

SAN JUAN WATER DISTRICT

Board of Director's Special Meeting Minutes
September 25, 2018 – 6:00 p.m.

BOARD OF DIRECTORS

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

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Paul Helliker	General Manager
Donna Silva	Director of Finance
Tony Barela	Operations Manager
Lisa Brown	Customer Service Manager
George Machado	Field Services Manager
Greg Turner	Water Treatment Plant Superintendent
Rob Watson	Engineering Services Manager
Greg Zlotnick	Water Resources Manager
Teri Grant	Board Secretary/Administrative Assistant

OTHER ATTENDEES

Sandy Harris	Customer
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AGENDA ITEMS

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

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

I. ROLL CALL

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

II. PUBLIC FORUM

There were no public comments.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, August 22, 2018 (W & R)

Recommendation: Approve draft minutes

2. CMMS Design Guide and Platform Options Evaluation (W & R)

Recommendation: Approve the award for a Consulting Services Contract related to the CMMS Design Guide and Platform Options Evaluation to HDR Engineering, Inc. in the amount of \$92,665, with a total approved budget of \$102,000

3. Maintenance Building HVAC Replacement Project (W & R)

Recommendation: Authorize construction contract Change Order No. 1 to AirCo Mechanical, Inc. for the amount of \$32,556 for unanticipated structural upgrades to the Maintenance Building roofing truss system and extending the existing authorized budget by the same amount. The proposed request brings the total authorized budget to \$94,300

Director Costa moved to approve the Consent Calendar. Director Miller seconded the motion and it carried unanimously.

IV. OLD BUSINESS

1. 2016 Staffing Analysis Update (W & R)

Mr. Helliker provided the Board with a staff report on the 2016 Staffing Analysis Update which will be attached to the meeting minutes. He explained that there were a couple workshops conducted in 2016 which included discussions on District staffing. At that time, various positions were recommended for short term and long term needs, which are listed in the staff report.

Mr. Helliker reported that the Water Treatment Operator and the Safety/Regulatory Coordinator positions were filled in 2017 and 2018, respectively, and that the Board concurred that filling the vacant Assistant General Manager position was not necessary. He informed the Board that staff has discussed the Human Resource position with the Personnel Committee and at this point staff is not proposing to hire a Human Resources Specialist.

Mr. Helliker explained that staff has determined that with outside consultant assistance and the addition of a Customer Service Representative, the HR duties can be allocated to existing staff. Ms. Silva explained that Bryce Consulting assists with recruitments and other items such as the re-write of the Employee Manual, and staff utilizes, with District Legal Counsel approval, labor attorneys

through Meyers Fozi (an ACWA JPIA preferred provider). In response to President Hanneman's question, Mr. Helliker informed the Board that the HR duties are covered at this time.

Director Tobin voiced concern that previous presentations to the Board stressed the importance of an HR position due to the workload on staff, and now that position is no longer needed, and she isn't sure for what reason this changed. Ms. Silva informed the Board that, at the time of the last presentation to the Board, the relationship was not yet established with Meyers Fozi. In addition, there wasn't an employee with a strong labor background for understanding the HR rules and regulations. Ms. Silva explained that, with the connection with Meyers Fozi, that need has been filled. Therefore, staff re-evaluated the staffing needs and is recommending a Customer Service Representative at this time, which is being deemed more important than the HR position. Ms. Silva explained that if the District had the resources then she would be requesting both positions be established; however, with limited resources, the Customer Service Representative is more important to fill the needs in the internal controls structure and the staffing shortage in the Customer Service Department.

Mr. Helliker informed the Board that in discussing the potential merger with SSWD, the HR position would most likely be structured as two positions, one senior position and one junior position. He explained that SSWD states that they need a full-time HR position, which has not been hired yet, so there may be some opportunities to share the position. Director Costa reminded the Board that the HR position was discussed before and it was thought that the position should pay for itself, especially with the review of employee benefits to garner the best rates for the District. President Hanneman stated that review of health plans can be reviewed later.

Director Miller commented that this was discussed two years ago and there has been some changes and staff is now recommending a different position, so he will defer to staff's recommendation. Director Rich agreed that in 2016 there were different issues being addressed such as the drought and different mandates, so he will defer to staff's recommendation as the best way to manage the District. President Hanneman referred the matter to the Personnel Committee for review.

In response to Director Rich's question, Mr. Helliker explained that the WTP Operator and the Safety/Regulatory Coordinator positions are already included in the budget. He explained that some funding from the un-filled Assistant General Manager position was used for the Safety/Regulatory Coordinator position; therefore, the remaining funds from the AGM position would allow the District the funding for the Customer Service Representative position.

Mr. Helliker reviewed the other positions that are included in his staff report and explained that the other positions are not being requested at this time. He informed the Board that some IT support functions will be contracted out. In addition, he mentioned that new software packages for GIS and CMMS are being

reviewed and analyzed. He stated that once the review is complete then staff will be able to provide a recommendation for staffing if needed.

Mr. Helliker informed the Board that he will be bringing more information to the Personnel Committee in October regarding the Customer Service Representative position and can also discuss the HR position at that time. Director Miller voiced concern regarding the sharing of the HR position with another agency.

Mr. Helliker reported that an analysis of field services department is being compiled which is looking at regulatory requirements, good business practices, and achieving goals. Once this analysis is complete, then he will provide the Personnel Committee with staff's conclusions. In addition, he informed the Board that once the Meter Replacement Program underway, then recommendations for managing the program will be discussed. The meter program analysis is expected to be completed in time for any funding to be considered in the next wholesale and retail financial plans.

2. Douglas Main Replacement Project Status Update (R)

Mr. Watson conducted a brief presentation on the status of the Douglas Main Replacement Project. A copy of the presentation will be attached to the meeting minutes. He reported that the District website has been updated and communication with customers affected by the project has been ongoing.

Mr. Watson reported that the Dambacher Drive Service Replacements Project is complete with the exception of the final slurry seal. He explained that the Douglas Main Replacement Project is about 45% complete and within budget. He informed the Board that the Phase I insertion of the pipeline under the intersection portion at Auburn Folsom and Douglas was successfully completed. The pipe bursting west of that intersection is expected to be completed by the end of October.

Mr. Watson informed the Board that Phase II and Phase III are expected to be completed by September 30th. He explained that Phase IV work will begin after Phases I, II and III and all tie-ins are complete, which will ensure adequate service to customers while Phase IV is underway. Work on Phase IV is currently scheduled between November 2018 and January 2019.

Director Miller commended staff for the great work on the project and the minimal traffic impact. Mr. Watson commented that there will be some traffic impact near the intersection until the end of October when Phase I is expected to be completed.

V. NEW BUSINESS

1. November and December Board Meeting Dates (W & R)

President Hanneman reminded the Board that the November and December Board meetings are scheduled for the second Wednesday of each month per the Board Rules.

2. District Banking Policy (W & R)

Ms. Silva provided the Board with a staff report which will be attached to the meeting minutes. She explained that agenda items V-2, V-3 and V-4 are all related with Ordinance 3000 being central to each item. She explained that many recommendations were presented to the Board at the Accounting 101 workshop in 2016 and have already been implemented. This will be the final process to get the correct policies in place to mirror the changes that have already been made.

Ms. Silva informed the Board that the Financial Audit Policy was adopted at the last Board meeting, which contains elements of Ordinance 3000. She explained that staff is recommending the adoption of a new District Banking Policy and District Reserve Policy in order to begin the process to rescind Ordinance 3000. She reviewed staff's policy recommendations for the new District Banking Policy, which are included in the staff report.

Director Tobin moved to approve the proposed Banking Policy. Director Miller seconded the motion and it carried unanimously.

3. District Reserve Policy (W & R)

Ms. Silva provided the Board with a staff report which will be attached to the meeting minutes. She explained that Ordinance 3000 specified 18 different reserves and, in addition, she has found reference to an additional seven reserves mentioned in financial plans and/or budgets. She reported that most of them do not have any funds in them and the rest have very little in them, except for the ones that she has been using since the Accounting 101 workshop.

Ms. Silva reported that staff recommends that the District maintain an operating reserve and a capital reserve for wholesale and retail separately (a total of four reserves). She pointed out that she added language to the new District Reserve Policy that states that if both the Operating Reserve and the Capital Reserve are fully funded then the Board will consider a rate reduction.

Ms. Silva informed the Board that the current financial plan is based on a 20% operating reserve level and the transfers which it creates to the capital reserves each year. She explained that staff is looking at recommending an increase to a 25-30% operating reserve level when the next financial plan is developed, since the rate stabilization reserve is being eliminated. She reviewed the new Reserve Policy which was included in the Board packet.

Director Costa moved to approve the proposed Reserve Policy, and rescind all previous Reserve Policies made by motion of the Board of Directors. Director Tobin seconded the motion and it carried unanimously.

4. First Reading of Ordinance 3100 – An Ordinance of the Board of Directors of the San Juan Water District Repealing Ordinance No. 3000 of the District Code of Ordinances (W & R)

Ms. Silva provided the Board with a staff report which will be attached to the meeting minutes. She explained that Ordinance 3000 covers District banking, the District's fiscal year, closing and auditing of the books, and the reserve policy. She explained that after consulting with Legal Counsel it was determined that none of the items should be contained in an ordinance since they are either an administrative issue, better addressed in a Board policy, or are covered under the Government Code. She explained that the first step to rescind Ordinance 3000 would be to adopt Ordinance 3100, which includes the First Reading or waiving of that reading.

Director Tobin moved to waive the First Reading of Ordinance 3100 – An Ordinance of the Board of Directors of the San Juan Water District Repealing Ordinance No. 3000 of the District Code of Ordinances. Director Rich seconded the motion and it carried unanimously.

President Hanneman read the title of the ordinance. Ms. Silva informed the Board that the Board Secretary will post a notice in the newspaper regarding the consideration of adoption of Ordinance 3100 at the October 24th Board meeting and once adopted another notice will be submitted to the newspaper.

VI. INFORMATION ITEMS

1. GENERAL MANAGER'S REPORT

1.1 General Manager's Monthly Report (W & R)

Mr. Helliker provided the Board with a written report for August which will be attached to the meeting minutes. He pointed out that System Operations (Field Services) work was slower in August due to leak repairs. In addition, there was a lot of work on new development which increased the workload for Engineering Services.

1.2 Miscellaneous District Issues and Correspondence

Mr. Helliker reported that Folsom Reservoir is at 84% of average. He reported that there is a 40% probability that temperatures will be above normal and an equal chance that precipitation will be normal for the next three months.

Mr. Helliker reported that the water transfer will continue through the end of the month. He explained that Citrus Heights Water District lost the use of a well at the beginning of the transfer which reduced the amount of water from an estimate of 3,800 AF to 3,300 AF; therefore, the net revenue will

drop from \$132,000 to \$116,000. He commended Mr. Zlotnick for all his work on the transfer, along with Ms. Silva and her staff.

In response to Director Rich's question, Mr. Helliker explained that information regarding the water transfer is available on the District's website and was provided in the WaterGram. In addition, Mr. Helliker and Ms. Brown met with Crocker & Crocker last week to discuss on-going activities and plans for communications for the CIP projects based on feedback from the customer satisfaction survey, which will include information about cost savings and revenue enhancements. In response to Director Tobin's question, Mr. Helliker explained that they discussed Crocker & Crocker's workplan for the year, and Crocker & Crocker will be providing their plan which will be brought to the Public Information Committee.

Mr. Helliker gave an update on legislation and reported that the Water Tax bill died, and a letter was sent to Governor Brown requesting his veto of SB-998 (discontinuation of residential water service). In addition, DWR and the State Water Board drafted a primer on how to implement the conservation legislation. He stated that comments from a number of agencies and associations from around the state were developed in preparation for all the activities coming up on conservation legislation.

Mr. Helliker reported on the Fair Oaks 2x2 Ad Hoc Committee and informed the Board that President Hanneman was instrumental in getting FOWD to reconsider their requests for changes in the water supply contract. The next meeting of the committee has not been scheduled and they are looking at changing the topic to water transfers and meeting sometime in October/November.

Mr. Helliker reported that the SSWD/SJWD 2x2 Ad Hoc Committee meeting is scheduled for October 3rd and the agenda and staff report will be sent out prior to the meeting.

Mr. Helliker reported on regulatory issues and the water quality control plan and informed the Board that the State Water Board has scheduled their meeting to adopt the San Joaquin Valley plan on November 7th. He stated that the State Water Board is working on the Sacramento Valley version and they are coming out with a range of unimpaired flow requirements from 45-65%, a minimum of 45%, and a target of 55%. The team that has been representing the American River, has been in a number of meetings with Reclamation and DWR to put a deal together that would accomplish the goals for the modified flow management standard.

Mr. Helliker reported on the WaterFix and informed the Board that the sur-rebuttal starts on September 26th, which is rebuttal to the rebuttal on part 2 (environmental part) through October 11th.

Mr. Helliker reported that the October Board meeting will include the discussions of the Personnel Committee and the second reading and of the ordinance. He informed the Board that the Mountain Counties Water Resources Association is holding its Water Symposium on October 26th.

2. DIRECTOR OF FINANCE'S REPORT

2.1 State Revolving Fund Update (W & R)

Ms. Silva informed the Board that she participated in a webinar last week regarding changes to the State Water Board's policy on the State Revolving Fund (SRF). She explained that the new process will include a scoring system, and requests from small disadvantaged agencies will receive automatic funding while other agency requests will be scored and placed in priority order.

She informed the Board that the District's packet will be submitted and she will know if the District made the funding list by June 30, 2019. She explained that the District might be able to offer a match for the state's 20% portion, which will give extra points for the scoring. In response to Director Rich's question, Ms. Silva explained that the interest rate will be 50% of the last rate that the State of California issued at the time of the financing approval.

2.2 Miscellaneous District Issues and Correspondence

There were no other matters discussed.

3. OPERATION MANAGER'S REPORT

3.1 Miscellaneous District Issues and Correspondence

Mr. Barela reported that there were 16 leaks in July and 16 leaks in August which is a record for the past four years. He reported that leaks for September seem to have tapered off.

Mr. Barela reported that the pre-proposal meeting for the Meter Replacement Program, that the District is participating with CHWD, was held today. There were about 30 firms that attended the meeting and proposals are due October 25th.

4. LEGAL COUNSEL'S REPORT

4.1 Legal Matters

No report.

VII. DIRECTORS' REPORTS

1. SGA

Director Tobin provided a written report which will be attached to the meeting minutes. She reminded the Board about SGA's 20th Anniversary luncheon on

October 18th. The District has a table for the event and Board members need to let the Board Secretary know if they will be attending.

2. RWA

Director Tobin reported that Director Costa attended the meeting in her place since she had an ACWA Federal Affairs meeting at the same time. Director Costa reported that they discussed the regional water reliability plan and water transfers. Director Tobin informed the Board that the RWA Executive Committee meeting is September 27th.

3. ACWA

3.1 Local/Federal Government/Region 4 - Pam Tobin

Director Tobin provided a written report which will be attached to the meeting minutes. She attended the September 13th Federal Affairs meeting. She reminded the Board about the September 26th ACWA Region 4 Folsom Dam tour and gave instructions on where to meet. Director Tobin informed the Board that the ACWA Budget Workshop is September 27th and the ACWA Board of Directors meeting is September 28th.

3.2 JPIA - Pam Tobin

No report.

3.3 Energy Committee - Ted Costa

No report.

4. CVP WATER USERS ASSOCIATION

No report.

5. OTHER REPORTS, CORRESPONDENCE AND COMMENTS

Director Costa reported that he attended the ACWA Agriculture Committee meeting on September 12th in Willows. He informed the Board that he was invited and attended the Placer County Lincoln Club meeting.

VIII. COMMITTEE MEETINGS

1. Engineering Committee – September 18, 2018

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

2. Finance Committee – September 24, 2018

The committee meeting minutes will be attached to the original board minutes. Director Miller reported that the committee members recommended the adoption of the items previously addressed by Ms. Silva after they were reviewed by Legal Counsel and the General Manager.

IX. UPCOMING EVENTS

- 1. ACWA Region 4 Folsom Dam Tour**
September 26, 2018
SSWD Antelope Facility, CA
- 2. Water Utility Open House 2018 – Customer Appreciation Day**
October 6, 2018
Granite Bay, CA
- 3. SGA 20th Anniversary Celebration**
October 18, 2018
North Ridge Country Club, Fair Oaks
- 4. ACWA Fall Conference**
November 26-30, 2018
San Diego, CA

Ms. Grant provided the Board with the Open House flyer and informed them that the event was announced in several publications such as the Press Tribune, Patch.com, NextDoor, City of Folsom and the District's newsletters, and the District's website, Facebook and e-blasts. She announced that there will be free raffle drawings for all attendees and lots of free give a-ways as well.

