	\$ -	\$ 9,380,400	\$ -	\$ 3,994,300	\$ 13,374,700
Salaries & Benefits	3,712,900	-	5,040,100	-	8,753,000
Water Supply	1,055,900	-	3,075,500	-	4,131,400
Debt Service - Interest	928,000	-	516,200	-	1,444,200
Debt Service - Principal	698,500	-	386,600	-	1,085,100
Other Expenses	2,526,500	-	2,775,000	-	5,301,500
<b>Total Expenses</b>	<b>\$ 8,921,800</b>	<b>\$ 9,380,400</b>	<b>\$ 11,793,400</b>	<b>\$ 3,994,300</b>	<b>\$ 34,089,900</b>
<b>Net Income</b>	<b>\$ 2,382,000</b>	<b>(7,968,700)</b>	<b>\$ 1,123,600</b>	<b>\$ (2,621,300)</b>	<b>\$ (7,084,400)</b>
<b>Transfer In/(Out)</b>	<b>(2,493,500)</b>	<b>2,493,500</b>	<b>(974,500)</b>	<b>974,500</b>	<b>-</b>
<b>Ending Available Reserves Est.</b>	<b>\$ 1,784,466</b>	<b>\$ 9,971,862</b>	<b>\$ 2,358,784</b>	<b>\$ 3,039,441</b>	<b>\$ 17,154,552</b>

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# MAJOR REVENUES AND EXPENDITURES



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## MAJOR REVENUES AND EXPENDITURES

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

### Water Sales

Revenue from the sale of water accounts for 88% of all District revenues. Water revenues are driven by two primary factors, the amount of water sold and the rate per unit. The Board of Directors considers and adopts rates through separate processes for wholesale and retail. Wholesale customers are presented with a rate study and are given 150 days to provide comments to the Board of Directors on proposed rate changes. After the 150 day comment period, the Board of Directors review the comments and make a decision on rates for the upcoming calendar year.

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

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

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

**WHOLESALE WATER DELIVERIES - ACRE FEET**

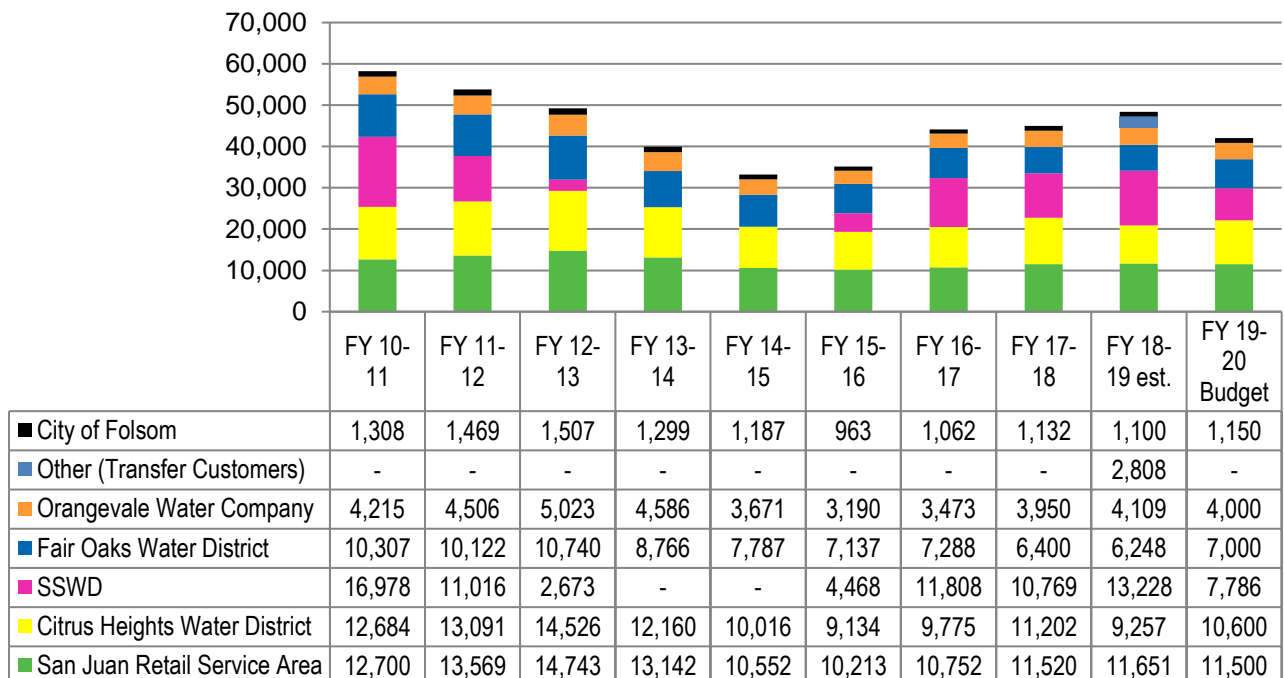
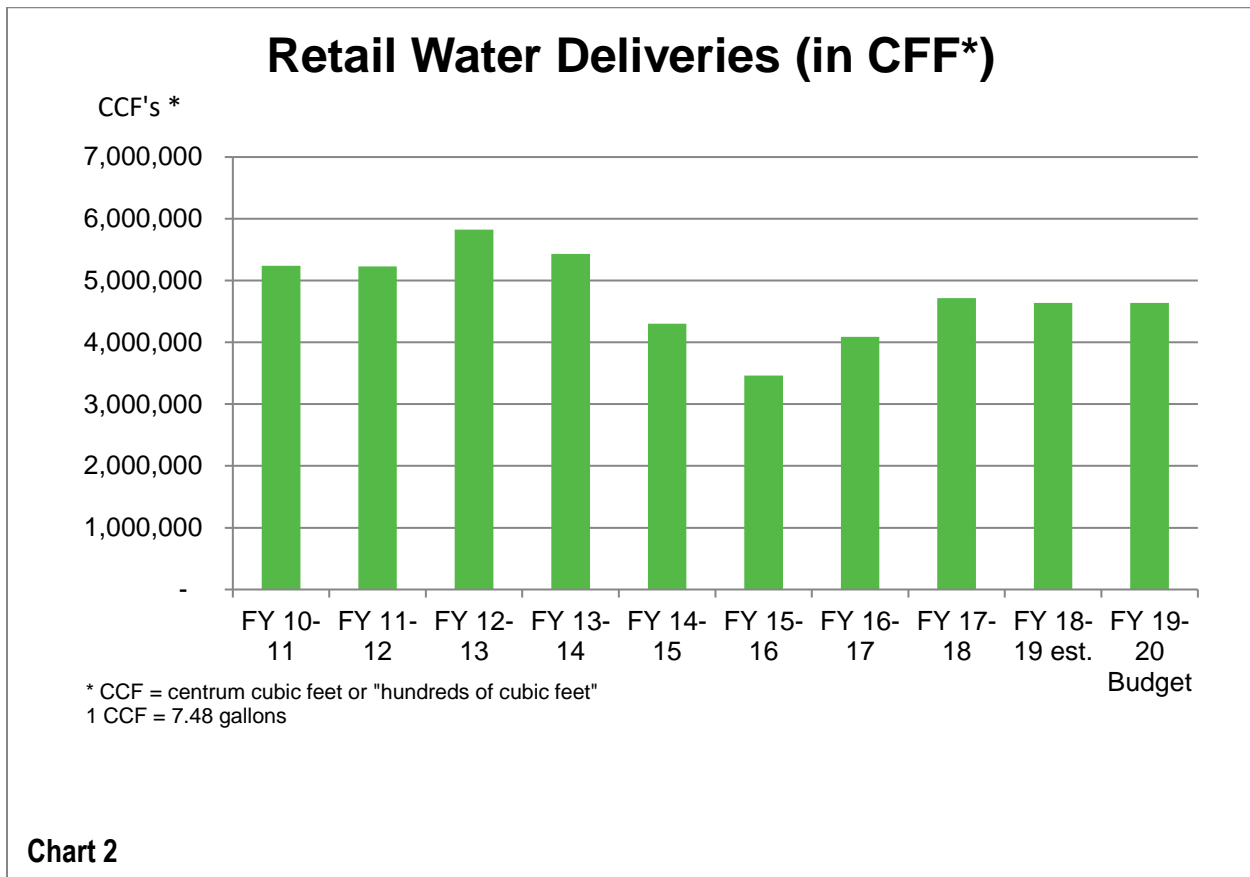


Chart 1



The recent drought resulted in a significant decline in water deliveries. Wholesale water deliveries began a steady decline in FY 2011-12, followed by retail two years later. Wholesale water deliveries reached their low in FY 2014-15 and retail reached its low in FY 2015-16. With the drought “officially” over, the District experienced an uptick in wholesale water demand in FY 2015-16 totaling 35,105 acre-feet. However, this increase was primarily attributed to 4,468 acre-feet of water treated for SSWD (see yellow component in Chart 3). SSWD has an agreement to periodically purchase raw water from PCWA (based upon water supply conditions). They have an agreement with the District to treat and deliver the water that they purchase from PCWA.