President Hanneman commended staff for the Employee BBQ last week which was a great event.

X. ADJOURN

The meeting was adjourned at 7:24 p.m.

ATTEST:

MARTIN HANNEMAN, President
Board of Directors
San Juan Water District

TERI GRANT, Board Secretary

STAFF REPORT

To: Board of Directors
From: Tony Barela, Operations Manager
Date: September 25, 2018
Subject: CMMS Design Guide and Platform Options Evaluation

RECOMMENDED ACTION

Staff recommends a motion to award the CMMS Design Guide and Platform Options Evaluation contract to HDR Engineering, Inc. (HDR) for the amount of \$92,665 and authorizing a total budget of \$102,000 (includes a 10% contingency).

The recommendation was reviewed by the Engineering Committee on September 18, 2018, and the Committee recommended the contract be approved by the Board of Directors.

BACKGROUND

The District utilizes a Computerized Maintenance Management System (CMMS) to manage work orders to facilitate projects, manage assets in the system, to track leak repairs, and track equipment improvements in the system and, amongst other items, track staff time related to these processes.

The current CMMS was implemented in 2006, primarily for the distribution and pump station asset management. In 2012, the system was expanded to include assets at the District's Water Treatment Plant. An official management strategy or Design Guide has not been completed to date; and, that has caused differences in asset, maintenance and data management in the system. The goal of this project is to develop a uniform operation related to CMMS and determine if the District's current CMMS program is best for District operations.

There are two primary goals of the project:

1. Develop a CMMS Design Guide for Districtwide Operations, and
2. Evaluate CMMS Platform Options compared to the District's current CMMS to determine best fit for the District.

The design guide will provide the District with a standard that can be used no matter what CMMS program is implemented. The design guide process will evaluate the type of assets utilized throughout the District, our work processes, and provide a standard for inputting and managing these items in CMMS. The second phase will include evaluating the different programs available for CMMS, compare them to our current system, and make a recommendation for the future of CMMS. This will be an unbiased review, including significant input from District staff.

FINANCIAL CONSIDERATIONS

\$75,000 was budgeted in Fiscal Year 2018-2019 to complete the project. Therefore, the proposed project (including contingency) is approximately \$25,000 over the initial proposed budget amount. Project costs are allocated 25/75 Wholesale/Retail.

STAFF REPORT

To: Board of Directors
From: Tony Barela, Operations Manager
Date: September 25, 2018
Subject: Maintenance Building HVAC Replacement Project – Budget Amendment

RECOMMENDED ACTION

Staff recommends authorizing construction contract Change Order No. 1 to AirCo Mechanical, Inc. for the amount of \$32,556 for unanticipated structural upgrades to the Maintenance Building roofing truss system and extending the existing authorized budget by the same amount. The proposed request brings the total authorized project budget to \$94,300.

The recommendation was reviewed by the Engineering Committee on September 18, 2018, and the Committee recommended the budget amendment be approved by the Board of Directors.

BACKGROUND

The project includes replacing two existing 5-Ton HVAC units located on the roof of the Maintenance Building. As part of the project, the HVAC Contractor is required to verify that the existing truss system is sufficient to hold the new units and make structural improvements if required. The Contractor made a reasonable assumption of the improvements needed based on the limited as-built plans at the time of bid. Upon an extensive structural investigation, the Contractor's Structural Engineer determined that the existing HVAC units have overstressed the existing truss system; therefore, additional structural improvements are needed to support the new units. These improvements include additional strapping, blocking and modifications to the truss system.



FINANCIAL CONSIDERATIONS

The existing contract and authorized budget for this project is \$56,060 and \$61,700, respectively. The proposed additional budget for the structural improvements will bring the current contract and authorized budget to \$88,616 and \$94,300, respectively.

STAFF REPORT

To: Board of Directors
From: Paul Helliker, General Manager
Date: September 25, 2018
Subject: 2016 Staffing Analysis Update

RECOMMENDED ACTION

Discussion

BACKGROUND

In February and June of 2016, the Board held two workshops on staffing and governance topics. The February workshop included a discussion of succession planning and an overview of the management team's recommendations on new positions that were needed in the short-term (within one year) and the longer term. Attachment 1 is the summary slide from the PowerPoint presentation at that workshop, which shows the following positions as needed in the short-term:

- Water Treatment Plant Operator
- Human Resources Specialist
- Customer Service Representative
- Administrative Assistant

The following positions were also identified as likely needed, but further planning and analysis was proposed:

- Information Technology Technician
- GIS Technician
- CMMS Technician
- Safety/Regulations Coordinator

In June of 2016, the Board held its second workshop, which included discussions on strategic planning issues from the April, 2016 workshop, governance of the District and a more detailed presentation concerning five new staff positions being proposed by management to be hired within a year. Attachment 2 is the document that was presented to the Board for this discussion. Those positions were:

- Public Information Officer
- Customer Service Representative
- Human Resources Specialist
- Water Treatment Plant Operator
- Administrative Assistant

Also attached are the organization charts from 2016 and the current organization chart, which also identify the split between wholesale and retail time allocations.

CURRENT STATUS

The Board authorized moving ahead with the recruitment of a Water Treatment Plant Operator, which was completed in 2017. In 2018, the Board approved hiring the Safety/Regulatory Coordinator. Also in 2018, the Board concurred that filling the vacant Assistant General Manager position was not necessary.

Staff has discussed with the Personnel Committee the potential need for both the Human Resources Specialist and the Customer Services Representative. We will be discussing with the Personnel Committee in October the need to hire a Customer Services Representative - in part, to free up the time of our Customer Services Manager to be able to focus on upcoming water conservation regulations and retail outreach and public information and to provide sufficient phone and counter coverage due to employee absences. We are not proposing to hire a Human Resources Specialist.

The Public Information Officer position was proposed as a way to save on contract costs for public information functions, which were in the \$175,000-330,000 range in 2015 and 2016. At this time, our expenses for public information contract functions are in the \$90,000/year range, so, a PIO would not necessarily represent a cost savings. However, bringing the position in house would greatly increase the amount of work completed, for a small increase in cost.

We have proceeded to secure a contract for IT support functions, to relieve the IT manager from the responsibility for routine tasks such as workstation maintenance, and to allow him to take a day off once in a while. We do not need an Administrative Assistant to provide support to the General Manager's office.

GIS/CMMS - With respect to the GIS (Geographic Information System) and CMMS (Construction Maintenance and Management System) positions, we have developed a GIS plan and are in the process of getting bids for the implementation of a new software program. We are doing the same with the CMMS program, as was discussed at the Engineering Committee last week and at tonight's meeting. As we proceed with the implementation of both programs, we will be analyzing the workload that will accompany entering the District's information into both programs and maintaining those systems into the future (just as we have done recently with the Customer Service software program.) We will be discussing with the Personnel Committee and the Board the results of these analyses once they are complete.

FIELD SERVICES - Starting in January 2017, Field Services started tracking staff time related to leaks, training and other distribution system operational items required to comply with best management practices and State and Federal regulations. Additionally, staff identified the critical system maintenance items and programs to be completed on an annual basis. In February 2018, the results of the 2017 evaluation

were presented to the Personnel Committee. The 2017 evaluation concluded that not all maintenance goals were able to be achieved and that staffing though the 2017 calendar year was insufficient to meet these goals. Lack of staffing was partially due to multiple employees on medical leave which reduced production in the field. Although staffing was deemed insufficient to complete the identified goals, in lieu of asking for additional position(s), Field Services staff wanted to refine their strategy and obtain another year of data before bringing any requests forward to the Board.

The Field Services staff are nearing the end of their second year of evaluations. Unlike 2017, Field Services maintained normal staffing levels, with only one short term injury (not work related) that placed a Distribution Operator on light duty. Additionally, Field Services Management and Leads worked to refine the programs to find work efficiencies to meet the defined goals, increased on-call support, and contracted external support for backflow testing. Unfortunately, similar to 2017, program goals are not anticipated to be fully achieved this year. Beyond staffing levels, other items which attributed to not achieving the baseline goal included: increased system leaks, interdepartmental project assistance, and increased training and regulatory requirements.

Although the District has grown in size and complexity, regulations have increased, and additional operational items have been added to the department, staffing levels have not increased since approximately 2000. To facilitate operational changes, positions have been reallocated to fit the new needs, but this has left gaps in field operations to meet the goals of the department. Once the 2018 data is obtained and evaluated in totality, we will be presenting the results to the Personnel Committee and the Board.

OTHER PROGRAMS

As we have discussed with the Board, we are proceeding to work with Citrus Heights Water District to secure a consultant to analyze our retail meters, evaluate meter technologies and develop a recommended plan for a meter replacement program. Options for the program could range from securing a contractor to do a one-time replacement of the full meter fleet, with plans to do so again at approximate 20-year intervals, to hiring staff to implement an ongoing annual in-house replacement program. This analysis is expected to be complete in time to inform the deliberations for the next wholesale and retails financial plans.

Another area that is being evaluated is the workload associated with electrical and mechanical systems maintenance. The maintenance staff are responsible for the District electrical, WS meters and radios, majority of the site grounds and buildings and an aging solar field. This is all currently maintained by 4 positions (Maintenance Chief, Facilities Maintenance Worker, Electrician and Instrumentation and the Facilities Maintenance Helper with custodial responsibilities). As we add new systems and technologies, skill and workload needs change, and we will be analyzing the trends in this portion of our operations over the next couple of years, as well.

Short-term & Long-term Staffing Needs

Short-term Needs

- WTP Operator
- Human Resources Specialist
- Customer Service Rep
- Administrative Assistant

Long-term Needs

- Link to Strategic Planning
- Information Technology Technician
- GIS Technician
- CMMS Technician
- Safety/Regulations Coordinator
- Others?!

Positions needed by February 2017 (start recruitment no later than December)

POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
Public Information Officer	\$150,000	Pi consultant budget (\$175,000 this year, \$330,000 last year), no new costs	Watergram, web site, social media, press interviews, community group meetings, responses to customer comments, strategic messaging, legislative involvement, organize/lead community advisory committees (drought, rate setting, etc.).	<ul style="list-style-type: none"> • Better leveraging and efficient use of funds • more public outreach • remove tasks from GM, AGM and Customer Service Manager • increased output of work product – same money spent, significantly more work hours to benefit the district. • Increased efficiency
Customer Service	\$90,000	Retail rates	Answer phones, utility billing assistance, account adjustments, rebates, customer move in/out, payment plans	<ul style="list-style-type: none"> • Existing employees are not cross trained; for example only one person knows how to billing process. • Allow department to remain current on workload • Provide time to review work • Download work from Customer Service Manager • Customer service manager can complete her work • Return to previous level of customer service • Reduced opportunity for employee burn-out.

Positions needed by July 2017 (start recruitment no later than May)

POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
Human Resources	\$125,000	50/50 wholesale/retail rates	Return to work, recruitment, training, staff questions, regulations, keeping district current on requirements, training tracking and scheduling, risk protection, remaining current on requirements from CALPers and health, implementing requirements from new laws, FMLA, etc.	<ul style="list-style-type: none"> • Take these tasks out of the GM and Finance director's work load • Reduce risk to District from new laws and regulations, as well as complying with existing laws and regulations • Increased focus of safety and risk management • Ability to effectively research and propose better/different benefit packages and at same or lower costs. • Reduce Managers time related to researching and addressing Staff policy and benefit questions
WTP Operator	\$130,000	Wholesale rates	General Operations	<ul style="list-style-type: none"> • Continue to adequately operate the WTP • Decrease operations vulnerability to staff due to sickness and extended illness • Participate, execute and comply with current and future standards safety standards

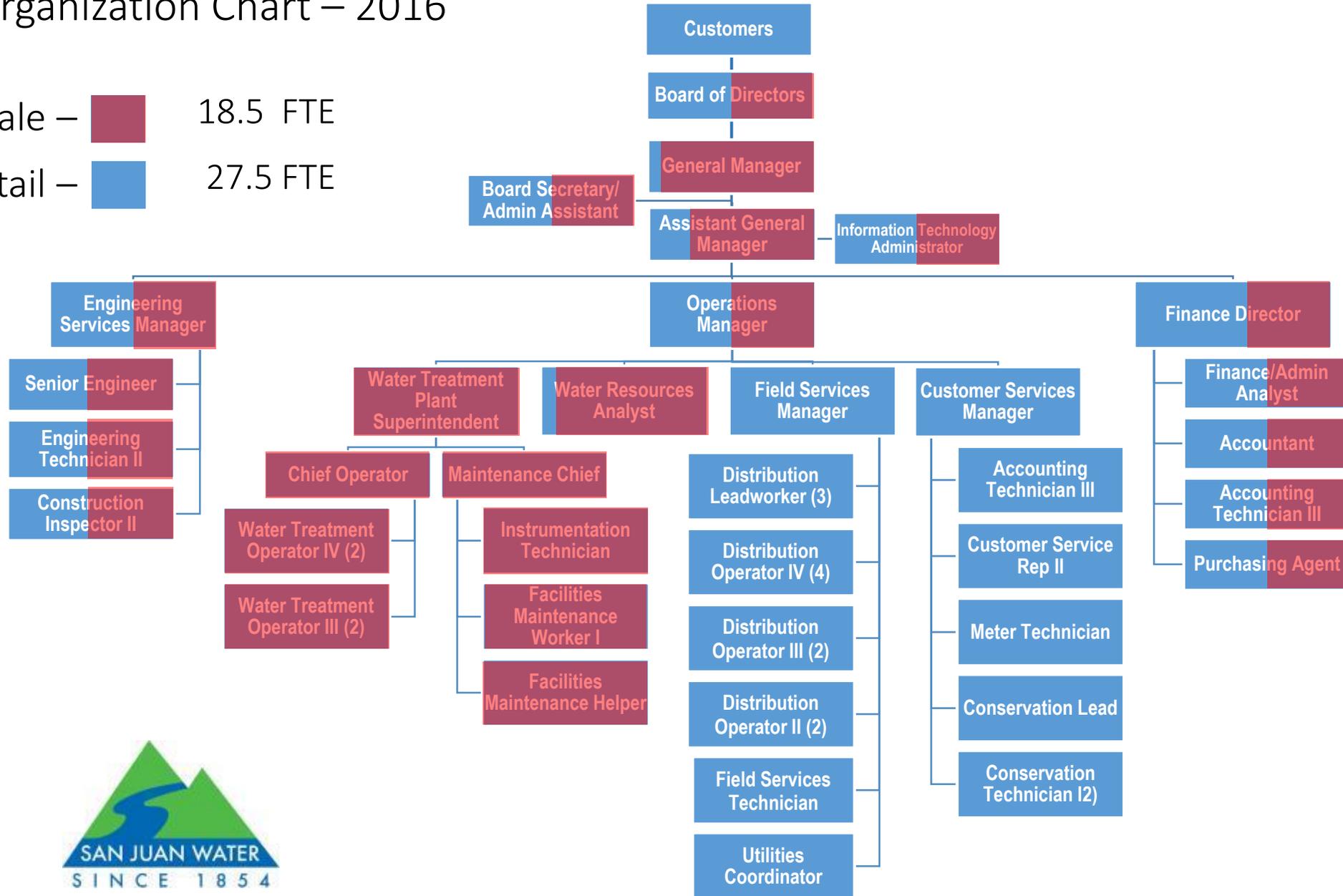
POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
				<ul style="list-style-type: none"> • Assist maintenance staff in maintenance and repair of plant equipment • Maintain current and meet standards with additional equipment brought on line in the last 10 years • Assist and assure safety programs compliance (e.g. CI2, ERP, CERS, confined space, LOTO etc.).

Position needed by November 2017 (start recruitment in September)

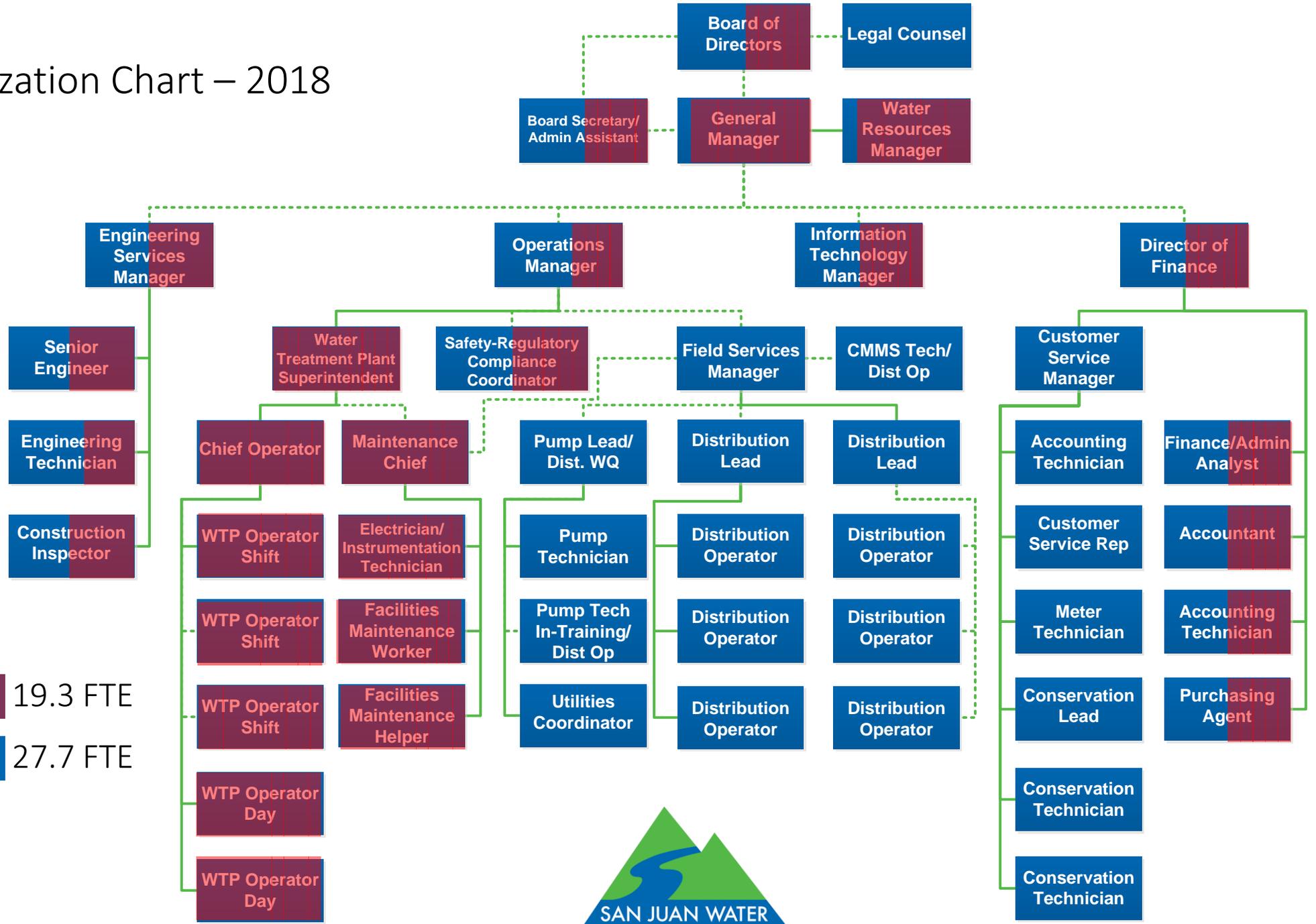
POSITION	BUDGET (fully loaded)	FUNDING SOURCE	TASKS FOR POSITION	HOW DISTRICT BENEFITS
Administrative Assistant	\$80,000	50/50 wholesale/retail rates	Provide administrative tasks being completed by managers, assist Board Secretary in day to day duties	More efficient use of management staff time, freeing them up to do more complex tasks. Increased quality of public documents.

SJWD Organization Chart – 2016

Wholesale – 18.5 FTE
 Retail – 27.5 FTE



SJWD Organization Chart – 2018



Wholesale – 19.3 FTE
 Retail – 27.7 FTE





Douglas Main Replacement

Construction Phase Project Status Update

San Juan Water District
Board of Directors Meeting
September 25, 2018



Project Limits

Beginning - Just west of the Shell Station on the SW corner of Auburn Folsom Road (AFR) and Douglas.

Ending – On the east side of the intersection of Mooney Drive and Douglas.

Overall Project broken into four (4) phases.

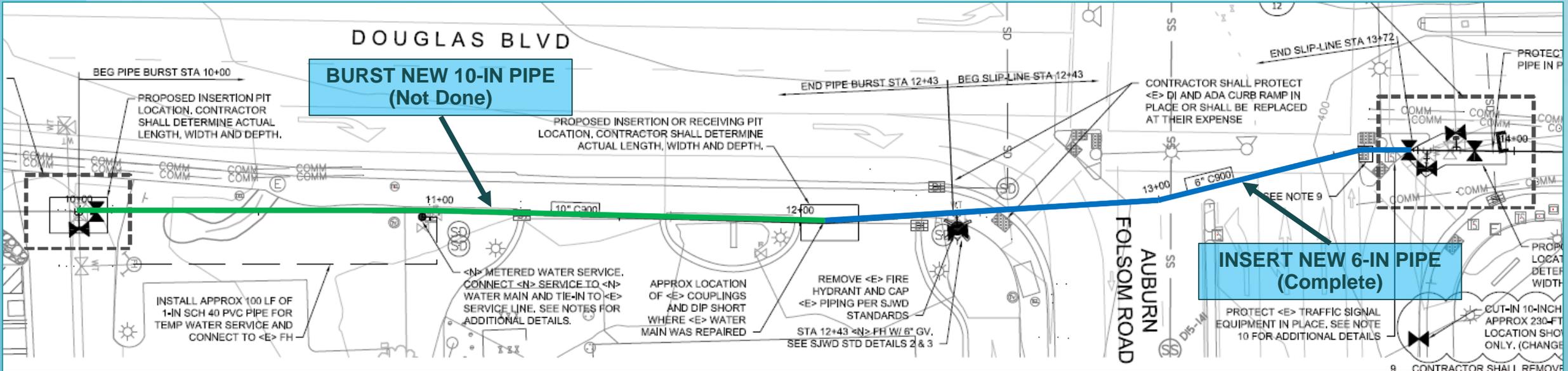
Current Overall Project Status

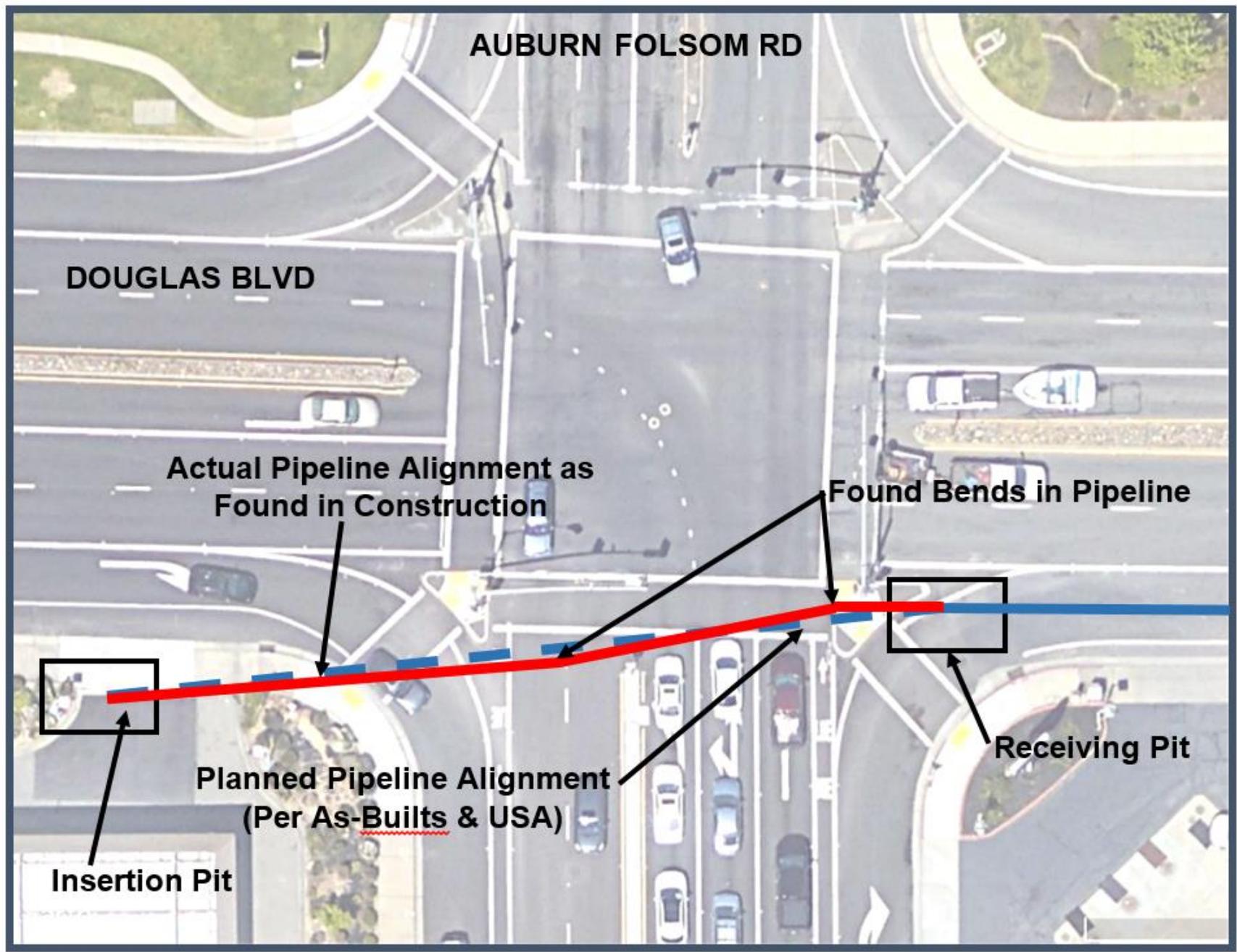
- Douglas Main Replacement Project construction started June 18th.
- Currently expected to be completed by January 2019.
- Updates to the project webpages, updates to roadway notification signage, coordination with Placer County, as well as meetings by Staff with affected customers are being conducted as needed during the construction phase of this project.
- The project is approximately 45% complete and is within budget.

(The Dambacher Services Replacements part of the contracted work is essentially complete with the exception of the roadway slurry seal.)

Phase I Status

- Phase 1 work began on June 25th
- Work was put on hold while a revision to the project was evaluated and designed to address unexpected site conditions.
- Re-started work on September 10th.
- Currently anticipated to be complete on or around October 31st.

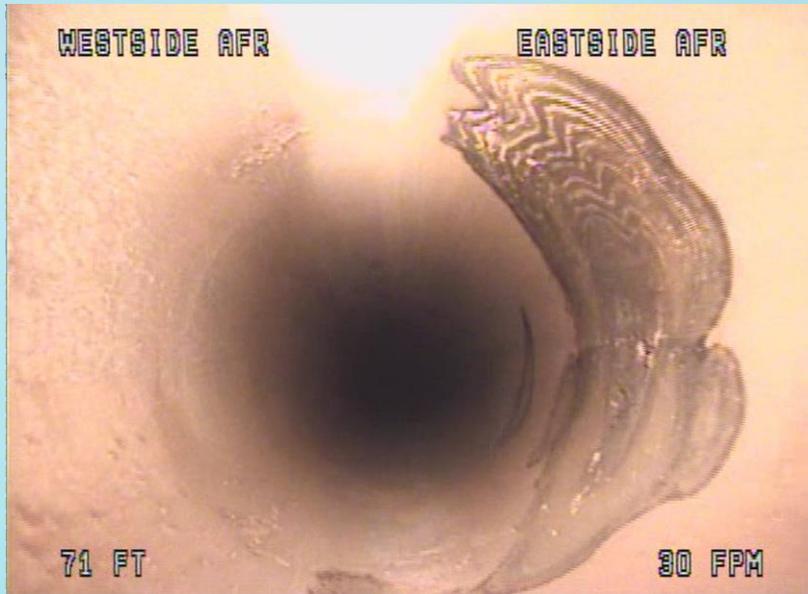
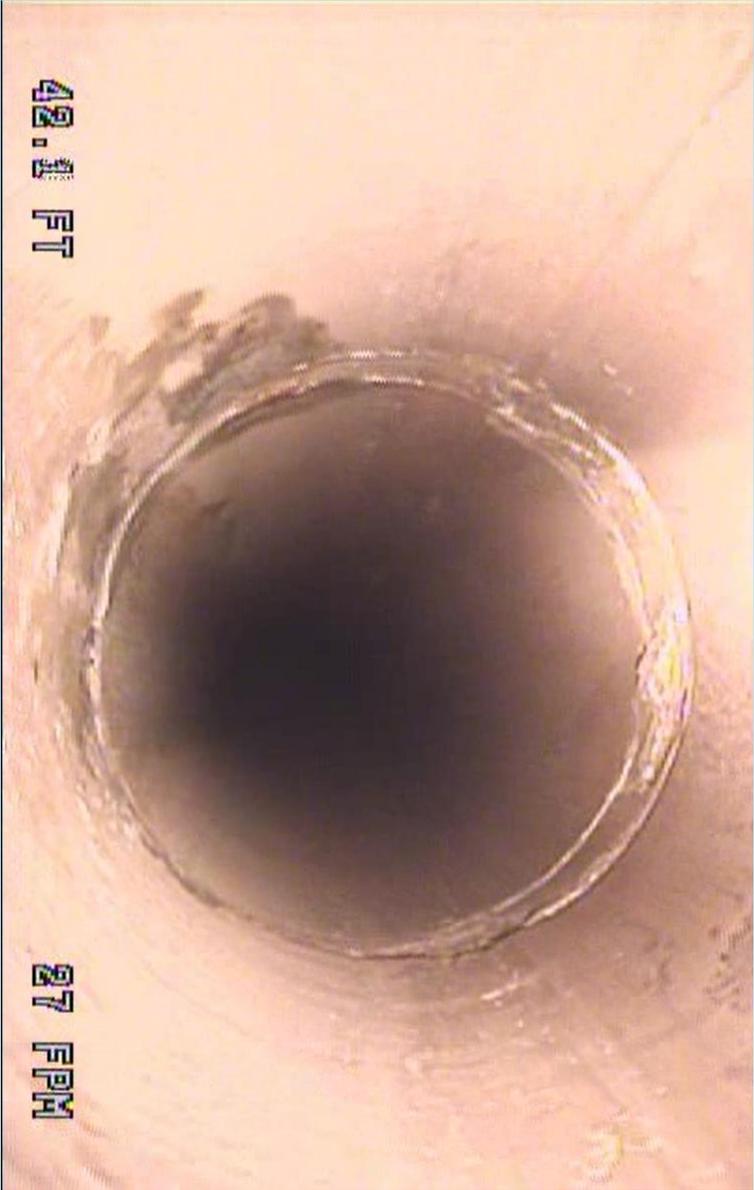




Existing Steel Pipeline (Under Intersection of AFR & Douglas)



Bend in Pipe (AFR West Side) →
← Corroded Joint
Corroded Joint ↓



Corroded Sidewall

Phase I Construction (Intersection of AFR & Douglas)

Pipe Fusing Operation



Pipe Being Fused →



Phase I Construction (Intersection of AFR & Douglas)



Pipe Fusing Operation



Fused Pipe Ready for Insertion

Phase I Construction (Intersection of AFR & Douglas)



Pipe Ready for Insertion



Fused Pipe Being Inserted

Phase I Construction

New Pipe in Old Pipeline →

Pipe Being Pulled (East side of Intersection)



Phase II Status - Oak Knoll Dr. to Mooney Dr.

- Phase II work began on July 9th.
- Substantially complete on July 30th (the two tie-ins at Mooney Rd and at Oak Knoll Dr remain).
- Phase II work is currently expected to be complete by Sept 30.



Phase II Construction (Oak Knoll to Mooney)

Open-Cut Trenching Method



Phase III Status – AFR to Partee Ct.

- Phase 3 work began at the end of August.
- Phase III is expected to be substantially complete by Sept 30 (three final tie-ins; Pardee Ct, BofA, and connection to CVS remain).



Phase III Construction (AFR to Partee Ct.)