Absent the water treated for SSWD, wholesale demand did not begin to increase until FY 2016-17. Demand from the District’s regular wholesale customers slowly increased through FY 2018-19 but is expected to decrease by approximately 3% in FY 2019-20 with a total of 34,250 acre-feet anticipated to be sold in this budget year to the regular wholesale customers.

The end of the drought resulted in increased water demand in the retail service area. There was an 18% increase in FY 2016-17 retail water deliveries and a 15% increase in FY 2017-18. The FY 2019-20 budget does not anticipate an increase in demand as the District is not experiencing significant growth and it is assumed that the rebound in demand from the end of the drought has already occurred. As such, this budget assumes retail water deliveries of 4.6 million CCFs, consistent with our expectations for FY 2018-19.



Water Sale Revenues (in millions\$)

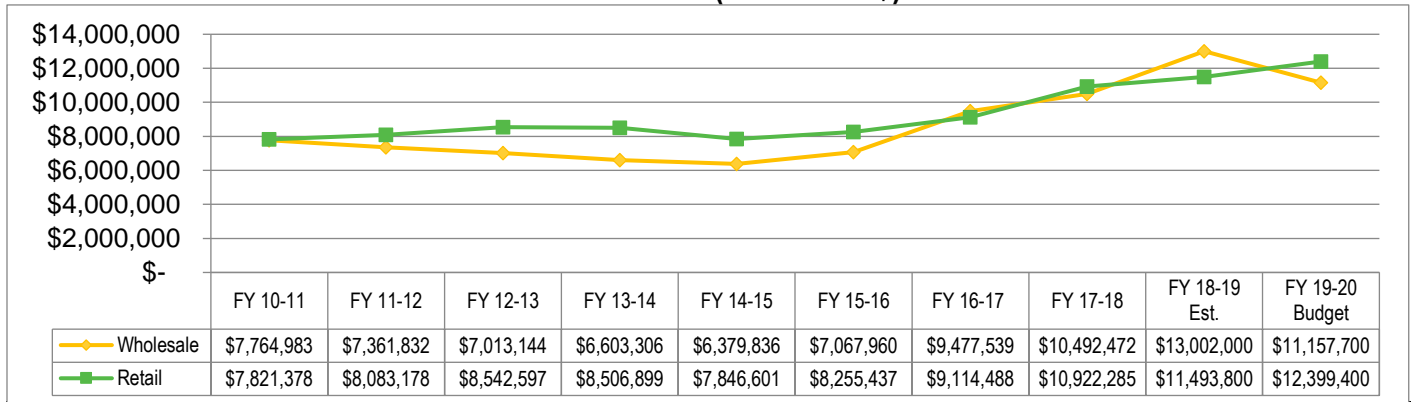


Chart 3

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

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

Wholesale water sale revenue is expected to decline in FY 2019-20, in spite of the rate increase due to SSWD taking less surface water and the wholesale customers reporting planned demand that is 3% less than FY 2018-19. In addition, wholesale water rates are expected to be reduced on July 1, 2019 to reflect savings incurred by refinancing a debt issuance in 2017.

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

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

# San Juan Water District

## Fiscal Year 2019-20 Budget

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

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

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

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

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

In FY 2018-19, the District expects to see a slight decrease in water demand (down 1.7% from FY 2017-18). The increase in revenues is fully attributable to a scheduled 8% rate increase on January 1, 2019.

The District is assuming that the rebound in demand from the end of the drought has mostly been achieved. Given very little growth in the retail service area, the District is assuming that demand will not significantly change in FY 2019-20. The increase in budgeted revenues is from the scheduled 8% rate increase that goes into effect on January 1, 2020.

### Property Tax

Representing approximately 8% of total District revenues, the Property Tax is the second largest revenue source. Property Tax revenue is shared evenly between wholesale and retail and has been designated by the Board of Directors to be spent on capital projects, not operations.

#### Property Tax Revenues

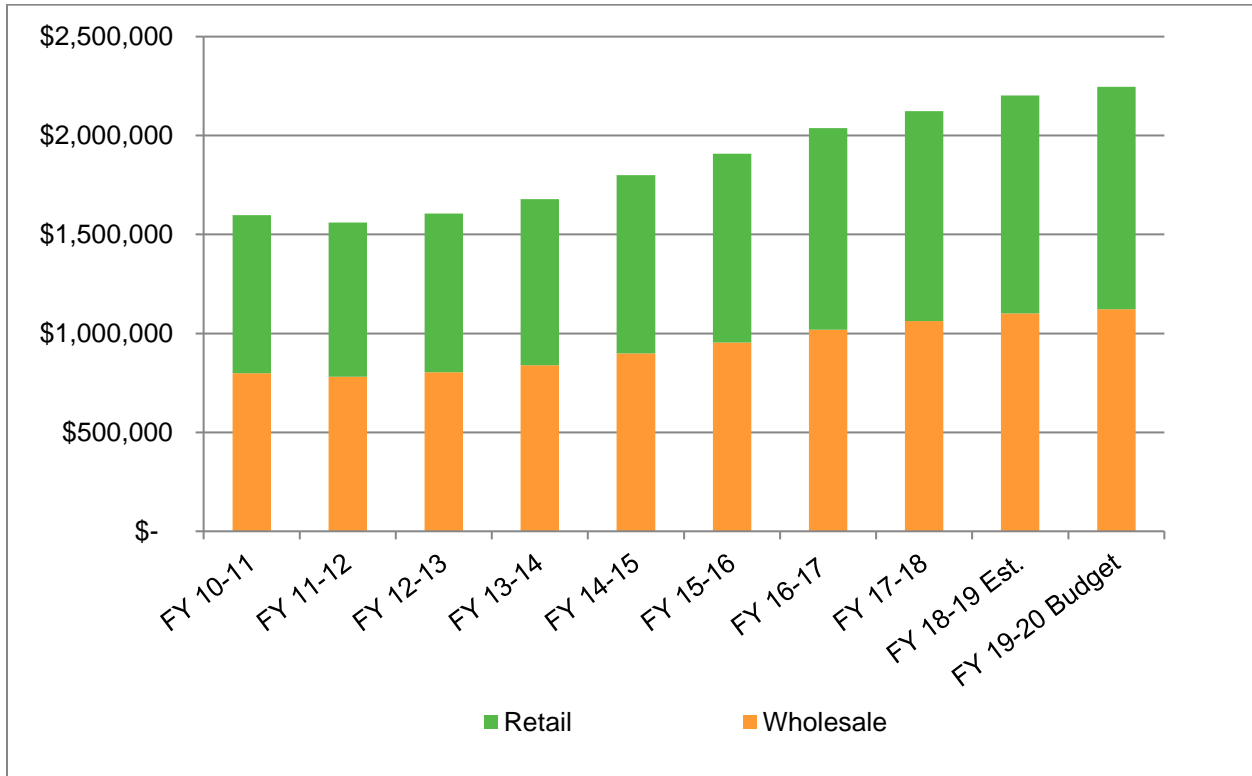


Chart 4

Property Tax revenues have been increasing over the past eight years, a result of the rebound in the housing market after the Great Recession (see Chart 4). This budget anticipates a 2% increase in Property Tax revenues.