Breaking Up Rock



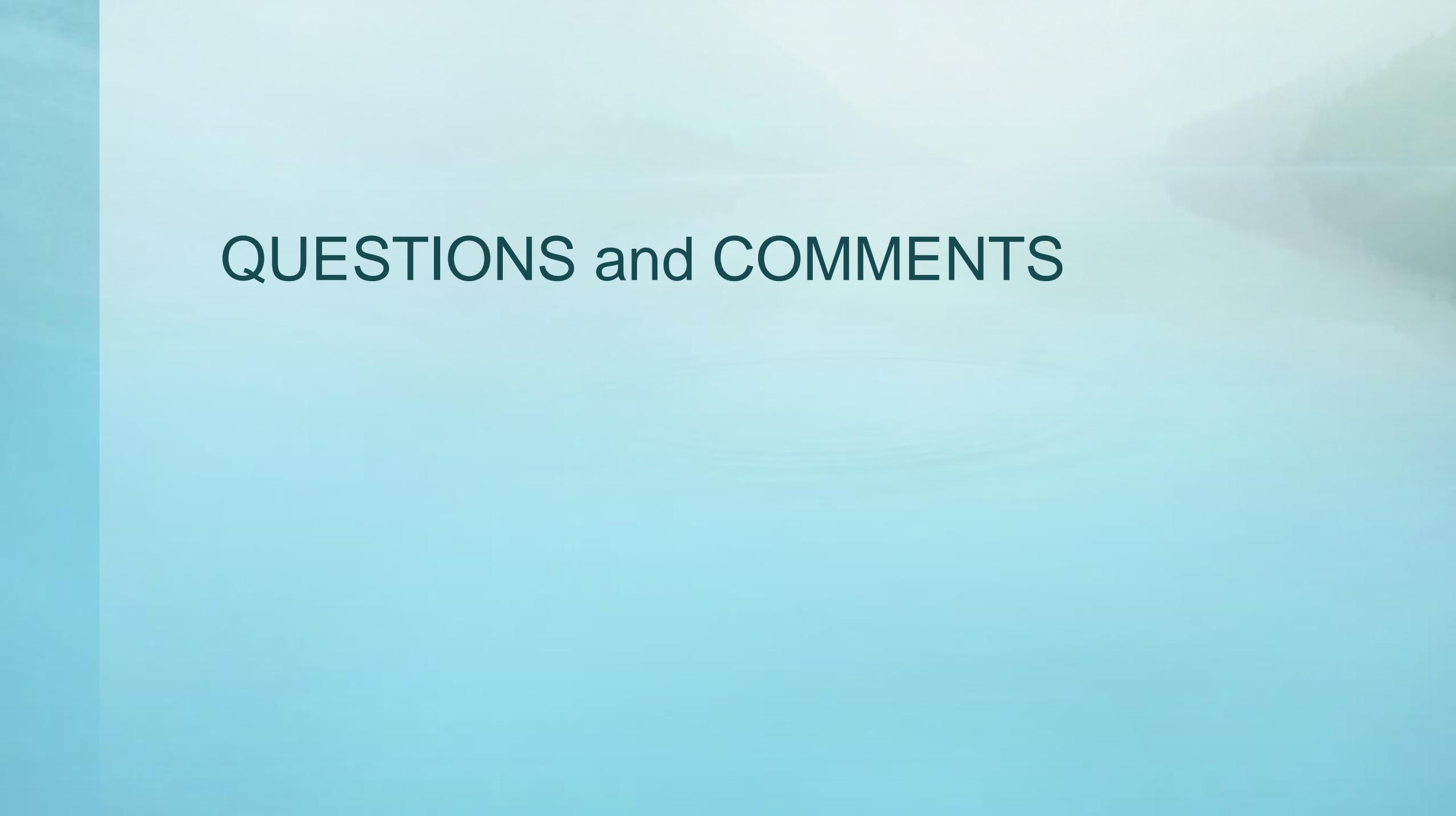
Standard Open Trench Construction



Phase IV Status – Partee Ct to Oak Knoll Dr.

- Phase IV work will begin after Phases 1, 2 and 3 and all tie-ins are complete (to ensure adequate service to customers while Phase IV is underway).
- Phase IV is currently scheduled between Nov 2018 and Jan 2019.



A serene landscape with a calm lake, misty mountains, and a forested shoreline. The scene is captured in a soft, hazy light, with the water reflecting the surrounding environment. The text 'QUESTIONS and COMMENTS' is centered in the upper half of the image.

QUESTIONS and COMMENTS

STAFF REPORT

To: Board of Directors
From: Donna Silva, Finance Director
Date: August 22, 2018
Subject: District Banking Policy

RECOMMENDED ACTION

Adopt proposed "District Banking" Policy.

BACKGROUND

The Board of Directors (the Board) serves the critical and fundamental function of enacting District Ordinances, setting District Policy and providing oversight of Management. The Board adopts policies concerning control over and investment of District assets, authorization for the purchase of goods and services, setting reserve thresholds and requirements, etc. The Board also adopts annual budgets, which ensure reserve amounts are in accordance with Board requirements and sets annual spending limits and service levels. The Board then reviews monthly financial information to ensure policies and budgets are being implemented and followed.

Management's role is to carry out the Board's policies and manage the day to day affairs of the organization within the constraints of the Board's policies and budget.

Ordinance 3000 "District Banking and Other Financial Matters" sets forth the class and type of authorized bank accounts, grants authorization for transfers of funds from one account to another, sets constraints on withdrawal of funds, sets the district fiscal year and mandates the timing of the year end closing and annual financial audit.

Addressing these matters in the code is unnecessary because some of the matters are already authorized and directed by statute and therefore do not need to be restated in ordinance or policy. Other items are better addressed in a Board Policy. Addressing financial matters in an ordinance causes difficulty in the administration of the District's financial affairs and makes changes unduly complicated and expensive to effect. Staff will be recommending the rescission of Ordinance 3000 in its entirety and is proposing a Banking Policy to cover those matters addressed in Ordinance 3000 that are more efficiently addressed in a Board Policy.

Listed below are the sections of Ordinance 3000 pertaining to District Banking, followed by staff's policy recommendation:

- 3000.01 Designation of Depository

The District has adopted the alternative depository of District money in accordance with Government Code Sections 61737.01-61737.09. The Board of Directors by resolution shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient bond to secure the District against possible loss as required by law. Only such Person or Persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Assistant General Manager, Secretary, Finance and Administrative Manager, Customer Service Manager and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

The first paragraph is not necessary as the District has already established the alternative depository procedure as authorized by the State. This means that the District is no longer using, and is no longer required to use, the County Treasurer, but has instead appointed its own Treasurer and brought the Treasury function in house. However it is reasonable to include a statement in the policy that the District has done this so that it is clear to staff and Board members that the use of the County Treasurer is not required since the District has adopted the alternative procedures. Staff has reworded, but incorporated this into the proposed policy.

The second paragraph requires certain positions to be bonded. The board is already given the power to request such bonding by the government code, so it need not be in an ordinance. Additionally, the ACWA-JPIA memorandum of coverage provides blanket fidelity coverage to the District so individual bonds are not necessary. Staff has revised the language and included in the proposed policy in the event that coverage from ACWA-JPIA changes future Board members and staff would know that these positions should be bonded.

- Section 3000.02 Deposit of Cash Receipts: This section basically states that funds received by the District will be promptly deposited to an authorized bank account and that it is the responsibility of the General Manager and Staff to assure prompt deposits.

This is an administrative issue under statutory delegation of Government Code sections 61051(d) (for the General Manager) and section 61053 (for the Treasurer/Finance Director) and is under the Board delegation of authority via manager job descriptions and financial oversight authority. It does not need to be stated in an ordinance. This has not been included in the proposed policy.

- Section 3000.03 Types of Accounts and Investment Accounts: this section establishes the types of bank and investment accounts that shall be established and maintained for the District.

The Board already has sole authority to establish banking relationships via resolutions required by a bank to open accounts. Other elements of the section are improper as they interfere with managements' administrative and operational discretion. This has not been included in the proposed policy.

- Section 3000.04. Classes of Bank Accounts: this section requires the District to maintain certain classes of accounts, such as a general account and a payroll account.

Similar to above the Board already has sole authority to establish banking relationships via resolutions required by a bank to open accounts. Any special trust accounts for issuance of debt are established as required by Board approved agreements and indentures issues for a specific financing. This has not been included in the proposed policy.

- Section 3000.05 Transfer of Funds from One Account to Another: the authority provided in this section already exists via Government Code section 61051 (d) and 61053, the board's Investment Policy and the Boards delegation of authority via manager job descriptions and financial oversight authority. Additionally, any authorized signer on the account, as so designated by resolution of the Board, would have the authority to transfer funds between accounts. Since the board has delegated this responsibility to management it need not be restated or restricted in an ordinance. It has not been included in the proposed policy.

- 3000.06 Withdrawal of Funds: this section mandates that funds may be withdrawn only by issuance of a check or authorized electronic funds transfer.

Staff believes it is the Board's intent to preclude an authorized signer from making a cash withdrawal at a bank branch. This has been included in the proposed banking policy.

This section also requires two authorized signatures per check. This is a best practice and recommended internal control procedure. Even though banks rarely honor this requirement, it creates a perception of control within the District. This has been reworded and included in the proposed policy.

- Section 3000.07 Directions Pertaining to Demand Deposits: This section states that each demand deposit account shall be established only by resolution, which shall state authorized signers on the account.

This is technically unnecessary, as banks will not open an account without the resolution approving the accounts, but it can be included in a banking policy for clarification purposes. Staff recommends naming the positions that are authorized signers as opposed to the specific employees. This lead to

efficiencies in operations when turnover occurs. Modified language has been included in the proposed policy.

- Section 3000.08 Fiscal Year: this section sets the fiscal year of the District. It does not need to be in an ordinance. This was included in the amended Financial Audit Policy adopted by the Board on August 22, 2018.
- Section 3000.09 Closing of Books of Account: per legal counsel this is an administrative issue in management's discretion under statutory delegation to the Finance Director/Treasurer. This does not belong in an ordinance or a policy; it has not been included in the proposed policy.
- Section 3000.10 Appointment of an Auditor for Annual Audit of Books of Account: This section states that the Board of Directors will appoint an auditor and dictates the timing of the audit. The Board adopted an amended Financial Audit Policy at its August 22, 2018 Board Meeting. The new policy addresses this item.
- Section 3000.11 Allocated Fund Policy: this section of the ordinance sets forth the District's reserve policy. Staff will prepare and present a revised Reserve Policy to the Board for consideration.

Attachments:

Ordinance 3000 District Banking and Other Financial Matters
Proposed District Banking Policy

SAN JUAN WATER DISTRICT
CODE OF ORDINANCES

CODE TYPE : District Financial Matters
CODE SECTION : District Banking and Other Financial Matters
CODE NUMBER : 3000
DATE ADOPTED : July 28, 2006
DATES AMENDED :

3000.00 District Banking and Other Financial Matters

3000.01 Designation of Depository

The District has adopted the alternative depository of District money in accordance with Government Code Sections 61737.01-61737.09. The Board of Directors by resolution shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient bond to secure the District against possible loss as required by law. Only such Person or Persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Assistant General Manager, Secretary, Finance and Administrative Manager, Customer Service Manager and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

3000.02 Deposit of Cash Receipts

All funds received by the District from any source whatsoever shall be promptly deposited in one of the time or demand bank accounts established by resolution of the Board of Directors. It shall be the responsibility of the General Manager of the District and Staff who have been or may be appointed by the Board, to assure such prompt deposit of funds.

3000.03 Types of Accounts and Investment Accounts

The following types of bank accounts and investment accounts shall be established and maintained for District funds as directed or approved by the Board of Directors.

3000.03.1 Demand-Deposit Accounts

All funds, when first received, shall be deposited in one of the demand deposit accounts established under Section 3000.02. However, the General Manager, or the designated agent, shall cause those funds for which an early demand is not foreseen to be transferred to a time-deposit account or to an investment account to produce an interest return as soon as practicable.

3000.03.2 Time-deposit Accounts

Funds for which an early demand is not foreseen shall be transferred from a demand-deposit account to a time-deposit account or invested in an investment authorized under 3000.03.3 of this Section.

3000.03.3 Investments

As an alternative to placing funds in a time-deposit account, funds may be invested in the form of securities authorized by the laws of the State of California. Such investments shall be held in safe keeping by the bank through which the District arranged for the investment.

3000.04 Classes of Bank Accounts

The following classes of accounts shall be established and maintained for the District.

3000.04.1 General Accounts

All District funds shall be placed in one or more of the types of accounts or investments listed under Section 3000.03. Such funds shall be designated "San Juan Water District, General Fund Account" except for funds that are to be placed in special accounts as may be directed by the Board of Directors or as otherwise authorized in the Section 3000.04. Such special accounts may be any one of the types listed in Section 3000.03.

3000.04.2 Payroll Account

One special demand-deposit account, designated "San Juan Water District, Payroll Account," shall be maintained at one bank for the sole purpose of paying wages and salaries to District employees. No funds shall be deposited in this account except funds withdrawn by check from a General Fund Account.

3000.04.3 Trust Account

Funds held in trust by the District for other Persons may be deposited in special Trust Accounts, which shall be established by resolution of the Board of Directors. Such accounts will include, but not be limited to, special accounts for Employee Funds, Improvement Act of 1911 bond collections, and similar funds.

3000.05 Transfer of Funds from One Account to Another

The General Manager of the District, or his designated agent, is authorized and is delegated the responsibility of directing banking institutions to transfer funds from one type of account to another type in a financial institution that has been approved by the Board of Directors. For the purpose of such transfers, the types of accounts designated "Demand Deposits," "Time-deposits," and "Investment Accounts" shall be interchangeable at the direction of the General Manager, or the designated agent, with after-the-fact approval of the Board. The transfer of funds from one "class" of account, as differentiated from "type" of account, however, is not authorized without prior approval of the Board.

3000.06 Withdrawal of Funds

3000.06.1 Funds may be withdrawn from any class of demand deposit only by issuance of a check or duly authorized electronic funds transfer.

3000.06.2 No check shall be issued until it shall have been signed by at least two Persons who have been authorized by the Board to sign such checks. In certain conditions, checks may be signed with a facsimile signature, the use of which has been authorized by the Board of Directors. The emergency checking account shall require only one signature.

3000.07 Directions Pertaining to Demand Deposits

Each demand-deposit account shall be established only by resolution, which shall contain directions therein as to the Persons who may sign checks on the account.

3000.08 Fiscal Year

The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

3000.09 Closing of Books of Account

Within 45 days after the last day of each fiscal year, the Finance and Administrative Manager shall cause all final entries for such fiscal year to be made in the District books of account, prepare them for examination by the external auditor, and notify the auditor that the books of account are ready for audit.

3000.10 Appointment of an Auditor for Annual Audit of Books of Account

The auditor for the District shall be appointed by the Board of Directors and shall serve thereafter until such time as the auditor may resign, the appointment may be revoked by the Board, or a successor has been appointed by the Board.

Within 90 days after the books of account have been prepared for the auditor's use, as provided in Section 3000.09, the auditor shall perform and submit the annual audit of said books of account to the District.

3000.11 Allocated Fund Policy

The District's net worth is invested in its physical assets and its ability to provide reliable water service to the public. These assets must be properly maintained and replaced over time to maintain the level and quality of service provided to the public. The District will consider future needs for all capital facilities, equipment and operations, and set aside appropriate funds to meet these needs. Additional reserve funds may be included as future circumstances warrant. All reserves should be retained for their original intended purpose. In this manner, funds will be available for future capital and equipment requirements in addition to provide funds to continue operations.

3000.11.1 Wholesale

Operating Fund

The operating reserve fund should provide sufficient funds for temporary operations of the District in the events of unforeseen events or irregular working capital needs.

The District will maintain in its Wholesale Operation Reserve Fund an amount equal to at least twenty percent of the annual operating expenditures.

Rate-Stabilization Fund

The rate-stabilization reserve fund should provide sufficient funds to ensure financial and rate stability for wholesale Customers in the event of fluctuating changes in wholesale water deliveries and reduced water supplies.

Capital-Improvement Fund

The capital-improvement reserve fund consists of a number of different reserve funds for different purposes. The different reserve funds are described as follows:

1. Hinkle Reservoir Lining Replacement Fund – a fund established to accumulate funds for the planned replacement of the lining and cover of Hinkle Reservoir. The replacement fund is funded annually in the amount of \$50,000.00 plus accrued interest earned on the existing fund balance. The life expectancy of the cover and lining (installed in July 1981) is 30 years.

2. Capital-Improvement Fund – a fund established to accumulate sufficient funds for use due to unexpected emergency expenditures for repair, replacement or rehabilitation of the water treatment plant facilities.

A fund established to fund capital projects to replace or rehabilitate and upgrade pumping stations, buildings, treatment plant facilities, equipment, water pipeline systems and other water-related system components.