### Salaries and Benefits

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

#### Salaries and Benefits

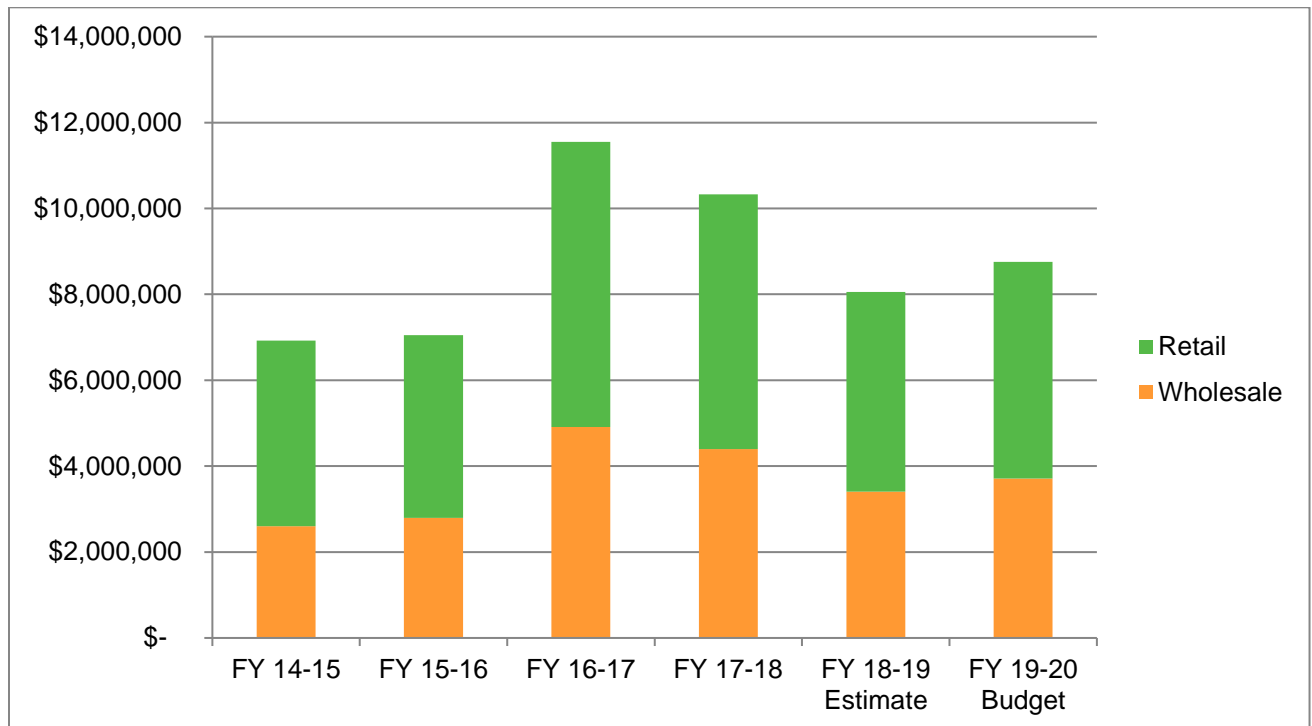


Chart 5

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

Removing the effect of the additional pension contributions, Salaries and Benefits are expected to increase by 10% or \$762,900 due to the following factors:

- The Board approved the addition of a Safety/Regulatory Compliance Coordinator. The position was filled in April 2018.
- The Board approved the addition of a Customer Service Technician in FY 2018-19.
- Due to a higher than normal workers compensation claims experience, the District is facing a 68% increase in Workers Compensation premiums.

- Assumed 6% increase in health insurance premiums.
- The Board of Directors amended its Compensation Policy on September 13, 2017, to ensure that the combination of cost of living adjustments and merit pay increases do not cause an increase in salaries greater than that assumed by PERS when calculating the District pension liability. The Compensation Policy requires the annual operating budget to assume the same increase in salaries as that assumed by PERS in calculating the District's pension liability. For FY 2019-20 that increase is 4.14%.

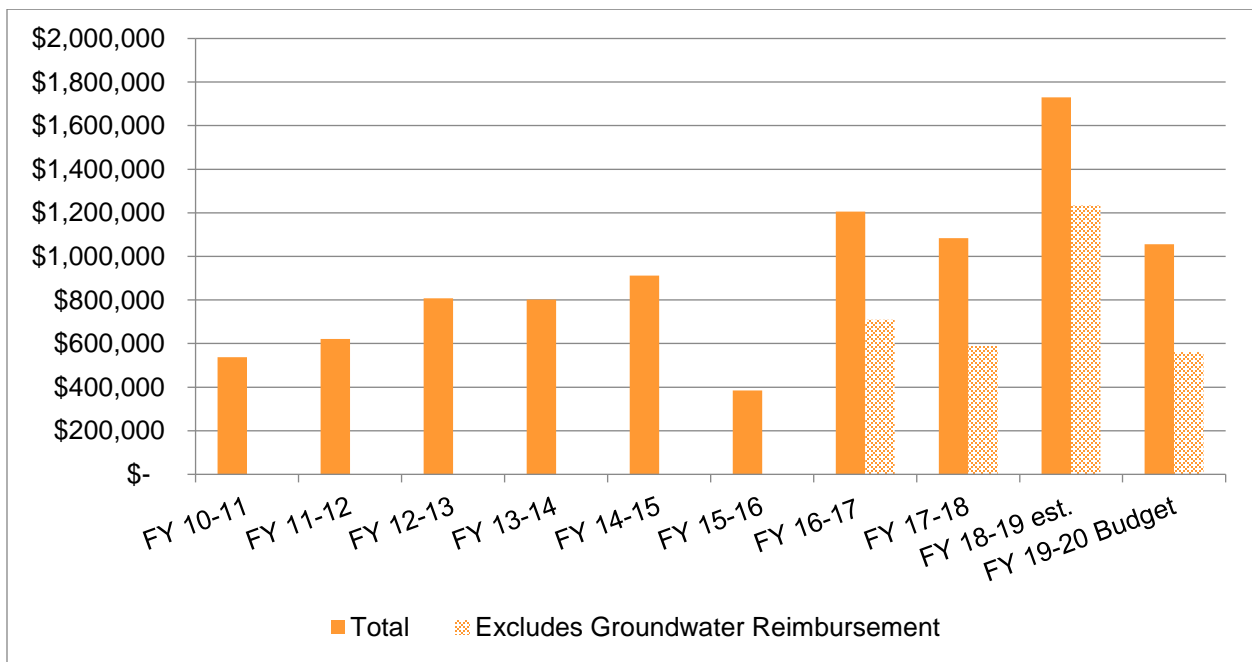
The level of District staffing (number of employees) has remained relatively unchanged for many years, in spite of significant increases in regulatory compliance work and an aging infrastructure. In FY 2016-17, the Board of Directors approved the addition of one Water Treatment Plant Operator, in FY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

The Compensation Policy, amended by the Board of Directors in September of 2017, requires a compensation study be performed at least once every four years. The purpose of the study is to ensure the District is offering a fair and competitive compensation package to its employees. The District completed its most recent Compensation Study in the Spring of 2019.

### Water Supply Costs

The District’s existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of water rights on the American River. The second source is a contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with PCWA for up to 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation’s Folsom Pumping Plant. Total raw water delivery for FY 2017-18 was 36,050 acre-feet and is anticipated to be 35,482 acre-feet for FY 2018-19, and 34,550 for FY 2019-20, excluding pass through deliveries for SSWD.

### Wholesale Water Supply Cost



**Chart 6**

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

The FY 2016-17 costs increased for two primary reasons. First, in 2008 a surface water shortage and reimbursement agreement to provide groundwater supplies during times of surface water shortage was prepared, and referenced in the signed 2008 Wholesale Water Supply Agreements. The District, in its capacity as the wholesale supplier, determined that there was a potential need for groundwater pumping between 2009 and 2013, and asked both the Citrus Heights Water District and Fair Oaks Water District to maintain their readiness to supply groundwater. In 2014, due to a potential shortage in

surface water supplies caused by a third year of drought, the District requested groundwater to be pumped. From 2009 to 2014, both districts maintained their readiness to supply groundwater, as requested, but did not submit invoices for the incremental cost until the District asked them to actually pump groundwater in 2014. At that time, the District was provided with a bill in the approximate amount of \$4 million. The District disputed the amount, and the cost was settled in FY 2016-17 at \$1,981,440, to be repaid over a 4-year period ending in FY 2019-20. The light orange bar on Chart 6 shows water supply costs for fiscal years 2016-17 through 2019-20 without the payment towards the groundwater reimbursement.

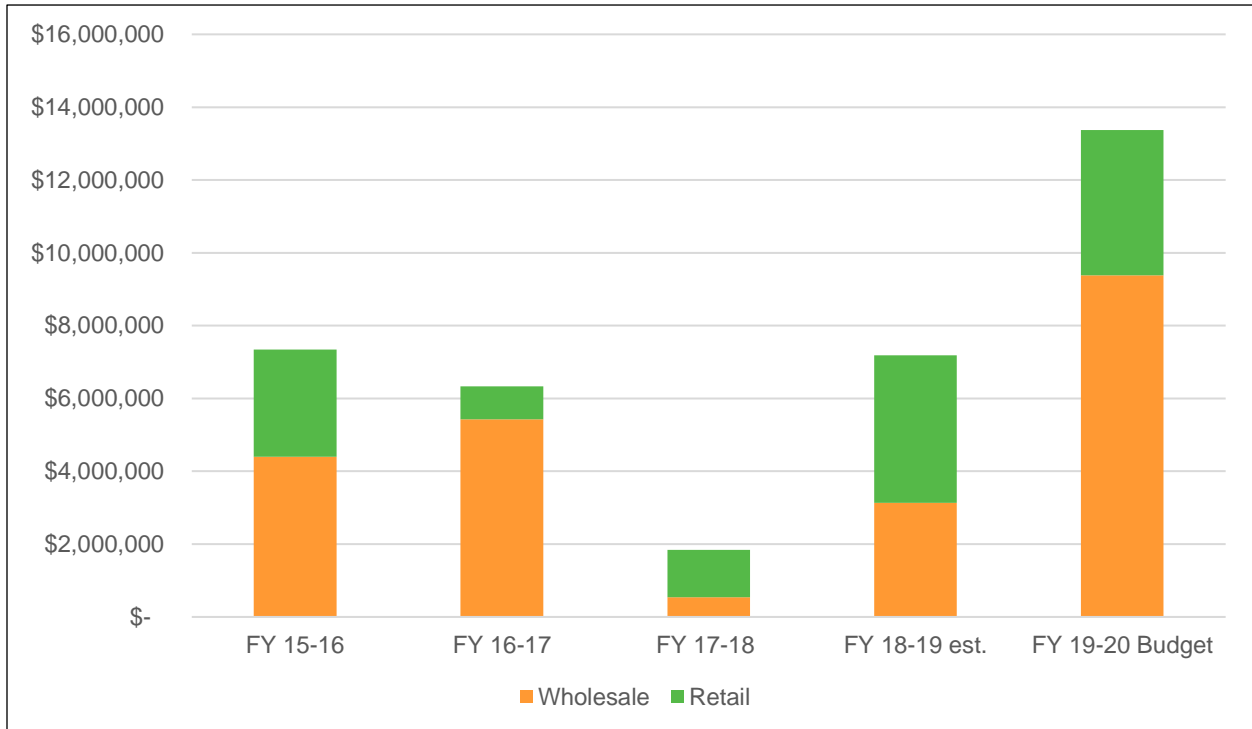
After removing the effect of the groundwater reimbursement, FY 2016-17 water supply cost still show an increase over the prior year. The agreement with PCWA required the District to pay for 25,000 acre-feet of water, regardless of how much water the District actually took. However, in periods of drought,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

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

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

Water supply costs for FY 2019-20 are in line with FY 2017-18 with no planned groundwater substitution transfers and no substantial change in water demand.

### Capital Spending



**Chart 7**

Capital spending has fluctuated from \$7.3 million in FY 2015-16 to a low of \$1.8 million in FY 2017-18 then increasing to a four year planned high of \$13.4 million.

The District is spending approximately \$2.8 million in FY 2018-19 on the Fair Oaks 40-Inch Pipeline Relining Project. This project rehabilitates approximately 11,000 linear feet of 40-inch aged steel pipeline located both in the City of Folsom and the County of Sacramento, in both residential properties as well as public rights of way. In FY 2019-20, the District will be spending \$4.1 million to resurface the North and South filter basin at the treatment plant, replacing filter media and nozzles in the process. Another significant project in FY 2019-20 is the planning and design for the replacement of the Hinkle Reservoir, a 62 million gallon lined and covered earthen reservoir. The cover and liner were installed in 1981 with an estimated life of 25 years. Regular maintenance has extended its life an additional 13 years but based on current condition assessment it must soon be replaced.

On the retail side, the District anticipates spending \$4.1 million in FY 2018-19 on capital projects. Of that total, \$3.3 million is on pipeline replacement projects. Another \$3.9 million is planned for FY 2019-20, again mostly on replacing aged and failing pipelines. However, there is \$771,000 planned for pump station improvements and a significant amount of projects were deferred to future years due to lack of funding.

A complete list of projects planned for FY 2019-20 can be found on pages 46 and 50 of this document.



## Reserve Summary

### Wholesale and Retail Operating and Capital Reserves Combined

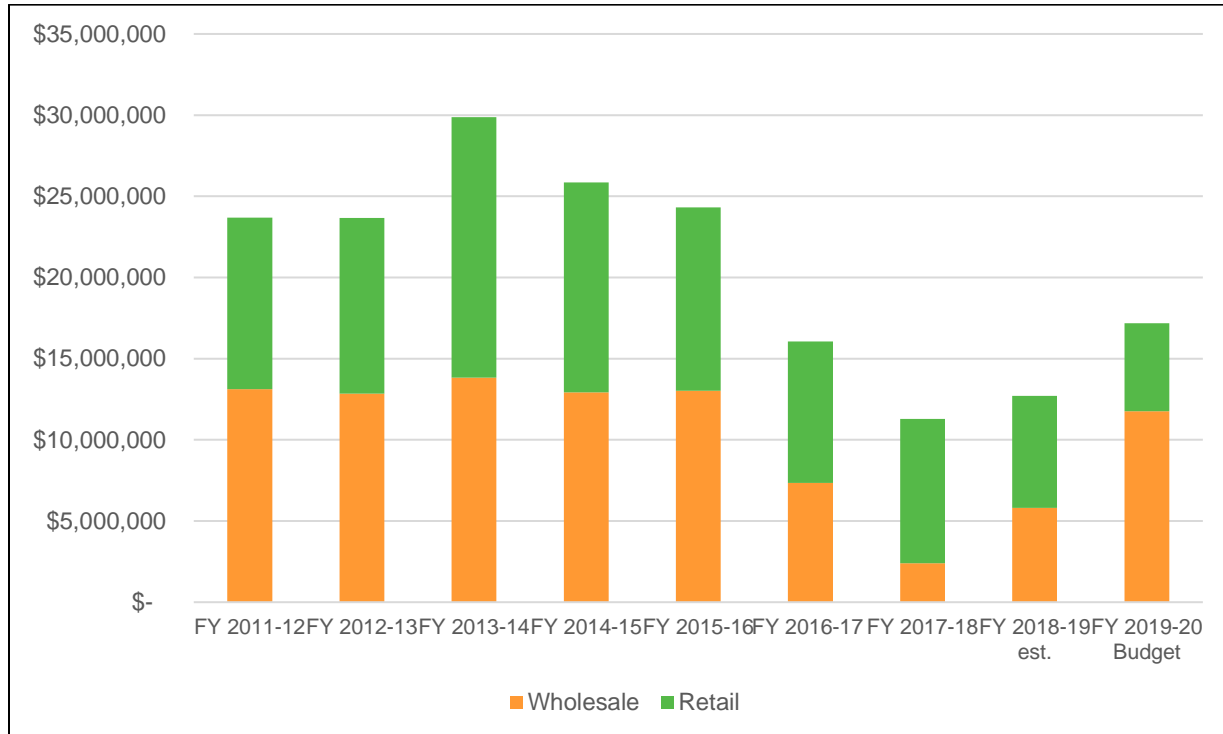


Chart 8

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

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

- Paid off Unfunded Pension Liability:** The Board authorized two large payments intended to pay off the District’s unfunded pension liability. The District was paying 7.5% interest on this liability, but only earning approximately 1.5% on its reserves. In May 2017, the District remitted \$4,112,000, and in April 2018 the District paid \$2,787,800. By drawing down reserves to pay down this debt, the District will save approximately \$8.8 million over the next 15 to 20 years, with annual savings of approximately \$350,000. These savings can be used to fund critical infrastructure needs which will help reduce upward pressure on rates.

# San Juan Water District

## Fiscal Year 2019-20 Budget

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- *Debt Refinanced:* In May of 2017, the Board of Directors approved an advance refunding of the District's Series 2009A Certificates of Participation. This refinancing will save the District approximately \$11.2 million through FY 2038-39.
- *Renegotiated contract with PCWA:* In December of 2017, the District negotiated an amendment to its contract with PCWA wherein the take or pay amount was reduced from 25,000 acre-feet to 12,500 acre-feet. The District still has the option to take up to 25,000 acre-feet, but is only required to pay for 12,500 acre-feet regardless of whether it takes the water or not. This cut the PCWA water supply cost in half, providing savings of approximately \$275,000 per year, starting in FY 2018-19.
- *Renegotiated contracts with City of Roseville (City):* Under two separate contracts, the District is obligated to provide up to 4,000 acre-feet annually to the City from the District's PCWA take or pay contract. The amendments require the City to compensate the District for maintaining the availability of 4,000 acre-feet per year water supply for the City. This will generate annual revenues of approximately \$90,000 beginning in FY 2018-19.
- *5-Year Rate Schedule:* The District completed a Five Year Financial Plan and implemented a five year rate structure in 2017 that was designed to replenish reserves while ensuring that the District can continue its mission to deliver a reliable water supply of the highest quality at reasonable and equitable costs.
- *Completion of the first groundwater substitution transfer:* The District has been working for many years to create a legal path for the sale of excess water supplies. Selling excess water supplies benefits all customers of the District as it generates additional revenues that can be used to maintain and/or improve infrastructure, reduce or eliminate the need for future debt which will reduce future upward pressure on water rates. The first groundwater transfer was completed in FY 2018-19 paving the way for more transfers in the future.