3. Vehicle and Equipment Fund – a fund established to accumulate sufficient funds to replace vehicles and equipment on an annual basis, and larger equipment on an as-need basis.

The primary sources of revenue for the reserves are property taxes, interests, and revenues in excess of expenditures from wholesale Customers.

Restricted COP Debt Fund

A fund established to accumulate funds held in reserve by Union Bank of California for the final principal and interest payment on the 1993 Revenue Certificates of Participation. The final payment of principal and interest is due February 2014. The funds accumulated and held in reserve by Bank of America is for the semi-annual payments of principal and interest due in February and August, and debt service coverage paid by participating agencies.

Restricted-Employee Fund

A fund established to accumulate employee's pre-taxed monies will be held in trust by the District. A second party pays claims submitted by enrolled employees.

A fund established to accumulate funds for accrued employees vacation and sick leave time.

3000.11.2 Retail

Operating Fund

The operating reserve fund should provide sufficient funds for temporary operations of the District in the event of unforeseen events or irregular working capital needs.

The District will maintain in its Retail Operation Reserve Fund an amount equal to at least twenty percent of the annual operating expenditures.

Capital-Improvement Fund

The capital-improvement reserve fund consists of a number of different reserve funds for different purposes. The different reserve funds are described as follows:

1. Kokila Reservoir Lining Replacement Fund – a fund established to accumulate funds for eventual replacement of the lining and cover of Kokila Reservoir. The replacement fund is funded annually in the amount of \$10,000.00 plus accrued interest earned on the existing fund balance. The life expectancy of the cover and lining (installed in July 1984) is 30 years
2. Capital-Improvement Fund – a fund established to accumulate sufficient funds for use due to unforeseen and unexpected emergency expenditures for repair, replacement or rehabilitation of the District's water pipeline systems and pumping stations.
3. Capital Facilities Fees Fund – a separate fund established to accumulate Capital Facilities Fees collected to fund capital projects to replace, rehabilitate and upgrade District pumping stations, buildings, water pipeline systems and other water related systems components in the retail service area resulting from additional water services.
4. Vehicle and Equipment Fund - a fund established to accumulate sufficient funds to replace vehicles and equipment on an annual basis and larger equipment on an as need basis.

The primary sources of revenue for the allocated funds are property taxes, interest, capital facilities fees and revenues in excess of expenditures from retail Customers.

Restricted COP Debt Reserve

A fund established to accumulate funds held in reserve for the semi-annual payment of principal and interest on the 1993 Revenue Certificates of Participation. Annual debt service payments of principal and interest are made in February and August.

Restricted E.D.A. Loan Debt Reserve

A fund established to accumulate funds held in reserve for the annual payment of principal and interest on the E.D.A. Loan. Annual debt service payment is made in June.

Restricted-Employee Fund

A fund established to accumulate employee's pre-taxed monies held in trust by the District. A second party pays payments to enrolled employees.

A fund established to accumulate funds for accrued employees' vacation and sick leave time.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: General Policies
POLICY TITLE: District Banking
POLICY NUMBER: XXXX
DATE ADOPTED:
DATES AMENDED:

XXXX.00 District Banking

XXXX.01 Designation of Depository

The Board has adopted the alternative depository of District money in accordance with Government Code Section 61053.

The General Manager, Assistant General Manager, Secretary, Finance Director/Treasurer, Customer Service Manager and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require, unless the District's memorandum of insurance coverage provides blanket fidelity coverage to the District, in which case individual bonds are unnecessary. The premium for such bonds, if any, shall be paid by the District.

XXXX.02 Establishment of Accounts:

Each banking or investment account shall be established only by resolution, which shall contain directions therein as to the positions which may be authorized to sign checks or conduct other transactions, except cash withdrawals, on the account.

XXXX.03 Withdrawal of Funds

Funds may be withdrawn from any account only by issuance of a check or duly authorized electronic funds. Cash withdrawals at branch locations are not permitted.

No check shall be issued until it shall have been signed by at least two persons who have been authorized by the Board to sign such checks. Checks may be signed with electronic signatures of authorized persons, with their express consent.

STAFF REPORT

To: Board of Directors
From: Donna Silva, Finance Director
Date: September 25, 2018
Subject: Reserve Policy

RECOMMENDED ACTION

Adopt proposed Reserve Policy, rescinding all previous Reserve Policies made by motion of the Board of Directors.

BACKGROUND

Ordinance 3000 “District Banking and Other Financial Matters” sets forth the class and type of authorized bank accounts, grants authorization for transfers of funds from one account to another, sets constraints on withdrawal of funds, sets the district fiscal year and mandates the timing of the year end closing and annual financial audit. It also contains the District’s reserve policy.

Addressing these matters in the code is unnecessary because some of the matters are already authorized and directed by statute and therefore do not need to be restated in ordinance or policy. Other items are better addressed in a Board Policy. Addressing financial matters in an ordinance causes difficulty in the administration of the District’s financial affairs by making changes unduly complicated and expensive to effect.

As a separate matter on the agenda, staff has recommended repealing Ordinance 3000 in its entirety and adopting various policies to cover the items in the ordinance that are necessary but do not belong in an ordinance. The Board has already amended its existing Financial Audit Policy to incorporate certain elements of Ordinance 3000 pertaining to the Districts’ fiscal year and annual audit. A separate agenda item proposed the adoption of a District Banking Policy.

This staff report discusses the current and proposed Reserve Policy. Various other reserves have been established, amended or rescinded via Board resolutions, motions or inclusion in the Comprehensive Annual Financial Report (CAFR) or Annual Budget over the years. Adoption of this policy would supersede all previous reserve policies or amendments adopted by resolution or motion of the Board of Directors.

The table below lists the reserves, which have been active in the last three years. The table indicates if the reserve is contained in Ordinance 3000 or was created in a different manner.

	Per Ordinance 3000	Per Other
Wholesale Reserve Funds:		
Operating	✓	
Rate Stabilization	✓	
Hinkle Reservoir Lining Replacement	✓	
Capital Improvement	✓	
Emergency Capital	✓	
Vehicle & Equipment Fund	✓	
Restricted COP Debt Fund	✓	
Restricted Employee Fund – Cafeteria Plan	✓	
Restricted Employee Fund – Compensated Absences	✓	
PERS Stabilization		✓
Connection Fees		✓
Self-Insurance Fund		✓
Delta/Water Rights		✓
Retail Reserve Funds:		
Operating Fund	✓	
Kokila Reservoir Lining Replacement	✓	
Capital Improvement		✓
Emergency Capital	✓	
Vehicle & Equipment Fund	✓	
Restricted COP Debt Fund	✓	
Restricted Employee Fund – Cafeteria Plan	✓	
Restricted Employee Fund – Compensated Absences	✓	
PERS Stabilization		✓
Capital Facilities Fees	✓	
Restricted EDA Loan Debt Reserve	✓	
Customer Deposits		✓

Staff presented recommendations for these reserves at a workshop held in February of 2016 and many of those recommendations were followed through the adoption of the Wholesale and Retail Financial Plans. However, the Board should take action to formally amend their Reserve Policy. Recommendations for each of the existing reserves is discussed below:

Operating Reserve (one each, Wholesale and Retail):
Re-worded, but no significant change.

Rate Stabilization Fund (Wholesale)

This fund was originally established to ensure financial and rate stability for wholesale customers in the event of fluctuating changes in water deliveries and reduced water supplies. The reserve was depleted in fiscal year 2016-17 in accordance with the Board approved Financial Plan. The Financial Plan recommended rebuilding the reserve starting in fiscal year 2021-22, with full funding of one million dollars (\$1,000,000) achieved by fiscal year 2025-26. Given the full funding of the operating reserve, the greater emphasis being placed on matching the fixed portion of the rate with fixed expenses and improved saving capital asset replacements, staff recommends eliminating this reserve. If the Board chooses to retain this reserve, the policy should contain guidance on acceptable use of the reserve and the manner and timing of reserve replenishment.

Hinkle Reservoir Lining Replacement Fund (Wholesale)

This fund was originally intended to be utilized for the replacement of the reservoir lining but it was inadequately funded. Because the fund was not going to negate the need for debt financing of the project, the Board decided to utilize the funds to save ratepayers money by paying down the unfunded CalPERS pension liability. The Board intends to issue debt to finance this project and this reserve is no longer needed. By funding annual depreciation into the Capital Reserve Fund, the Board will have the proceeds to replace the liner when the new one reaches the end of its useful life. Staff recommends formally deleting this reserve and using the capital reserve going forwards.

Kokila Reservoir Lining Replacement Fund (Retail)

This fund was established to accumulate funds for the replacement of the lining and cover of the Kokila Reservoir. The transfers into this reserve proved inadequate to avoid the issuance of debt. The Board decided to utilize the fund to pay down the unfunded pension liability, saving rate payers money. The Board intends to issue debt to finance this project and this reserve is no longer needed. By funding annual depreciation into the Capital Reserve Fund, the Board will have the proceeds to replace the liner when the new one reaches the end of its useful life. Staff recommends formally deleting this reserve and using the capital reserve going forwards.

Capital Improvement Fund (one each, Wholesale and Retail)

Wholesale's Capital Improvement fund was created by Ordinance 3000, it is unknown how Retail's Capital Improvement fund was created. Staff recommends the policy include a capital fund for each Wholesale and Retail and that they each have a minimum annual funding level. The minimum annual funding will require dedicated revenues plus transfers in from the respective operating funds to be at least equal to the annual depreciation charge for existing Capital assets. This will ensure funding for replacement of assets as they reach the end of their useful lives.

Emergency Capital Improvement Fund (one each, Wholesale and Retail)

Staff recommends the elimination of these reserves. All capital can be funded through a general capital reserve.

Vehicle and Equipment Funds (one each, Wholesale and Retail)

This fund was established to accumulate sufficient funds to replace vehicles and equipment on an annual basis, and larger equipment on an as-needed basis. There is no need for a separate reserve for this class of capital assets. By funding annual depreciation, the district will have funds needed to replace all assets as they reach the end of their useful life. Staff recommends eliminating this reserve.

Restricted COP Debt Fund (one each, Wholesale and Retail)

This fund was established to accumulated funds held in reserve by Union Bank of California for the final principal and interest payment on the 1993 Revenue Certificates of Participation. This debt has been satisfied and the reserve is no longer required. Should future debt require a reserve fund, it will be Board approved through the approval of the debt issuance. The proposed policy has language to this effect.

Restricted Employee Funds – Cafeteria Plan (one each, Wholesale and Retail)

This fund was established to accumulate employee's pre-taxed monies held in trust by the District. This fund is not necessary for two reasons. First, the District immediately sends the employee's pre-taxed monies over to a third party administrator who holds and releases funds to the employees in accordance with the plan. Second, even if the District held the monies, it would be on the balance sheet as a liability, so the funds were already set aside and not a part of net assets. Staff recommends the elimination of these reserves.

Restricted Employee Funds – Compensated Absences (one each, Wholesale and Retail)

This fund was established to ensure the District has adequate funds on hand in the event employees leave the district and cash out the vested portion of their sick and vacation balances.

Under Generally Accepted Accounting Principles the District is required to recognize this expense each year and carry the liability on the balance sheet. Since it is expensed each year, it is already funded and need not have an additional reserve. Staff recommends eliminating these reserves.

PERS Stabilization (one each, Wholesale and Retail)

While not in Ordinance 3000, both of these reserves have appeared in the CAFR, the Budget and in Financial Plans. Following previous recommendations, and in accordance with the adopted Financial Plans, the Board has sent the monies in these funds to CalPERS to pay down the unfunded pension liability. Since the interest paid on any portion of unfunded pension liability is likely greater than the return the District can get on idle funds, staff recommends eliminating this reserve and instead remitting extra payments directly to CalPERS to maintain the unfunded portion of the pension fund at a reasonable level.

Connection Fees (Wholesale)

While not in Ordinance 3000, this reserve has been tracked and reported in both the CAFR and the budget. The fee itself was created in 2007 to recoup the cost of wholesale treatment facilities that were not financed with debt secured with property tax

revenues. The fee is designed as a reimbursement, or buy-in type fee where the payer is reimbursing the District for improvements already made. As such, it does not need its own reserve fund and can be a revenue source to the existing and recommended general Capital Reserve. Staff recommends elimination of the Wholesale Connection Fee Reserve.

Capital Facilities Fee Fund (Retail)

Established to accumulate Capital Facilities Fees collected to fund capital projects to replace, rehabilitate and upgrade District pumping stations, buildings, water pipeline systems and other water related systems components in the retail service area resulting from additional water service.

This fund is not needed as the Capital Facility Fee itself is designed as a reimbursement, or buy-in type fee where the payer is theoretically reimbursing the District for improvements made in the past. The existing and proposed policy require the fees to be received and kept in the Capital Asset Reserve Fund. Staff recommends elimination of this specific reserve.

Delta/Water Rights (Wholesale)

This reserve was not established in Ordinance 3000 but has been tracked in the CAFR and the budget. It appears to have been created to cover legal expenses, public information, and other costs associated with Delta issues that affect the District's water rights. The funding level has not been determined and the fund hasn't been utilized in at least the last four years. These activities have been funded through the annual operating budget. Staff recommends the elimination of this reserve.

Retail Restricted EDA Loan Debt Reserve

This was established to accumulate funds for the annual payment of principal and interest on the EDA loan. The loan has been paid in full and staff recommend eliminating this zero balance reserve.

Customer Deposits (Retail)

While not contained within Ordinance 3000, this reserve was established to segregate funds contributed as a deposit for work to be completed by the District. When projects are completed, any remaining funds are returned to the developer of customer. Until the funds are expended they are accounted for on the balance sheet as cash and a liability. They are not included in net assets so they do not need a separate reserve. Staff recommends eliminating this duplicative reserve.

The proposed Reserve Policy is attached for review and consideration.

Attachments:

- Ordinance 3000 District Banking and Other Financial Matters (including existing Reserve Policy)
- Proposed Reserve Policy

SAN JUAN WATER DISTRICT
CODE OF ORDINANCES

CODE TYPE : District Financial Matters
CODE SECTION : District Banking and Other Financial Matters
CODE NUMBER : 3000
DATE ADOPTED : July 28, 2006
DATES AMENDED :

3000.00 District Banking and Other Financial Matters

3000.01 Designation of Depository

The District has adopted the alternative depository of District money in accordance with Government Code Sections 61737.01-61737.09. The Board of Directors by resolution shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient bond to secure the District against possible loss as required by law. Only such Person or Persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Assistant General Manager, Secretary, Finance and Administrative Manager, Customer Service Manager and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

3000.02 Deposit of Cash Receipts

All funds received by the District from any source whatsoever shall be promptly deposited in one of the time or demand bank accounts established by resolution of the Board of Directors. It shall be the responsibility of the General Manager of the District and Staff who have been or may be appointed by the Board, to assure such prompt deposit of funds.

3000.03 Types of Accounts and Investment Accounts

The following types of bank accounts and investment accounts shall be established and maintained for District funds as directed or approved by the Board of Directors.

- 3000.03.1 Demand-Deposit Accounts
All funds, when first received, shall be deposited in one of the demand deposit accounts established under Section 3000.02. However, the General Manager, or the designated agent, shall cause those funds for which an early demand is not foreseen to be transferred to a time-deposit account or to an investment account to produce an interest return as soon as practicable.
- 3000.03.2 Time-deposit Accounts
Funds for which an early demand is not foreseen shall be transferred from a demand-deposit account to a time-deposit account or invested in an investment authorized under 3000.03.3 of this Section.
- 3000.03.3 Investments
As an alternative to placing funds in a time-deposit account, funds may be invested in the form of securities authorized by the laws of the State of California. Such investments shall be held in safe keeping by the bank through which the District arranged for the investment.

3000.04 Classes of Bank Accounts

The following classes of accounts shall be established and maintained for the District.

- 3000.04.1 General Accounts
All District funds shall be placed in one or more of the types of accounts or investments listed under Section 3000.03. Such funds shall be designated "San Juan Water District, General Fund Account" except for funds that are to be placed in special accounts as may be directed by the Board of Directors or as otherwise authorized in the Section 3000.04. Such special accounts may be any one of the types listed in Section 3000.03.
- 3000.04.2 Payroll Account
One special demand-deposit account, designated "San Juan Water District, Payroll Account," shall be maintained at one bank for the sole purpose of paying wages and salaries to District employees. No funds shall be deposited in this account except funds withdrawn by check from a General Fund Account.