# OPERATING FUNDS

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## **OPERATING FUNDS**

The Wholesale and Retail Operating Funds account for the operations of the District. Department operating costs are shared and split between wholesale and retail based upon the proportionate benefit received by each, which can differ from person to person, department to department and expense to expense. The major projects for the budget years are discussed in detail in the Operation Plan, which can be found on the District website. The District is comprised of the following functional areas, or departments:

### **Administration and General**

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

### **Customer Service**

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

### **Distribution (Field Services)**

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

### **Engineering Services**

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

### **Water Efficiency**

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

### **Water Treatment**

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

### Wholesale Operating Fund

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

### ADOPTED FISCAL YEAR 2019-20 BUDGET

	<u>Wholesale Operations</u>	
<b>Est. Beginning Available Reserves July 1, 2018</b>	<b>\$</b>	<b>1,895,966</b>
Revenues		
Water Sales		11,157,700
Other Revenues		146,100
<b>Total Revenues</b>	<b>\$</b>	<b>11,303,800</b>
Expenses		
Salaries & Benefits		3,712,900
Water Supply		1,055,900
Other Expenses		2,526,500
Debt Service - Interest		928,000
Debt Service - Principal		698,500
<b>Total Expenses</b>	<b>\$</b>	<b>8,921,800</b>
<b>Net Income</b>	<b>\$</b>	<b>2,382,000</b>
Transfer In/(Out)		(2,493,500)
<b>Est. Ending Available Reserves June 30, 2019</b>	<b>\$</b>	<b>1,784,466</b>

## WHOLESALE OPERATING FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19 Estimated	FY 2019-20 Budget
<b>Est. Beginning Available Reserves</b>	<b>\$ 3,859,913</b>	<b>\$ 2,175,888</b>	<b>\$ 2,390,365</b>	<b>\$ 1,895,966</b>
Revenues				
Water Sales	9,477,539	10,492,472	13,002,000	11,157,700
Other Revenues	98,347	561,569	245,700	146,100
<b>Total Revenues</b>	<b>\$ 9,575,886</b>	<b>\$ 11,054,041</b>	<b>\$ 13,247,700</b>	<b>\$ 11,303,800</b>
Expenses				
Administration and General				
Salaries & Benefits	\$ 1,414,760	\$ 1,226,834	\$ 1,307,300	\$ 1,380,700
Professional Services	519,365	387,603	517,000	379,500
Maintenance and Repair	78,370	95,217	91,900	108,600
Materials and Supplies	25,597	11,189	14,000	12,300
Public Outreach	136,508	140,048	116,500	86,300
Other Expenses	325,388	244,986	297,500	343,700
<b>Total Administration and General</b>	<b>2,499,986</b>	<b>2,105,877</b>	<b>2,344,200</b>	<b>2,311,100</b>
Water Treatment Plant				
Salaries & Benefits	1,423,323	1,670,157	1,778,200	1,962,600
Professional Services	16,275	47,374	283,200	90,400
Maintenance and Repair	239,509	308,050	289,700	386,300
Materials and Supplies	497,093	467,194	491,600	579,200
Other Expenses	137,594	159,648	265,800	272,400
<b>Total Water Treatment Plant</b>	<b>2,313,794</b>	<b>2,652,424</b>	<b>3,108,500</b>	<b>3,290,900</b>
Water Supply				
Placer County Water Agency	562,728	451,198	387,700	412,200
Purchase of Treated Water (Groundwater)	495,400	495,360	1,197,400	495,400
Pumping to Treatment Plant	104,679	92,267	93,000	95,000
Pre - 1914 Water Rights Water	20,337	21,252	22,500	23,500
Central Valley Project Water	3,477	-	2,700	-
Other	18,763	23,756	26,200	29,800
<b>Total Water Supply</b>	<b>1,205,385</b>	<b>1,083,833</b>	<b>1,729,500</b>	<b>1,055,900</b>
Engineering				
Salaries & Benefits	297,070	323,952	334,500	369,600
Professional Services	10,280	4,091	52,100	214,400
Maintenance and Repair	2,176	907	2,000	800
Materials and Supplies	1,257	2,375	2,800	3,000
Other Expenses	5,952	15,688	8,700	9,000
<b>Total Engineering</b>	<b>316,736</b>	<b>347,013</b>	<b>400,100</b>	<b>596,800</b>
Water Efficiency				
Salaries & Benefits	6,439	-	-	-
Professional Services	200	-	8,000	8,000
Maintenance and Repair	15,808	11,548	23,500	20,000
Materials and Supplies	8,980	-	100	100
Other Expenses	4,439	4,008	11,600	10,900
<b>Total Water Efficiency</b>	<b>35,866</b>	<b>15,556</b>	<b>43,200</b>	<b>39,000</b>
Non-Departmental				
Debt Service - Principal	607,471	906,167	675,900	698,500
Debt Service - Interest	1,321,229	917,950	955,000	928,000
Addl. Pymt. Towards Unfunded Pension Liability	1,768,160	1,175,000	-	-
Other	189,083	1,903	1,500	1,600
<b>Total Non-Departmental</b>	<b>3,885,942</b>	<b>3,001,020</b>	<b>1,632,400</b>	<b>1,628,100</b>
<b>Total Expenses</b>	<b>\$ 10,257,709</b>	<b>\$ 9,205,723</b>	<b>\$ 9,257,900</b>	<b>\$ 8,921,800</b>
Transfers (To)/From:				
Establish Capital Reserve Fund	-	-	-	-
Capital Outlay Fund for Pension Liability Payment	1,311,067	-	-	-
Year End Transfer (To)/From Capital Outlay Fund	(2,313,269)	(1,633,841)	(4,484,200)	(2,493,500)
<b>Est. Ending Available Reserves</b>	<b>\$ 2,175,888</b>	<b>\$ 2,390,365</b>	<b>\$ 1,895,966</b>	<b>\$ 1,784,466</b>

### Retail Operating Fund

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

#### ADOPTED FISCAL YEAR 2019-20 BUDGET

<b>Est. Beginning Available Reserves July 1, 2019</b>	<b>\$ 2,209,684</b>
Revenues	
Water Sales	12,399,400
Other Revenues	517,600
<b>Total Revenues</b>	<b>\$ 12,917,000</b>
Expenses	
Salaries & Benefits	5,040,100
Treated Water	3,075,500
Other Expenses	2,775,000
Debt Service - Interest	516,200
Debt Service - Principal	386,600
<b>Total Expenses</b>	<b>\$ 11,793,400</b>
<b>Net Income</b>	<b>\$ 1,123,600</b>
Transfer In/(Out)	(974,500)
<b>Est. Ending Available Reserves June 30, 2020</b>	<b>\$ 2,358,784</b>



### RETAIL OPERATING FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19 Estimated	FY 2019-20 Budget
<b>Est. Beginning Available Reserves</b>	<b>\$ 3,228,016</b>	<b>\$ 3,160,923</b>	<b>\$ 1,973,484</b>	<b>\$ 2,209,684</b>
Revenues				
Water Sales	9,114,488	10,922,285	11,493,800	12,399,400
Other Revenues	510,445	420,874	570,000	517,600
<b>Total Revenues</b>	<b>\$ 9,624,933</b>	<b>\$ 11,343,159</b>	<b>\$ 12,063,800</b>	<b>\$ 12,917,000</b>
Expenses				
<b>Administration and General</b>				
Salaries & Benefits	\$ 1,204,557	\$ 988,595	\$ 1,041,600	\$ 1,135,900
Professional Services	141,252	93,944	243,600	142,300
Maintenance and Repair	117,581	99,790	112,400	82,500
Materials and Supplies	16,283	11,193	14,200	12,100
Public Outreach	55,450	69,880	67,200	72,500
Other Expenses	222,347	164,355	178,900	242,500
<b>Total Administration and General</b>	<b>1,757,470</b>	<b>1,427,757</b>	<b>1,657,900</b>	<b>1,687,800</b>
<b>Distribution System</b>				
Salaries & Benefits	1,974,364	2,191,941	2,402,500	2,541,900
Professional Services	57,868	49,471	115,000	203,800
Maintenance and Repair	427,874	432,393	580,200	757,700
Materials and Supplies	199,386	199,884	246,500	277,400
Other Expenses	307,889	367,126	412,100	418,500
<b>Total Distribution System</b>	<b>2,967,381</b>	<b>3,240,815</b>	<b>3,756,300</b>	<b>4,199,300</b>
<b>Water Supply</b>				
Purchase Water from Wholesale	2,754,619	3,336,366	3,091,300	3,075,500
<b>Total Water Supply</b>	<b>2,754,619</b>	<b>3,336,366</b>	<b>3,091,300</b>	<b>3,075,500</b>
<b>Engineering</b>				
Salaries & Benefits	312,434	332,954	369,600	398,300
Professional Services	2,019	11,253	58,100	133,400
Maintenance and Repair	2,824	907	2,000	1,400
Materials and Supplies	3,512	9,212	3,500	4,300
Other Expenses	6,120	5,773	83,900	84,600
<b>Total Engineering</b>	<b>326,910</b>	<b>360,099</b>	<b>517,100</b>	<b>622,000</b>
<b>Water Efficiency</b>				
Salaries & Benefits	401,153	331,014	372,100	397,300
Rebates and Programs	19,095	18,807	26,400	26,100
Professional Services	64,958	458	3,100	2,600
Maintenance and Repair	3,288	139	1,500	1,500
Materials and Supplies	272	5,620	2,100	1,800
Other Expenses	21,236	23,515	37,300	43,800
<b>Total Water Efficiency</b>	<b>510,001</b>	<b>379,554</b>	<b>442,500</b>	<b>473,100</b>
<b>Customer Service</b>				
Salaries & Benefits	405,328	416,338	466,100	566,700
Professional Services	86,922	153,176	125,000	120,000
Maintenance and Repair	1,498	4,751	5,500	3,000
Materials and Supplies	30,882	34,384	31,300	36,600
Other Expenses	52,872	68,142	99,200	105,100
<b>Total Customer Service</b>	<b>577,501</b>	<b>676,790</b>	<b>727,100</b>	<b>831,400</b>
<b>Non-Departmental</b>				
Debt Service - Principal	320,355	503,834	374,100	386,600
Debt Service - Interest	769,559	545,299	531,000	516,200
Addl. Pymt. Towards Unfunded Pension Liability	2,343,840	1,670,064	-	-
Other	74,848	(32,608)	1,500	1,500
<b>Total Non-Departmental</b>	<b>3,508,602</b>	<b>2,686,588</b>	<b>906,600</b>	<b>904,300</b>
<b>Total Expenses</b>	<b>\$ 12,402,484</b>	<b>\$ 12,107,970</b>	<b>\$ 11,098,800</b>	<b>\$ 11,793,400</b>
<b>Transfers (To)/From:</b>				
Establish Capital Reserve Fund	-	-	-	-
Capital Outlay Fund for Pension Liability Payment	1,976,828	-	-	-
Year End Transfer (To)/From Capital Outlay Fund	733,630	(422,628)	(728,800)	(974,500)
<b>Est. Ending Available Reserves</b>	<b>\$ 3,160,923</b>	<b>\$ 1,973,484</b>	<b>\$ 2,209,684</b>	<b>\$ 2,358,784</b>