3000.04.3 Trust Account

Funds held in trust by the District for other Persons may be deposited in special Trust Accounts, which shall be established by resolution of the Board of Directors. Such accounts will include, but not be limited to, special accounts for Employee Funds, Improvement Act of 1911 bond collections, and similar funds.

3000.05 Transfer of Funds from One Account to Another

The General Manager of the District, or his designated agent, is authorized and is delegated the responsibility of directing banking institutions to transfer funds from one type of account to another type in a financial institution that has been approved by the Board of Directors. For the purpose of such transfers, the types of accounts designated "Demand Deposits," "Time-deposits," and "Investment Accounts" shall be interchangeable at the direction of the General Manager, or the designated agent, with after-the-fact approval of the Board. The transfer of funds from one "class" of account, as differentiated from "type" of account, however, is not authorized without prior approval of the Board.

3000.06 Withdrawal of Funds

3000.06.1 Funds may be withdrawn from any class of demand deposit only by issuance of a check or duly authorized electronic funds transfer.

3000.06.2 No check shall be issued until it shall have been signed by at least two Persons who have been authorized by the Board to sign such checks. In certain conditions, checks may be signed with a facsimile signature, the use of which has been authorized by the Board of Directors. The emergency checking account shall require only one signature.

3000.07 Directions Pertaining to Demand Deposits

Each demand-deposit account shall be established only by resolution, which shall contain directions therein as to the Persons who may sign checks on the account.

3000.08 Fiscal Year

The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

3000.09 Closing of Books of Account

Within 45 days after the last day of each fiscal year, the Finance and Administrative Manager shall cause all final entries for such fiscal year to be made in the District books of account, prepare them for examination by the external auditor, and notify the auditor that the books of account are ready for audit.

3000.10 Appointment of an Auditor for Annual Audit of Books of Account

The auditor for the District shall be appointed by the Board of Directors and shall serve thereafter until such time as the auditor may resign, the appointment may be revoked by the Board, or a successor has been appointed by the Board.

Within 90 days after the books of account have been prepared for the auditor's use, as provided in Section 3000.09, the auditor shall perform and submit the annual audit of said books of account to the District.

3000.11 Allocated Fund Policy

The District's net worth is invested in its physical assets and its ability to provide reliable water service to the public. These assets must be properly maintained and replaced over time to maintain the level and quality of service provided to the public. The District will consider future needs for all capital facilities, equipment and operations, and set aside appropriate funds to meet these needs. Additional reserve funds may be included as future circumstances warrant. All reserves should be retained for their original intended purpose. In this manner, funds will be available for future capital and equipment requirements in addition to provide funds to continue operations.

3000.11.1 Wholesale

Operating Fund

The operating reserve fund should provide sufficient funds for temporary operations of the District in the events of unforeseen events or irregular working capital needs.

The District will maintain in its Wholesale Operation Reserve Fund an amount equal to at least twenty percent of the annual operating expenditures.

Rate-Stabilization Fund

The rate-stabilization reserve fund should provide sufficient funds to ensure financial and rate stability for wholesale Customers in the event of fluctuating changes in wholesale water deliveries and reduced water supplies.

Capital-Improvement Fund

The capital-improvement reserve fund consists of a number of different reserve funds for different purposes. The different reserve funds are described as follows:

1. Hinkle Reservoir Lining Replacement Fund – a fund established to accumulate funds for the planned replacement of the lining and cover of Hinkle Reservoir. The replacement fund is funded annually in the amount of \$50,000.00 plus accrued interest earned on the existing fund balance. The life expectancy of the cover and lining (installed in July 1981) is 30 years.

2. Capital-Improvement Fund – a fund established to accumulate sufficient funds for use due to unexpected emergency expenditures for repair, replacement or rehabilitation of the water treatment plant facilities.

A fund established to fund capital projects to replace or rehabilitate and upgrade pumping stations, buildings, treatment plant facilities, equipment, water pipeline systems and other water-related system components.

3. Vehicle and Equipment Fund – a fund established to accumulate sufficient funds to replace vehicles and equipment on an annual basis, and larger equipment on an as-need basis.

The primary sources of revenue for the reserves are property taxes, interests, and revenues in excess of expenditures from wholesale Customers.

Restricted COP Debt Fund

A fund established to accumulate funds held in reserve by Union Bank of California for the final principal and interest payment on the 1993 Revenue Certificates of Participation. The final payment of principal and interest is due February 2014. The funds accumulated and held in reserve by Bank of America is for the semi-annual payments of principal and interest due in February and August, and debt service coverage paid by participating agencies.

Restricted-Employee Fund

A fund established to accumulate employee's pre-taxed monies will be held in trust by the District. A second party pays claims submitted by enrolled employees.

A fund established to accumulate funds for accrued employees vacation and sick leave time.

3000.11.2 Retail

Operating Fund

The operating reserve fund should provide sufficient funds for temporary operations of the District in the event of unforeseen events or irregular working capital needs.

The District will maintain in its Retail Operation Reserve Fund an amount equal to at least twenty percent of the annual operating expenditures.

Capital-Improvement Fund

The capital-improvement reserve fund consists of a number of different reserve funds for different purposes. The different reserve funds are described as follows:

1. Kokila Reservoir Lining Replacement Fund – a fund established to accumulate funds for eventual replacement of the lining and cover of Kokila Reservoir. The replacement fund is funded annually in the amount of \$10,000.00 plus accrued interest earned on the existing fund balance. The life expectancy of the cover and lining (installed in July 1984) is 30 years
2. Capital-Improvement Fund – a fund established to accumulate sufficient funds for use due to unforeseen and unexpected emergency expenditures for repair, replacement or rehabilitation of the District's water pipeline systems and pumping stations.
3. Capital Facilities Fees Fund – a separate fund established to accumulate Capital Facilities Fees collected to fund capital projects to replace, rehabilitate and upgrade District pumping stations, buildings, water pipeline systems and other water related systems components in the retail service area resulting from additional water services.
4. Vehicle and Equipment Fund - a fund established to accumulate sufficient funds to replace vehicles and equipment on an annual basis and larger equipment on an as need basis.

The primary sources of revenue for the allocated funds are property taxes, interest, capital facilities fees and revenues in excess of expenditures from retail Customers.

Restricted COP Debt Reserve

A fund established to accumulate funds held in reserve for the semi-annual payment of principal and interest on the 1993 Revenue Certificates of Participation. Annual debt service payments of principal and interest are made in February and August.

Restricted E.D.A. Loan Debt Reserve

A fund established to accumulate funds held in reserve for the annual payment of principal and interest on the E.D.A. Loan. Annual debt service payment is made in June.

Restricted-Employee Fund

A fund established to accumulate employee's pre-taxed monies held in trust by the District. A second party pays payments to enrolled employees.

A fund established to accumulate funds for accrued employees' vacation and sick leave time.

SAN JUAN WATER DISTRICT
POLICIES

POLICY TYPE: General Policies
POLICY TITLE: Reserve Policy
POLICY NUMBER: XXXX
DATE ADOPTED:
DATES AMENDED:

XXXX.00 Reserve Policy

The District will maintain reserve funds where required by law, ordinance or bond covenant, or this policy.

XXXX.01 Purpose of the Policy

The primary purposes of this policy are to: establish the types and target levels of various operating and capital reserve funds, specific to the needs and risks of the District; identify when and how reserve funds are utilized and replenished; and recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve funds and designations of net position comprise various funds established for specific purposes and to reduce certain risks. Collectively, these designations and funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

XXXX.01 Fund Classification Types

The District shall maintain four funds that contain or comprise the District's reserves. For legal purposes, including the preparation of the Comprehensive Annual Financial Report (CAFR), the District is one Enterprise Fund (in accordance with state law and Generally Accepted Accounting Principles). However, for purposes of rate setting and reserve tracking the District has established the following four funds:

1. Wholesale Operating Fund
2. Retail Operating Fund
3. Wholesale Capital Fund
4. Retail Capital Fund

XXXX.01 Establishment of Reserves

The District hereby establishes the following reserves:

1. Wholesale Operating Reserve
2. Retail Operating Reserve
3. Wholesale Capital Reserve
4. Retail Capital Reserve

Wholesale Operating Reserve

The Wholesale Operating Reserve is maintained as a designation of net position within the Wholesale Operating Fund. The purpose of the reserve is to provide sufficient funds (working capital) for operations of the District.

The reserve will be maintained in an amount equal to at least twenty percent of the annual operating expenditures (excluding depreciation).

Any excess of net position above the required twenty percent will be transferred to the Wholesale Capital Reserve Fund unless the Capital Reserve Fund is fully funded.

If both the Wholesale Operating and Capital Reserves are fully funded, the Board will consider a reduction to Wholesale Water Rates.

Retail Operating Reserve

The Retail Operating Reserve is maintained as a designation of net position within the Retail Operating Fund. The purpose of the reserve is to provide sufficient funds (working capital) for operations of the District.

The reserve will be maintained in an amount equal to at least twenty percent of the annual operating expenditures (excluding depreciation).

Any excess of net position above the required twenty percent will be transferred to the Retail Capital Reserve Fund unless the Capital Reserve Fund is fully funded.

If both the Retail Operating and Capital Reserves are fully funded, the Board will consider a reduction to Retail Water Rates.

Wholesale Capital Reserve

The Wholesale Capital Reserve comprises the Wholesale Capital Fund. The purpose of the reserve is to accumulate funds necessary to pay for the replacement of aged assets and to fund new assets as deemed necessary by the Districts Master Plan and Capital Improvement Plan.

The Board has designated certain revenue streams to be accounted for within this fund and dedicated to the Capital Program as follows:

- Wholesale Capital Contributions
- Investment Earnings on Cash held in the Reserve Fund
- One Half of Property Tax Revenue
- Wholesale Tapping & Connection Fees
- Gain/Loss on Sale of Wholesale Assets
- Proceeds of debt issued to fund wholesale capital projects
- Transfers in from the Wholesale Operating Fund

The sum of all revenue sources should be at least equal to the amount of annual depreciation for Wholesale's fixed assets.

The reserve will maintain a minimum balance sufficient to pay for the current and next year's capital improvement budget.

In order to avoid and/or minimize the future issuance of debt for capital asset replacement, the District desires to maintain a balance at least equal to the accumulated depreciation for existing Wholesale assets, adjusted for inflation. If the Reserve balance is below this threshold, the District will work towards increasing the reserve balance or designate certain large capital replacement projects to be funded by the issuance of debt.

Retail Capital Reserve

The Retail Capital Reserve comprises the Retail Capital Fund. The purpose of the reserve is to accumulate funds necessary to pay for the replacement of Retail's aged assets and to fund new Retail assets as deemed necessary by the Districts Master Plan and Capital Improvement Plan.

The Board has designated certain revenue streams to be accounted for within this fund and dedicated to the Capital Program as follows:

- Retail Capital Contributions
- Investment Earnings on Cash held in the Reserve Fund
- One Half of Property Tax Revenue
- Retail Tapping & Connection Fees
- Gain/Loss on Sale of Retail Assets
- Proceeds of debt issued to fund capital projects
- Transfers in from the Retail Operating Fund

The sum of all revenue sources should be at least equal to the amount of annual depreciation for Retail's fixed assets.

In order to avoid and/or minimize the future issuance of debt for capital asset replacement, the District desires to maintain a balance at least equal to the accumulated depreciation for existing Retail assets, adjusted for inflation. If the Reserve balance is below this threshold, the District will

work towards increasing the reserve balance or designate certain large capital replacement projects to be funded by the issuance of debt.

Other/Restricted Reserves

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation, including Debt Service Reserves required by Board approved Trust Agreements entered into for the issuance and repayment of debt.

XXXX.01 Use of Reserves

Operating Reserves

The Operating Reserves are to be utilized throughout the year to provide the necessary cash flow for operations. Absent an emergency, the fund should be restored to its target level at the end of each fiscal year.

The fund may be set a level lower than 20% of Operating Expenses only with express approval from the Board of Directors.

Capital Reserves

Capital Reserves are to be spent on the acquisition of new or replacement assets as governed by the approved budget for the fiscal year.

STAFF REPORT

To: Board of Directors

From: Donna Silva, Finance Director

Date: September 25, 2018

Subject: First Reading of Ordinance 3100 – An Ordinance of the Board of Directors of the San Juan Water District Repealing Ordinance No. 3000 of the District Code of Ordinances.

RECOMMENDED ACTION

Introduce Ordinance 3100 and read the full text of the proposed ordinance or waive such reading by motion of the Board.

BACKGROUND

The Board of Directors (the Board) serves the critical and fundamental function of setting District Policy and providing oversight of Management. The Board adopts policies concerning control over and investment of District assets, authorization for the purchase of goods and services, setting reserve thresholds and requirements, etc. The Board adopts annual budgets, which ensure reserve amounts are in accordance with Board requirements and sets annual spending limits and service levels. The Board also reviews monthly financial information to ensure policies and budgets are being implemented and followed.

Management's role is to carry out the Board's policies and manage the data to day affairs of the organization within the constraints of the Board's policies and budget.

Ordinance 3000 "District Banking and Other Financial Matters" sets forth the class and type of authorized bank accounts, grants authorization for transfers of funds from one account to another, sets constraints on withdrawal of funds, sets the district fiscal year and mandates the timing of the year end closing and annual financial audit. It also contains the District's reserve policy.

Addressing these matters in the code is unnecessary because some of the matters are already authorized and directed by statute and therefore do not need to be restated in ordinance or policy. Other items are better addressed in a Board Policy. Addressing financial matters in an ordinance causes difficulty in the administration of the District's financial affairs by making changes unduly complicated and expensive to effect.

Staff recommends repealing Ordinance 3000 in its entirety. Staff has proposed a Banking Policy and a Reserve Policy to cover the items in the ordinance that are necessary but do not belong in an ordinance. The board has already amended its existing Financial Audit Policy to incorporate certain elements of Ordinance 3000 pertaining to the Districts' fiscal year and annual audit.

The following items addressed in Ordinance 3000 are already required or authorized by statute or are subject to control by the District's Finance Director/Treasurer and/or General Manager under board delegation of authority through the budget, Government Code sections 61051(d) and 61053 and subject to Board oversight. As such, staff does not recommend the creation of a policy to govern these items:

- Section 3000.02 Deposit of Cash Receipts: This section basically states that funds received by the District will be promptly deposited to an authorized bank account and that it is the responsibility of the General Manager and Staff to assure prompt deposits.

This an administrative issue under statutory delegation of Government Code sections 61051(d) (for the General Manager) and section 61053 (for the Treasurer/Finance Director) and is under the Board delegation of authority via manager job descriptions and financial oversight authority. It does not need to be stated in an ordinance.

- Section 3000.03 Types of Accounts and Investment Accounts: this section establishes the types of bank and investment accounts that shall be established and maintained for the District.

The Board already has sole authority to establish banking relationships via resolutions required by a bank to open accounts. Other elements of the section are improper as they interfere with managements' administrative and operational discretion.

- Section 3000.04.Classes of Bank Accounts: this section requires the District to maintain certain classes of accounts, such as a general account and a payroll account.

Similar to above the Board already has sole authority to establish banking relationships via resolutions required by a bank to open accounts. Any special trust accounts for issuance of debt are established as required by Board approved agreements and indentures issues for a specific financing.

- Section 3000.05 Transfer of Funds from One Account to Another: the authority provided in this section already exists via Government Code section 61051 (d) and 61053, the board's Investment Policy and the Boards delegation of authority via manager job descriptions and financial oversight authority. Additionally, any authorized signer on the account, as so designated by resolution of the Board, would have the authority to transfer funds between accounts. Since the board has delegated this responsibility to management it need not be restated or restricted in an ordinance.
- Section 3000.09 Closing of Books of Account: per legal counsel this is an administrative issue in management's discretion under statutory delegation to the Finance Director/Treasurer. This does not belong in an ordinance or a policy.

The following sections of Ordinance 3000 are better addressed in a formal Board Policy, each of which have been presented to the Board under a separate staff report:

- Section 3000.01 Designation of Depository: This section states that the District has adopted the alternative designation of deposit then goes on to explain the process for doing so. This means that the District has chosen to appoint a Treasurer, as opposed to using the County as its Treasurer. This section also requires certain positions to be bonded.

This section is unnecessary as the District has already established the alternative depository procedures as authorized by statute. Furthermore, the board is already given the power to request such bonding by the government code. The Board could choose to restate this requirement in a policy. However, the ACWA-JPIA memorandum of coverage provides blanket fidelity coverage to the District so individual bonds are not necessary.