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# CAPITAL FUNDS

### Wholesale Capital Outlay Fund

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

### ADOPTED FISCAL YEAR 2019-20 BUDGET

	<u>Wholesale Capital Outlay</u>	
<b>Est. Beginning Available Reserves July 1, 2019</b>	<b>\$</b>	<b>15,447,062</b>
Revenues		
Capital Contributions		43,700
Taxes & Assessments		1,123,000
Connection Fees		100,000
Other Revenues		145,000
<b>Total Revenues</b>	<b>\$</b>	<b>1,411,700</b>
Expenses		
Capital Improvement Projects		7,126,900
Maintenance - Facility		2,253,500
<b>Total Expenses</b>	<b>\$</b>	<b>9,380,400</b>
<b>Net Income</b>	<b>\$</b>	<b>(7,968,700)</b>
<b>Transfer In/(Out)</b>		<b>2,493,500</b>
<b>Est. Ending Available Reserves June 30, 2020</b>	<b>\$</b>	<b>9,971,862</b>

WHOLESALE CAPITAL OUTLAY FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19 Estimated	FY 2019-20 Budget
<b>Est. Beginning Available Reserves</b>	<b>\$ 9,162,739</b>	<b>\$ 6,708,354</b>	<b>\$ 10,012,861</b>	<b>\$ 15,447,062</b>
Revenues				
Taxes & Assessments	1,018,486	1,061,598	1,101,000	1,123,000
Capital Contributions	651,202	950,048	2,687,700	43,700
Rebates	180,878	-	-	-
Connection Fees	36,066	152,351	150,000	100,000
Other Revenues	54,577	46,021	146,000	145,000
<b>Total Revenues</b>	<b>\$ 1,941,208</b>	<b>\$ 2,210,018</b>	<b>\$ 4,084,700</b>	<b>\$ 1,411,700</b>
Expenses				
Facility Maintenance	172,414	245,132	2,868,500	934,000
Land Improvements	-	-	27,000	638,000
Water Treatment Plant Improvements	5,897,498	228,980	88,600	6,610,000
Buildings & Improvements	8,771	-	4,500	75,800
Reservoirs & Improvements	-	35,932	68,900	785,100
Equipment and Furniture	8,644	25,802	57,200	214,500
Software	5,606	19,677	58,300	85,000
Vehicles	1,070	-	-	38,000
Contributions to Others	(719,985)	(23,477)	(38,300)	-
Mains/Pipelines & Improvements	55,853	7,306	-	-
<b>Total Expenses</b>	<b>\$ 5,429,871</b>	<b>\$ 539,352</b>	<b>\$ 3,134,700</b>	<b>\$ 9,380,400</b>
<b>Net Income</b>	<b>\$ (3,488,663)</b>	<b>\$ 1,670,666</b>	<b>\$ 950,000</b>	<b>\$ (7,968,700)</b>
Transfer In	2,345,345	1,633,841	4,484,200	2,493,500
Transfer Out	(1,311,067)	-	-	-
<b>Est. Ending Available Reserves</b>	<b>\$ 6,708,354</b>	<b>\$ 10,012,861</b>	<b>\$ 15,447,062</b>	<b>\$ 9,971,862</b>

# San Juan Water District

## Fiscal Year 2019-20 Budget

The **Wholesale Capital Outlay Budget** includes spending on the following projects in FY 2019-20:

<i>Facility Maintenance:</i>	
Clarifier Wall Lining & Leakage Repairs <sup>2</sup>	522,000
Hinkle Reservoir 48" Bypass Pipe Cleaning & Repair (1,020 LF WSP) <sup>2</sup>	317,000
Replace Chlorine Piping <sup>3</sup>	58,000
Resurface North and South Filter Basin Walls <sup>2</sup>	37,000
<i>Land Improvements:</i>	
WTP Site Paving, Slurry Seal and Re-Stripe <sup>2</sup>	225,000
Replace Solar Site Access Culvert <sup>3</sup>	198,000
Replace East Campus Fence (along bike trail) <sup>3</sup>	162,000
Replace Security Fence West End of WTP at WEL Garden <sup>1</sup>	34,000
Install Perimeter Fencing for Barton Road Parcel <sup>1</sup>	19,000
<i>Water Treatment Plant Improvements:</i>	
Filter Floor Repairs & Media/Nozzle Replacement North & South Basins <sup>2</sup>	4,828,000
Rehabilitation of two Backwash Hoods <sup>2</sup>	580,000
Construct Solids Containment Area and Handling Improvements <sup>1</sup>	454,000
Lime Tower Assessment, Design and Replacement <sup>2</sup>	406,000
ARC Flash Assessment and Improvements <sup>2</sup>	87,000
Replace Backwash Hood Track and Rail <sup>2</sup>	75,000
Replace Solids Handling Building Variable Frequency Drives <sup>3</sup>	41,000
Replace Tag Lines Backwash Hoods <sup>3</sup>	35,000
Install Fiber Optic Cabling to Solids Handling Building <sup>3</sup>	30,000
Lime System Control & Feeder System Improvements <sup>3</sup>	24,000
Replace Three ProMinet c12 Sensor and Sensor Cabinets <sup>3</sup>	20,000
Replace Depolox Analyzers <sup>3</sup>	17,000
Replace Sludge Feed Pump <sup>3</sup>	13,000
<i>Building Improvements:</i>	
Design Security Improvements <sup>1</sup>	52,000
Fire System Upgrades in Administration Building <sup>1</sup>	8,800
Administration Building Integrated Life Safety Upgrades <sup>3</sup>	8,000
Front Office Reconfiguration <sup>3</sup>	7,000
<i>Reservoir Improvements:</i>	
Replace Hinkle Reservoir Cover & Liner - Planning & Design <sup>3</sup>	758,000
Replace Hinkle Reservoir Outlet Actuator Equipment - Planning & Design <sup>3</sup>	8,000
Rehabilitate Hinkle Reservoir Inlet Structure - Planning & Design <sup>3</sup>	19,100
<i>Equipment and Furniture:</i>	
Replace Three Thickener Access Ladders <sup>3</sup>	67,000
Replace SCADA Radios - South Phase <sup>3</sup>	57,000
Replace Phone System <sup>1</sup>	30,000
Replace Four HP Servers <sup>3</sup>	26,000
Replace Solar Facility Inverter <sup>3</sup>	23,000
Purchase Two Chicken Switch Actuators and One Remote Operator <sup>3</sup>	11,500
<i>Software:</i>	
Replace Computerized Maintenance Management System <sup>3</sup>	50,000
GIS Implementation <sup>1</sup>	25,000
Purchase Tyler Content Management and Output Director <sup>1</sup>	10,000
<i>Vehicles:</i>	
Replacement of Vehicle #29 Dodge Dakota <sup>2</sup>	38,000
<b>Total Capital Improvement Projects</b>	<b>\$ 9,380,400</b>

Effect on Future Maintenance Costs

<sup>1</sup> - Increase

<sup>2</sup> - Decrease

<sup>3</sup> - No Effect

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### Retail Capital Outlay Fund

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

### ADOPTED FISCAL YEAR 2019-20 BUDGET

	<u>Retail Capital Outlay</u>	
<b>Est. Beginning Available Reserves July 1, 2019</b>	<b>\$</b>	<b>4,686,241</b>
Revenues		
Taxes & Assessments		1,123,000
Connection Fees		100,000
Other Revenues		150,000
<b>Total Revenues</b>	<b>\$</b>	<b>1,373,000</b>
Expenses		
Capital Improvement Projects		3,773,300
Facility Maintenance & Professional Services		221,000
<b>Total Expenses</b>	<b>\$</b>	<b>3,994,300</b>
<b>Net Income</b>	<b>\$</b>	<b>(2,621,300)</b>
Transfer In/(Out)		974,500
<b>Est. Ending Available Reserves June 30, 2020</b>	<b>\$</b>	<b>3,039,441</b>



RETAIL CAPITAL OUTLAY FUND SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19 Estimated	FY 2019-20 Budget
<b>Est. Beginning Available Reserves</b>	<b>\$ 8,618,431</b>	<b>\$ 6,444,253</b>	<b>\$ 6,921,926</b>	<b>\$ 4,686,241</b>
Revenues				
Taxes & Assessments	1,018,486	1,061,598	1,101,000	1,123,000
Connection Fees	363,637	245,318	100,000	100,000
Other Revenues	53,286	50,650	159,000	150,000
<b>Total Revenues</b>	<b>\$ 1,435,408</b>	<b>\$ 1,357,565</b>	<b>\$ 1,360,000</b>	<b>\$ 1,373,000</b>
Expenses				
Mains/Pipelines & Improvements	\$ 148,568	\$ 705,085	\$ 3,342,700	\$ 2,213,000
Professional Services	-	897	-	308,000
Pump Stations & Improvements	35,065	346,549	184,585	848,800
Software	8,409	107,995	181,800	234,500
Buildings & Improvements	-	933	157,300	7,000
Equipment and Furniture	164,593	24,684	78,500	165,000
Land Improvements	-	8,086	-	20,000
Reservoirs & Improvements	443,331	-	-	-
Vehicles	96,455	64,789	-	198,000
Maintenance & Professional Services	2,708	43,502	106,300	-
<b>Total Expenses</b>	<b>\$ 899,129</b>	<b>\$ 1,302,520</b>	<b>\$ 4,051,185</b>	<b>\$ 3,994,300</b>
<b>Net Income</b>	<b>\$ 536,279</b>	<b>\$ 55,045</b>	<b>\$ (2,691,185)</b>	<b>\$ (2,621,300)</b>
Transfer In	-	422,628	455,500	974,500
Transfer Out	(2,710,457)	-	-	-
<b>Est. Ending Available Reserves</b>	<b>\$ 6,444,253</b>	<b>\$ 6,921,926</b>	<b>\$ 4,686,241</b>	<b>\$ 3,039,441</b>

# San Juan Water District

## Fiscal Year 2019-20 Budget

The **Retail Capital Outlay Budget** includes spending on the following projects in FY 2019-20:

<i>Main Distribution Line Replacements/Improvements:</i>	
Spahn Ranch Rd. Mainline Extension (1,560 LF 8 inch) <sup>1</sup>	620,000
Install 12" Main Line on Cavitt Stallman between Mystery Creek and Oak Pines w/ PRS <sup>1</sup>	441,000
Replace 18 Services on Woodminister <sup>2</sup>	266,000
Construct Kokila SJWD/PCWA Intertie <sup>1</sup>	236,000
Replace 250 LF 6" Main and Services on 7975 - 8005 Auburn Folsom Road <sup>2</sup>	193,000
Install 3 Master Meters at Shopping Center on SE Corner of Douglas & Auburn Folsom Road <sup>2</sup>	131,000
Replace 8 Services on Margo Lane <sup>2</sup>	112,000
Replace 5 Fire Hydrants <sup>3</sup>	58,000
Construct Access Port on Bacon 33" and Sierra 30" lines <sup>3</sup>	55,000
Replace Air Vacuum Relief Valves at 5 Locations <sup>3</sup>	51,000
Install Eckerman 8 inch Tie In (50 LF South Connection to "The Park" Subdivision) <sup>2</sup>	50,000
<i>Pump Station &amp; Pressure Reducing Station Improvements:</i>	
Purchase and Install Upper and Lower Granite Bay Pump Station Low Flow Pumps <sup>2</sup>	192,500
Purchase and Install New Bacon Pump Station Cooling Improvements (HVAC) <sup>2</sup>	94,300
Douglas Pump Station Improvements (Pumps, Motors, Electrical, etc.) <sup>2</sup>	87,000
ARC Flash Assessment and Improvements <sup>2</sup>	70,000
Install Lower Granite Bay - Crown Point Emergency Intertie <sup>1</sup>	69,200
Replace American River Canyon South #1 and #4 Variable Frequency Drives <sup>3</sup>	60,000
Replace Canyon Falls Village Pressure Reducing Station <sup>2</sup>	54,000
Bacon Booster Pump Station (Bacon, ARC-N, Sierra) Electrical Improvements <sup>2</sup>	52,000
Douglas Booster Pump Station Electrical Improvements <sup>2</sup>	42,800
Bacon Pump Station Security Improvements <sup>3</sup>	35,000
Replace and Relocate Sierra #2 and #3 Variable Frequency Drives <sup>3</sup>	34,000
Replace Bacon #1 Variable Frequency Drive <sup>3</sup>	25,000
Install Upper Granite Bay Auxiliary Genset Receptacle <sup>3</sup>	18,000
Replace Douglas Pump Station Endress & Hauser Magnetic Meter <sup>3</sup>	15,000
<i>Professional Services:</i>	
Retail Master Plan <sup>3</sup>	308,000
<i>Land Improvements:</i>	
Replace Bacon Perimeter Fencing <sup>3</sup>	20,000
<i>Building Improvements:</i>	
Front Office Reconfiguration <sup>3</sup>	7,000
<i>Software:</i>	
Replace Computerized Maintenance Management System <sup>3</sup>	150,000
GIS Implementation <sup>1</sup>	74,500
Purchase Tyler Content Management and Output Director <sup>1</sup>	10,000
<i>Equipment:</i>	
Replace SCADA Radios - South Phase <sup>3</sup>	109,000
Replace Phone System <sup>1</sup>	30,000
Replace Four HP Servers <sup>3</sup>	26,000
<i>Vehicles:</i>	
Replace Vehicle #5 Distribution 2007 F-350 Pump Crew Truck <sup>2</sup>	85,000
Replace Vehicle #28 Distribution 2008 F-450 Service Truck <sup>2</sup>	70,000
Replace Vehicle #15 Distribution 2010 F-150 Pump Lead Truck <sup>2</sup>	43,000
<b>Total Capital Improvement Projects</b>	<b>\$3,994,300</b>

Effect on Future Maintenance Costs

<sup>1</sup> - Increase

<sup>2</sup> - Decrease

<sup>3</sup> - No Effect



# SUPPLEMENTAL INFORMATION

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**Transfers In and Transfers Out**

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

**Transfer In To:**

Wholesale Capital Fund	\$ 2,493,500
Retail Capital Fund	\$ 974,500

**Total Transfers In**

\$ 3,468,000

**Transfer Out From:**

Wholesale Operating Fund	\$ 2,493,500
Retail Operating Fund	\$ 974,500

**Total Transfers Out**

\$ 3,468,000

### Debt Service Schedules

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

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2020	\$ 324,050	\$ 175,950	\$ 299,492	\$ 162,616	\$ 623,542	\$ 338,566	\$ 962,108
2021	343,493	186,507	282,885	153,598	626,378	340,105	966,483
2022	359,696	195,305	265,373	144,090	625,068	339,394	964,463
2023	375,898	204,102	247,050	134,141	622,948	338,243	961,192
2024	395,341	214,659	231,145	125,505	626,486	340,164	966,650
2025	408,303	221,697	219,123	118,977	627,426	340,674	968,100
2026	421,265	228,735	202,762	110,094	624,027	338,829	962,856
2027	440,708	239,292	180,220	97,855	620,928	337,147	958,075
2028	463,392	251,609	156,587	85,022	619,979	336,631	956,609
2029	489,316	265,685	131,692	71,505	621,007	337,189	958,197
2030	511,999	278,001	105,507	57,287	617,506	335,288	952,794
2031	541,164	293,837	77,989	42,346	619,152	336,182	955,334
2032	570,328	309,672	48,940	26,573	619,268	336,245	955,513
2033	599,493	325,508	18,359	9,969	617,852	335,476	953,328
Outstanding	\$ 6,244,444	\$ 3,390,557	\$ 2,467,124	\$ 1,339,579	\$ 8,711,567	\$ 4,730,135	\$ 13,441,702
Paid 2012-2019	\$ 2,585,919	\$ 1,404,081	\$ 2,440,986	\$ 1,325,386	\$ 5,026,905	\$ 2,729,467	\$ 7,756,373
Total	\$ 8,830,363	\$ 4,794,638	\$ 4,908,110	\$ 2,664,965	\$ 13,738,473	\$ 7,459,602	\$ 21,198,075
	combined	\$ 13,625,000	combined	\$ 7,573,075			