Even though this section is technically not necessary, it has been modified and included in the proposed Banking Policy. It is helpful to current and future staff and board members to understand that the alternative depository was implemented and important to note that in the event the ACWA-JPIA coverage is terminated or modified, bonds would be required.

- 3000.06 Withdrawal of Funds: This section mandates that funds may be withdrawn only by issuance of a check or authorized electronic funds transfer.

Staff believes it is the Board's intent to preclude an authorized signer from making a cash withdrawal at a bank branch. This will be included in a banking policy to be drafted and presented to the Board for approval.

This section also requires two authorized signatures per check. This is a best practice and recommended internal control procedure. Even though banks rarely honor this requirement, it creates a perception of control within the District. This will be included in a banking policy to be drafted and presented to the Board for approval.

- Section 3000.07 Directions Pertaining to Demand Deposits: This section states that each demand deposit account shall be established only by resolution, which shall state authorized signers on the account.

This is technically unnecessary, as banks will not open an account without the resolution approving the accounts but it can be included in a banking policy for clarification purposes. Staff recommends naming the positions that are authorized signers as opposed to the specific employees. This leads to efficiencies in operations when turnover occurs.

- Section 3000.08 Fiscal Year: This section sets the fiscal year of the District. It does not need to be in an ordinance. Staff will include this provision in an amendment to the existing Financial Audit Policy.
- Section 3000.10 Appointment of an Auditor for Annual Audit of Books of Account: This section states that the Board of Directors will appoint an auditor and dictates the timing of the audit. The Board adopted an amended Financial Audit Policy at its August 22, 2018 Board Meeting. The new policy addresses this item.
- Section 3000.11 Allocated Fund Policy: This section of the ordinance sets forth the District's reserve policy. Staff will prepare and present a revised Reserve Policy to the Board for consideration.

PROCESS

The District must follow a multi-step process to adopt or amend an ordinance. The first step, happening at this meeting of the Board, is the introduction of the proposed ordinance. The full title of the ordinance must be read. The full text of the ordinance also must be read, unless such reading is waived by motion approved by a majority vote of the Board.

At least 5 days before the ordinance is adopted, the District Secretary must publish a summary of the ordinance in a newspaper published in both Sacramento and Placer Counties (the Sacramento Bee) and notify the public of the time and place of the public hearing at which adoption of the ordinance will be considered. The full text of the ordinance must be posted at the District office.

Staff will bring the ordinance amendment to the Board for approval at a public hearing to be held during the October Board Meeting. Within 15 days after adoption, the District Secretary must publish a summary of the adopted ordinance. This summary must include the names of Board members who voted for or against. The summary must be published once in a newspaper published in Sacramento and Placer counties. The ordinance amendment will take effect 30 days from the date of final passage.

Attachments:

Proposed Ordinance
Current Ordinance

ORDINANCE NO. 3100
AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE SAN JUAN WATER DISTRICT REPEALING ORDINANCE NO. 3000
OF THE DISTRICT CODE OF ORDINANCES

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

Section 1. Purpose, Findings and Authority. This ordinance amends the San Juan Water District Code of Ordinances (“Code”) by repealing and deleting Ordinance No. 3000 pertaining to District banking and other financial matters. The Board finds that addressing financial matters in the Code is unnecessary because the matters addressed therein are already authorized and directed by statute or better addressed in policy as matters within the Board’s discretion. Addressing financial matters in ordinance also cause difficulty in the administration of the District’s financial affairs and makes changes unduly complicated and expensive to effect. The Board may adopt one or more policies as it deems appropriate to address certain items addressed in former Ordinance No. 3000, because adoption of such matters in policy will make them simpler to oversee and amend as the District’s circumstances require. This ordinance is adopted pursuant to Government Code sections 61040, 61045, 61053, 61060, and other applicable law.

Section 2. Repeal of Ordinance No. 3000. Ordinance No. 3000, entitled “District Banking and Other Financial Matters”, of the District Code of Ordinances is hereby repealed and omitted from the Code, and shall have no further force or effect after the effective date of this ordinance.

Section 3. Effective Date. This ordinance shall take effect 30 days after its adoption.

Section 4. Publication. Within 15 days from the date of adoption of this ordinance, the District Secretary shall publish it once in a newspaper of general circulation published and circulated within the District.

INTRODUCED by the Board of Directors at its regular meeting held on August 22, 2018.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District at a regular meeting on _____, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Martin Hanneman
President, Board of Directors

Attest:

Teri Grant,
Board Secretary

SAN JUAN WATER DISTRICT
CODE OF ORDINANCES

CODE TYPE : District Financial Matters
CODE SECTION : District Banking and Other Financial Matters
CODE NUMBER : 3000
DATE ADOPTED : July 28, 2006
DATES AMENDED :

3000.00 District Banking and Other Financial Matters

3000.01 Designation of Depository

The District has adopted the alternative depository of District money in accordance with Government Code Sections 61737.01-61737.09. The Board of Directors by resolution shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient bond to secure the District against possible loss as required by law. Only such Person or Persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Assistant General Manager, Secretary, Finance and Administrative Manager, Customer Service Manager and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

3000.02 Deposit of Cash Receipts

All funds received by the District from any source whatsoever shall be promptly deposited in one of the time or demand bank accounts established by resolution of the Board of Directors. It shall be the responsibility of the General Manager of the District and Staff who have been or may be appointed by the Board, to assure such prompt deposit of funds.

3000.03 Types of Accounts and Investment Accounts

The following types of bank accounts and investment accounts shall be established and maintained for District funds as directed or approved by the Board of Directors.

- 3000.03.1 Demand-Deposit Accounts
All funds, when first received, shall be deposited in one of the demand deposit accounts established under Section 3000.02. However, the General Manager, or the designated agent, shall cause those funds for which an early demand is not foreseen to be transferred to a time-deposit account or to an investment account to produce an interest return as soon as practicable.
- 3000.03.2 Time-deposit Accounts
Funds for which an early demand is not foreseen shall be transferred from a demand-deposit account to a time-deposit account or invested in an investment authorized under 3000.03.3 of this Section.
- 3000.03.3 Investments
As an alternative to placing funds in a time-deposit account, funds may be invested in the form of securities authorized by the laws of the State of California. Such investments shall be held in safe keeping by the bank through which the District arranged for the investment.

3000.04 Classes of Bank Accounts

The following classes of accounts shall be established and maintained for the District.

- 3000.04.1 General Accounts
All District funds shall be placed in one or more of the types of accounts or investments listed under Section 3000.03. Such funds shall be designated "San Juan Water District, General Fund Account" except for funds that are to be placed in special accounts as may be directed by the Board of Directors or as otherwise authorized in the Section 3000.04. Such special accounts may be any one of the types listed in Section 3000.03.
- 3000.04.2 Payroll Account
One special demand-deposit account, designated "San Juan Water District, Payroll Account," shall be maintained at one bank for the sole purpose of paying wages and salaries to District employees. No funds shall be deposited in this account except funds withdrawn by check from a General Fund Account.

3000.04.3 Trust Account

Funds held in trust by the District for other Persons may be deposited in special Trust Accounts, which shall be established by resolution of the Board of Directors. Such accounts will include, but not be limited to, special accounts for Employee Funds, Improvement Act of 1911 bond collections, and similar funds.

3000.05 Transfer of Funds from One Account to Another

The General Manager of the District, or his designated agent, is authorized and is delegated the responsibility of directing banking institutions to transfer funds from one type of account to another type in a financial institution that has been approved by the Board of Directors. For the purpose of such transfers, the types of accounts designated "Demand Deposits," "Time-deposits," and "Investment Accounts" shall be interchangeable at the direction of the General Manager, or the designated agent, with after-the-fact approval of the Board. The transfer of funds from one "class" of account, as differentiated from "type" of account, however, is not authorized without prior approval of the Board.

3000.06 Withdrawal of Funds

3000.06.1 Funds may be withdrawn from any class of demand deposit only by issuance of a check or duly authorized electronic funds transfer.

3000.06.2 No check shall be issued until it shall have been signed by at least two Persons who have been authorized by the Board to sign such checks. In certain conditions, checks may be signed with a facsimile signature, the use of which has been authorized by the Board of Directors. The emergency checking account shall require only one signature.

3000.07 Directions Pertaining to Demand Deposits

Each demand-deposit account shall be established only by resolution, which shall contain directions therein as to the Persons who may sign checks on the account.

3000.08 Fiscal Year

The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

3000.09 Closing of Books of Account

Within 45 days after the last day of each fiscal year, the Finance and Administrative Manager shall cause all final entries for such fiscal year to be made in the District books of account, prepare them for examination by the external auditor, and notify the auditor that the books of account are ready for audit.

3000.10 Appointment of an Auditor for Annual Audit of Books of Account

The auditor for the District shall be appointed by the Board of Directors and shall serve thereafter until such time as the auditor may resign, the appointment may be revoked by the Board, or a successor has been appointed by the Board.

Within 90 days after the books of account have been prepared for the auditor's use, as provided in Section 3000.09, the auditor shall perform and submit the annual audit of said books of account to the District.

3000.11 Allocated Fund Policy

The District's net worth is invested in its physical assets and its ability to provide reliable water service to the public. These assets must be properly maintained and replaced over time to maintain the level and quality of service provided to the public. The District will consider future needs for all capital facilities, equipment and operations, and set aside appropriate funds to meet these needs. Additional reserve funds may be included as future circumstances warrant. All reserves should be retained for their original intended purpose. In this manner, funds will be available for future capital and equipment requirements in addition to provide funds to continue operations.

3000.11.1 Wholesale

Operating Fund

The operating reserve fund should provide sufficient funds for temporary operations of the District in the events of unforeseen events or irregular working capital needs.

The District will maintain in its Wholesale Operation Reserve Fund an amount equal to at least twenty percent of the annual operating expenditures.

Rate-Stabilization Fund

The rate-stabilization reserve fund should provide sufficient funds to ensure financial and rate stability for wholesale Customers in the event of fluctuating changes in wholesale water deliveries and reduced water supplies.

Capital-Improvement Fund

The capital-improvement reserve fund consists of a number of different reserve funds for different purposes. The different reserve funds are described as follows:

1. Hinkle Reservoir Lining Replacement Fund – a fund established to accumulate funds for the planned replacement of the lining and cover of Hinkle Reservoir. The replacement fund is funded annually in the amount of \$50,000.00 plus accrued interest earned on the existing fund balance. The life expectancy of the cover and lining (installed in July 1981) is 30 years.

2. Capital-Improvement Fund – a fund established to accumulate sufficient funds for use due to unexpected emergency expenditures for repair, replacement or rehabilitation of the water treatment plant facilities.

A fund established to fund capital projects to replace or rehabilitate and upgrade pumping stations, buildings, treatment plant facilities, equipment, water pipeline systems and other water-related system components.

3. Vehicle and Equipment Fund – a fund established to accumulate sufficient funds to replace vehicles and equipment on an annual basis, and larger equipment on an as-need basis.

The primary sources of revenue for the reserves are property taxes, interests, and revenues in excess of expenditures from wholesale Customers.

Restricted COP Debt Fund

A fund established to accumulate funds held in reserve by Union Bank of California for the final principal and interest payment on the 1993 Revenue Certificates of Participation. The final payment of principal and interest is due February 2014. The funds accumulated and held in reserve by Bank of America is for the semi-annual payments of principal and interest due in February and August, and debt service coverage paid by participating agencies.

Restricted-Employee Fund

A fund established to accumulate employee's pre-taxed monies will be held in trust by the District. A second party pays claims submitted by enrolled employees.

A fund established to accumulate funds for accrued employees vacation and sick leave time.

3000.11.2 Retail

Operating Fund

The operating reserve fund should provide sufficient funds for temporary operations of the District in the event of unforeseen events or irregular working capital needs.

The District will maintain in its Retail Operation Reserve Fund an amount equal to at least twenty percent of the annual operating expenditures.

Capital-Improvement Fund

The capital-improvement reserve fund consists of a number of different reserve funds for different purposes. The different reserve funds are described as follows:

1. Kokila Reservoir Lining Replacement Fund – a fund established to accumulate funds for eventual replacement of the lining and cover of Kokila Reservoir. The replacement fund is funded annually in the amount of \$10,000.00 plus accrued interest earned on the existing fund balance. The life expectancy of the cover and lining (installed in July 1984) is 30 years
2. Capital-Improvement Fund – a fund established to accumulate sufficient funds for use due to unforeseen and unexpected emergency expenditures for repair, replacement or rehabilitation of the District's water pipeline systems and pumping stations.
3. Capital Facilities Fees Fund – a separate fund established to accumulate Capital Facilities Fees collected to fund capital projects to replace, rehabilitate and upgrade District pumping stations, buildings, water pipeline systems and other water related systems components in the retail service area resulting from additional water services.
4. Vehicle and Equipment Fund - a fund established to accumulate sufficient funds to replace vehicles and equipment on an annual basis and larger equipment on an as need basis.

The primary sources of revenue for the allocated funds are property taxes, interest, capital facilities fees and revenues in excess of expenditures from retail Customers.

Restricted COP Debt Reserve

A fund established to accumulate funds held in reserve for the semi-annual payment of principal and interest on the 1993 Revenue Certificates of Participation. Annual debt service payments of principal and interest are made in February and August.

Restricted E.D.A. Loan Debt Reserve

A fund established to accumulate funds held in reserve for the annual payment of principal and interest on the E.D.A. Loan. Annual debt service payment is made in June.

Restricted-Employee Fund

A fund established to accumulate employee's pre-taxed monies held in trust by the District. A second party pays payments to enrolled employees.

A fund established to accumulate funds for accrued employees' vacation and sick leave time.

STAFF REPORT

To: Board of Directors
 From: Paul Helliker, General Manager
 Date: September 25, 2018
 Subject: General Manager's Monthly Report (August)

RECOMMENDED ACTION

For information only, no action requested.

TREATMENT PLANT OPERATIONS

Water Production for August

Item	2018	2017	Difference
Monthly Production AF	6,383.81	7,000.71	-8.8%
Daily Average MG	67.10	73.59	-8.8%
Annual Production AF	31,535.43	32,410.13	-2.7%

Water Turbidity

Item	July 2018	July 2018	Difference
Raw Water Turbidity NTU	2.53	1.66	52%
Treated Water Turbidity NTU	0.021	0.023	-9%
Monthly Turbidity Percentage Reduction	99.16%	98.64%	

*Folsom Lake Reservoir Storage Level AF**

Item	2018	2017	Difference
Lake Volume AF	622,887	879,552	-29%

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

Other Items of Interest:

- Replacement of turbidimeter controls (6)
- Addition of 10 tons of anthracite to filters
- Calibrate chlorine leak detectors
- Perform annual crane and hoist inspections

SYSTEM OPERATIONS

Distribution Operations:

Item	August 2018	July 2018	Difference
Leaks and Repairs	16	16	0
Mains Flushed	25	37	-12
Valves Exercised	23	31	-8
Back Flows Tested	0	4	-4
Customer Service Calls	59	72	-13

Distribution System Water Quality:

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

Other Items of Interest:

- Leaks continue to be a problem for FS

CUSTOMER SERVICE ACTIVITIES

Billing Information for Month of August

Total Number of Bills Issued	Total Number of Reminders Mailed	Total Number of Shut-off Notices Delivered	Total Number of Disconnections
5259	1015	271	12

Conservation Activities

Water Waste Complaints Received	Number of Customers Contacted for High Usage (potential leaks)	Number of Rebates Processed	Number of Meters Tested/Repaired (non-reads)
18	869*	13	N/A

Other Activities

- Staff has processed 1,075 payment transactions since April and 3,560 customers have self-enrolled using the District's website to pay their bills.
- Staff processed 66 manual bills to be included in the title company escrow process.
- One large area of the WEL garden has been transformed. Water efficient plants have been installed and turf has been installed as a demonstration area for irrigation efficiency.
- *The process was modified from comparing the current bill to the last bill to comparing the current bill to the same bill cycle one year ago resulting in a significant rise in contacts made.