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

Fiscal Year	Principal		Interest		Total		Combined Debt Service
	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	
2020	\$ 374,400	\$ 210,600	\$ 628,520	\$ 353,543	\$ 1,002,920	\$ 564,143	\$ 1,567,063
2021	387,200	217,800	613,331	344,998	1,000,531	562,798	1,563,329
2022	403,200	226,800	597,576	336,137	1,000,776	562,937	1,563,713
2023	419,200	235,800	582,055	327,406	1,001,255	563,206	1,564,460
2024	435,200	244,800	564,429	317,492	999,629	562,292	1,561,921
2025	454,400	255,600	542,269	305,027	996,669	560,627	1,557,296
2026	476,800	268,200	519,083	291,984	995,883	560,184	1,556,067
2027	502,400	282,600	494,709	278,274	997,109	560,874	1,557,983
2028	528,000	297,000	469,056	263,844	997,056	560,844	1,557,900
2029	553,600	311,400	442,123	248,694	995,723	560,094	1,555,817
2030	585,600	329,400	413,776	232,749	999,376	562,149	1,561,525
2031	611,200	343,800	383,963	215,979	995,163	559,779	1,554,942
2032	643,200	361,800	352,736	198,414	995,936	560,214	1,556,150
2033	675,200	379,800	325,536	183,114	1,000,736	562,914	1,563,650
2034	1,318,400	741,600	291,747	164,107	1,610,147	905,707	2,515,854
2035	1,369,600	770,400	238,157	133,964	1,607,757	904,364	2,512,121
2036	1,424,000	801,000	182,467	102,637	1,606,467	903,637	2,510,104
2037	1,481,600	833,400	129,177	72,662	1,610,777	906,062	2,516,839
2038	1,529,600	860,400	80,375	45,211	1,609,975	905,611	2,515,585
2039	1,580,800	889,200	29,969	16,858	1,610,769	906,058	2,516,827
Outstanding	\$ 15,753,600	\$ 8,861,400	\$ 7,881,053	\$ 4,433,092	\$ 23,634,653	\$ 13,294,492	\$ 36,929,145
Paid 2017-2019	\$ 966,400	\$ 543,600	\$ 1,319,690	\$ 742,325	\$ 2,286,090	\$ 1,285,925	\$ 3,572,015
Total	\$ 16,720,000	\$ 9,405,000	\$ 9,200,742	\$ 5,175,417	\$ 25,920,742	\$ 14,580,417	\$ 40,501,160
	combined	\$ 26,125,000	combined	\$ 14,376,160			

### **Labor Allocation**

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



Dept.	Position Title	Budgeted in Fiscal Year 2019-2020						
		Budgeted in FY17-18	Budgeted in FY18-19	# Budgeted	Wholesale Allocation	Retail Allocation	Wholesale FTE	Retail FTE
<b>Executive</b>								
	General Manager	1.00	1.00	1.00	90%	10%	0.90	0.10
	Assistant General Manager <sup>1</sup>	1.00	0.00	0.00				
	Water Resources Manager	1.00	1.00	1.00	90%	10%	0.90	0.10
	Information Technology Manager	1.00	1.00	1.00	50%	50%	0.50	0.50
	Board Secretary/Administrative Assistant	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Executive	5.00	4.00	4.00			2.80	1.20
<b>Finance and Administrative Services</b>								
	Director of Finance	1.00	1.00	1.00	50%	50%	0.50	0.50
	Finance and Administrative Services Analyst	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accountant	1.00	1.00	1.00	50%	50%	0.50	0.50
	Purchasing Agent	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accounting Technician II	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Finance and Administrative Services	5.00	5.00	5.00			2.50	2.50
<b>Customer Service</b>								
	Customer Service Manager	0.50	0.50	0.50	0%	100%	-	0.50
	Meter Technician	1.00	1.00	1.00	0%	100%	-	1.00
	Customer Service Technician I - III <sup>2</sup>	2.00	2.00	3.00	0%	100%	-	3.00
	Total Customer Service	3.50	3.50	4.50			-	4.50
<b>Engineering Service</b>								
	Engineering Services Manager	1.00	1.00	1.00	50%	50%	0.50	0.50
	Associate/Senior Engineer	1.00	1.00	1.00	50%	50%	0.50	0.50
	Engineering Technician III	1.00	1.00	1.00	50%	50%	0.50	0.50
	Construction Inspector III	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Engineering Service	4.00	4.00	4.00			2.00	2.00
<b>Field Services (Distribution System)</b>								
	Operations Manager	0.60	0.60	0.60	0%	100%	-	0.60
	Safety-Regulatory Compliance Coordinator	0.00	0.50	0.50	0%	100%	-	0.50
	Field Services Manager	1.00	1.00	1.00	0%	100%	-	1.00
	Pump Station Lead	1.00	1.00	1.00	0%	100%	-	1.00
	Distribution Lead Worker	2.00	2.00	2.00	0%	100%	-	2.00
	Distribution Operator II - IV <sup>3</sup>	8.00	8.00	7.00	0%	100%	-	7.00
	Pump Station Technician/Mechanic	1.00	1.00	1.00	0%	100%	-	1.00
	CMMS/GIS Coordinator <sup>4</sup>	0.00	0.00	0.75	0%	100%	-	0.75
	Utilities Coordinator	1.00	1.00	1.00	0%	100%	-	1.00
	Total Field Services (Distribution System)	14.60	15.10	14.85			-	14.85
<b>Water Efficiency</b>								
	Customer Service Manager	0.50	0.50	0.50	0%	100%	-	0.50
	Water Efficiency Lead	1.00	1.00	1.00	0%	100%	-	1.00
	Water Efficiency Technician I - II	2.00	2.00	2.00	0%	100%	-	2.00
	Total Water Efficiency	3.50	3.50	3.50			-	3.50
<b>Water Treatment Plant</b>								
	Operations Manager	0.40	0.40	0.40	100%	0%	0.40	-
	Safety-Regulatory Compliance Coordinator	0.00	0.50	0.50	100%	0%	0.50	-
	Water Treatment Plant Manager	1.00	1.00	1.00	100%	0%	1.00	-
	Maintenance Chief	1.00	1.00	1.00	100%	0%	1.00	-
	Chief Operator	1.00	1.00	1.00	100%	0%	1.00	-
	Water Treatment Plant Operator IV	2.00	2.00	2.00	100%	0%	2.00	-
	Water Treatment Plant Operator III	2.00	2.00	2.00	100%	0%	2.00	-
	Water Treatment Plant Operator II	1.00	1.00	1.00	100%	0%	1.00	-
	Electrical & Instrumentation Technician	1.00	1.00	1.00	70%	30%	0.70	0.30
	CMMS/GIS Coordinator <sup>4</sup>	0.00	0.00	0.25	100%	0%	0.25	-
	Facilities Maintenance Worker II	1.00	1.00	1.00	100%	0%	1.00	-
	Facilities Maintenance Help	1.00	1.00	1.00	70%	30%	0.70	0.30
	Total Water Treatment Plant	11.40	11.90	12.15			11.55	0.60
<b>Total Funded Full Time Equivalents (FTE)</b>		<b>47.00</b>	<b>47.00</b>	<b>48.00</b>			<b>18.85</b>	<b>29.15</b>

<sup>1</sup> Assistant General Manager position was eliminated during Fiscal Year 2017-2018.

<sup>2</sup> Safety-Regulatory Compliance Coordinator was a new position approved by the Board during Fiscal Year 2017-2018.

<sup>3</sup> Distribution Operator position was replaced by the CMMS/GIS Coordinator during Fiscal Year 2018-2019.

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

### RESOLUTION NO. 19-02

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN WATER DISTRICT ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2019-2020

WHEREAS, District staff has prepared a budget for the fiscal year 2019-2020 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2019-2020 budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including contributions to reserves sufficient to return them to prudent levels; and

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

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

1. That certain document referred to as "The San Juan Water District Proposed Budget Fiscal Year 2019-2020," and all schedules, exhibits and policies contained therein, is hereby adopted and the appropriations for the annual budget of the San Juan Water District for the fiscal year beginning on July 1, 2019 and ending on June 30, 2020 are hereby adopted; and
2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and
3. The General Manager is authorized to approve expenditure adjustments within individual accounts and line items so long as the total appropriated is not exceeded.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 26th day of June 2019, by the following vote:

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

  
\_\_\_\_\_  
DAN RICH  
President, Board of Directors  
San Juan Water District

ATTEST  
  
\_\_\_\_\_  
TERI GRANT  
Secretary, Board of Directors

### Glossary of Terms

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

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

# San Juan Water District

## Fiscal Year 2019-20 Budget

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

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

# San Juan Water District

## Fiscal Year 2019-20 Budget

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

## Acronyms

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

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