ENGINEERING - NEW URBAN DEVELOPMENTS (SJWD Retail Service Area)

Project Title	Description	Status	Issues
Ali Minor Subdivision	3-Lot Subdivision	Approved for Construction	
Barton Ranch	10-Lot Subdivision	Approved for Construction	
Chula Acres	4-Lot Minor Subdivision	Approved for Construction	
Colina Estates	10-Lot Subdivision	In Design Review	
Eureka at GB (former Micherra Place Proj.)	28 Condominium Units	In Design Review	DDW Waiver for SD proximity is req'd
GB Memory Care	Commercial Business	In Design Review	
Granite Rock Estates	16-Lot Subdivision	In Design Review	Annexation process will be required for SJWD to supply
Greyhawk III	44 high-density, and 28 single family Lots	In Design Review	Dry Utilities conflict being resolved
Ovation Senior Living	Commercial Business (114-Unit 2-story Assisted Living Facility)	In Design Review	
Placer County Retirement Residence	Commercial Business (145-Unit Multi-story Assisted Living Facility)	In Design Review	
Pond View	Commercial Business	Approved for Construction	
SPFD Station 15	Fire Station Bldg Improvements, with water service upgrades	In Construction	
Quarry Ridge Prof. Office Park	Commercial Business (4 parcels to develop four general/medical office buildings)	In Design Review	
Rancho Del Oro	89 Lot Subdivision	Approved for Construction	On hold pending County Approvals
Self Parcel Split (3600 & 3630 Allison Ave)	4 Lot Minor Subdivision (on a new street "Laura Lane", off Allison Dr.)	In Construction	Waiting for contract and submittals.
The Park at Granite Bay	56 lot Subdivision	Approved for Construction	In construction
The Residences at GB	4-Lot Minor Subdivision	In Design Review	
Ventura of GB	33-Lot Subdivision	In Design Review	
Whitehawk I	24-Lot Subdivision	In Design Review	
Whitehawk II	56-Lot Subdivision	In Design Review	

ENGINEERING - CAPITAL PROJECTS

Current Retail Projects

Project Title	Description	Status	Issues
Douglas Blvd Main Replacement	Replacement of ±4,125-LF of old steel main with new 16-in and 12-in pipeline between Auburn Folsom Rd and Hidden Lakes Dr.	In Construction Phase (45% Complete)	Public Outreach and notification is being maintained
Dambacher Drive Services Replacement	Replacement of ±19 aged, corroded steel service taps with new bronze saddle taps to reduce potential for failures and leaks	In Construction Phase (65% Complete)	None
Lou Place Main Replacement	Replacement of approximately 460-LF of aged main and 4 services on Lou Place between Troy Way and Crown Point Vista	In Design	
Edward Ct Main Replacement	Replacement of approximately 300-LF of aged main and 3 services on between Lou Place and the south end of Edward Court	In Design	
Spahn Ranch Rd. Main Extension	Install new pipeline; provides looped distribution network.	In Design	
Cavitt Stallman 12" (Oak Pines to Sierra Ponds)	Install new pipeline on Cavitt Stallman between Oak Pines Lane and Sierra Ponds Lane.	In Design	
Cavitt Stallman 12" (Mystery Cr to Oak Pines)	Install new pipeline on Cavitt Stallman between Mystery Creek Ln and Oak Pines Ln.	In Design	
Woodminister Services Replacements	Replace 18 aged services.	In Design	
Redbud/Lupin/Meadowlark Services Replmts	Replace 43 aged services.	In Design	
Sandstone & Auberry to Hill Rd 8" Ext & Serv	Replace pipeline and services.	In Design	
6-In Walnut Ave to Madison Abandonment	Excavate and install a restrained pipe cap as necessary to properly abandon an old pipeline.	Done Construction is Complete	

Project Title	Description	Status	Issues
Kokila (SJWD/PCWA) 12-Inch Intertie Pipeline	Interconnection with PCWA.	In Design	
Mooney Tank Building New Roof	Replace the existing aged roof before failure.	In Design	
Canyon Falls Village PRS Replacement	Rehabilitation of an existing Pressure Reducing Station (PRV) located near the intersection of Canyon Falls Drive and Santa Juanita Ave.	In Design (Control Valve pre-purchase is done)	
UGB & LGB Low Flow Pumps and LGB/CP MOV	Installation of two new low flow pumps, one each at the Lower and Upper Granite Bay pump stations	In Design	

Retail CIP - Project Specifics

- None to Report

Current Wholesale Projects

Project Title	Description	Status (% Complete)	Issues
WTP Improvements	Replacement of aged mechanical flocculators and sludge collection equipment, construction of a new settled water channel and a new overflow weir structure, electrical and piping improvements, and other miscellaneous work	Construction is Complete. NOC was recorded with Placer Co.	In Closeout
WTP Thickeners Lining	Clean, repair and line the interior walls and floor of the three thickeners to eliminate leakage and protect the concrete and reinforcing from damage	In Design	
FO-40 T-Main Relining	Relining of the existing ±11,000 foot long steel pipeline	In Construction	
Lime System Improvements	Improvements for the WTP's lime system control and feeder system	In Construction	
Hinkle Res. Monitoring Level Probes	Installation of level probes into the monitoring wells to provide consistent monitoring data for DSOD reporting	In Construction	

Wholesale CIP - Project Specifics

- None to Report

SAFETY & REGULATORY TRAINING – AUGUST 2018

Training Course	Staff
Injury & Illness Prevention Plan	Treatment, Finance & Customer Service
Job Hazards Analysis Review	Field Services, Treatment

FINANCE/BUDGET

See attached.



San Juan Water District, CA

Wholesale Operating Income Statement

Group Summary

For Fiscal: 2018-2019 Period Ending: 08/31/2018

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 010 - WHOLESALE					
Revenue					
41000 - Water Sales	12,666,300.00	12,666,300.00	718,600.00	2,339,295.00	10,327,005.00
43000 - Rebate	1,500.00	1,500.00	235.23	235.23	1,264.77
45000 - Other Operating Revenue	0.00	0.00	16,000.00	16,000.00	-16,000.00
49000 - Other Non-Operating Revenue	151,900.00	151,900.00	2,320.69	-5,646.72	157,546.72
Revenue Total:	12,819,700.00	12,819,700.00	737,155.92	2,349,883.51	10,469,816.49
Expense					
51000 - Salaries and Benefits	3,514,900.00	3,514,900.00	242,325.98	496,669.17	3,018,230.83
52000 - Debt Service Expense	955,000.00	955,000.00	0.00	0.00	955,000.00
53000 - Source of Supply	2,006,800.00	2,006,800.00	16,570.83	253,896.47	1,752,903.53
54000 - Professional Services	887,400.00	887,400.00	1,363.34	24,768.73	862,631.27
55000 - Maintenance	450,900.00	450,900.00	10,651.85	54,099.53	396,800.47
56000 - Utilities	90,500.00	90,500.00	0.00	2,233.63	88,266.37
57000 - Materials and Supplies	478,300.00	478,300.00	34,388.02	92,914.47	385,385.53
58000 - Public Outreach	88,500.00	88,500.00	0.00	268.80	88,231.20
59000 - Other Operating Expenses	470,300.00	470,300.00	3,735.18	99,607.75	370,692.25
69000 - Other Non-Operating Expenses	2,700.00	2,700.00	0.00	0.00	2,700.00
69900 - Transfers Out	2,776,900.00	2,776,900.00	0.00	0.00	2,776,900.00
Expense Total:	11,722,200.00	11,722,200.00	309,035.20	1,024,458.55	10,697,741.45
Fund: 010 - WHOLESALE Surplus (Deficit):	1,097,500.00	1,097,500.00	428,120.72	1,325,424.96	-227,924.96
Total Surplus (Deficit):	1,097,500.00	1,097,500.00	428,120.72	1,325,424.96	-227,924.96

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
010 - WHOLESALE	1,097,500.00	1,097,500.00	428,120.72	1,325,424.96	-227,924.96
Total Surplus (Deficit):	1,097,500.00	1,097,500.00	428,120.72	1,325,424.96	-227,924.96



San Juan Water District, CA

Wholesale Capital Income Statement

Group Summary

For Fiscal: 2018-2019 Period Ending: 08/31/2018

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 011 - Wholesale Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,094,700.00	1,094,700.00	0.00	0.00	1,094,700.00
44000 - Connection Fees	75,000.00	75,000.00	98,237.00	102,353.00	-27,353.00
44500 - Capital Contributions - Revenue	2,285,400.00	2,285,400.00	0.00	10,925.00	2,274,475.00
49000 - Other Non-Operating Revenue	65,000.00	65,000.00	0.00	-15,789.77	80,789.77
49990 - Transfer In	2,776,900.00	2,776,900.00	0.00	0.00	2,776,900.00
Revenue Total:	6,297,000.00	6,297,000.00	98,237.00	97,488.23	6,199,511.77
Expense					
55000 - Maintenance	3,101,000.00	3,101,000.00	23.10	23.10	3,100,976.90
61000 - Capital Outlay	1,755,700.00	1,755,700.00	3,623.93	14,288.45	1,741,411.55
Expense Total:	4,856,700.00	4,856,700.00	3,647.03	14,311.55	4,842,388.45
Fund: 011 - Wholesale Capital Outlay Surplus (Deficit):	1,440,300.00	1,440,300.00	94,589.97	83,176.68	1,357,123.32
Total Surplus (Deficit):	1,440,300.00	1,440,300.00	94,589.97	83,176.68	1,357,123.32

Fund Summary

Fund	Original	Current	MTD Activity	YTD Activity	Budget
	Total Budget	Total Budget			Remaining
011 - Wholesale Capital Outlay	1,440,300.00	1,440,300.00	94,589.97	83,176.68	1,357,123.32
Total Surplus (Deficit):	1,440,300.00	1,440,300.00	94,589.97	83,176.68	1,357,123.32



San Juan Water District, CA

Retail Operating Income Statement

Group Summary

For Fiscal: 2018-2019 Period Ending: 08/31/2018

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 050 - RETAIL					
Revenue					
41000 - Water Sales	11,479,700.00	11,479,700.00	953,072.69	2,019,012.67	9,460,687.33
45000 - Other Operating Revenue	379,600.00	379,600.00	10,262.96	23,719.97	355,880.03
49000 - Other Non-Operating Revenue	116,200.00	116,200.00	0.00	18,209.64	97,990.36
Revenue Total:	11,975,500.00	11,975,500.00	963,335.65	2,060,942.28	9,914,557.72
Expense					
51000 - Salaries and Benefits	4,720,300.00	4,720,300.00	331,991.84	679,460.36	4,040,839.64
52000 - Debt Service Expense	531,000.00	531,000.00	0.00	0.00	531,000.00
53000 - Source of Supply	3,095,300.00	3,095,300.00	0.00	501,997.00	2,593,303.00
54000 - Professional Services	1,213,400.00	1,213,400.00	42,174.89	72,669.53	1,140,730.47
55000 - Maintenance	345,800.00	345,800.00	13,583.08	35,951.84	309,848.16
56000 - Utilities	246,200.00	246,200.00	0.00	28,697.20	217,502.80
57000 - Materials and Supplies	292,800.00	292,800.00	7,782.31	24,176.06	268,623.94
58000 - Public Outreach	65,000.00	65,000.00	5,230.00	25,980.00	39,020.00
59000 - Other Operating Expenses	577,600.00	577,600.00	19,381.10	80,468.34	497,131.66
69000 - Other Non-Operating Expenses	2,200.00	2,200.00	0.00	0.00	2,200.00
69900 - Transfers Out	275,300.00	275,300.00	0.00	0.00	275,300.00
Expense Total:	11,364,900.00	11,364,900.00	420,143.22	1,449,400.33	9,915,499.67
Fund: 050 - RETAIL Surplus (Deficit):	610,600.00	610,600.00	543,192.43	611,541.95	-941.95
Total Surplus (Deficit):	610,600.00	610,600.00	543,192.43	611,541.95	-941.95

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
050 - RETAIL	610,600.00	610,600.00	543,192.43	611,541.95	-941.95
Total Surplus (Deficit):	610,600.00	610,600.00	543,192.43	611,541.95	-941.95



San Juan Water District, CA

Retail Capital Income Statement

Group Summary

For Fiscal: 2018-2019 Period Ending: 08/31/2018

Account	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 055 - Retail Capital Outlay					
Revenue					
42000 - Taxes & Assessments	1,094,700.00	1,094,700.00	0.00	0.00	1,094,700.00
44000 - Connection Fees	100,000.00	100,000.00	4,173.00	4,173.00	95,827.00
49000 - Other Non-Operating Revenue	65,000.00	65,000.00	0.00	-13,407.98	78,407.98
49990 - Transfer In	275,300.00	275,300.00	0.00	0.00	275,300.00
Revenue Total:	1,535,000.00	1,535,000.00	4,173.00	-9,234.98	1,544,234.98
Expense					
54000 - Professional Services	358,000.00	358,000.00	0.00	0.00	358,000.00
55000 - Maintenance	150,800.00	150,800.00	0.00	0.00	150,800.00
61000 - Capital Outlay	5,505,300.00	5,505,300.00	245,759.70	494,286.18	5,011,013.82
Expense Total:	6,014,100.00	6,014,100.00	245,759.70	494,286.18	5,519,813.82
Fund: 055 - Retail Capital Outlay Surplus (Deficit):	-4,479,100.00	-4,479,100.00	-241,586.70	-503,521.16	-3,975,578.84
Total Surplus (Deficit):	-4,479,100.00	-4,479,100.00	-241,586.70	-503,521.16	-3,975,578.84

Fund Summary

Fund	Original	Current	MTD Activity	YTD Activity	Budget
	Total Budget	Total Budget			Remaining
055 - Retail Capital Outlay	-4,479,100.00	-4,479,100.00	-241,586.70	-503,521.16	-3,975,578.84
Total Surplus (Deficit):	-4,479,100.00	-4,479,100.00	-241,586.70	-503,521.16	-3,975,578.84

Summary

Project Summary

Project Number	Project Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
171107	FO 40 Transmission Pipeline Re-Lining	0.00	23.10	-23.10
175105	6690-7767 Douglas Boulevard & Assoc	0.00	377,718.12	-377,718.12
175113	7225-7355 Dambacher Drive	0.00	92,108.15	-92,108.15
181110	Alum Feed Pumps Replacement	0.00	392.53	-392.53
181130	Hinkle Reservoir Monitoring Wells Lev	0.00	3,623.93	-3,623.93
Project Totals:		0.00	473,865.83	-473,865.83

Group Summary

Group	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
CIP - Asset	0.00	473,842.73	-473,842.73
CIP - Expense	0.00	23.10	-23.10
Group Totals:	0.00	473,865.83	-473,865.83

Type Summary

Type	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
Engineering	0.00	473,450.20	-473,450.20
Water Treatment Plant	0.00	415.63	-415.63
Type Totals:	0.00	473,865.83	-473,865.83

GL Account Summary

GL Account Number	GL Account Name	Total Revenue	Total Expense	Revenue Over/ (Under) Expenses
011-700-57120	Maintenance - Facility	0.00	23.10	23.10
011-700-61145	Capital Outlay - WTP & Improv...	0.00	392.53	392.53
011-700-61155	Capital Outlay - Reservoirs & I...	0.00	3,623.93	3,623.93
055-20030	Retentions Payable	0.00	-24,459.91	-24,459.91
055-700-61150	Capital Outlay - Mains/Pipeline...	0.00	494,286.18	494,286.18
GL Account Totals:		0.00	473,865.83	473,865.83



San Juan Water District, CA

Balance Sheet

Account Summary

As Of 08/31/2018

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
Asset					
Type: 1000 - Assets					
10010 - Cash and Investments	5,833,119.98	7,914,781.51	2,001,431.15	6,313,873.20	22,063,205.84
10510 - Accounts Receivable	2,372,481.90	0.84	200,625.41	0.06	2,573,108.21
11000 - Inventory	0.00	0.00	123,286.88	0.00	123,286.88
12000 - Prepaid Expense	29,920.00	0.00	29,920.00	0.00	59,840.00
14010 - Deferred Outflows	3,755,190.94	0.00	4,309,621.58	0.00	8,064,812.52
17010 - Capital Assets - Work in Progress	7,215,473.32	0.00	180,843.87	0.00	7,396,317.19
17150 - Capital Assets - Land Non-depreciable	98,212.00	0.00	166,272.00	0.00	264,484.00
17160 - Capital Assets - Land Improvements	814,105.59	0.00	75,884.80	0.00	889,990.39
17200 - Capital Assets - Pump Stations & Improvements	7,047,178.00	0.00	5,527,475.04	0.00	12,574,653.04
17300 - Capital Assets - Buildings & Improvements	1,296,460.92	0.00	55,440.68	0.00	1,351,901.60
17350 - Capital Assets - Water Treatment Plant & Imp	28,346,992.84	0.00	16,000.00	0.00	28,362,992.84
17400 - Capital Assets - Mains/Pipelines & Improvements	29,233,857.10	0.00	42,354,004.73	0.00	71,587,861.83
17500 - Capital Assets - Reservoirs & Improvements	2,862,601.39	0.00	2,492,421.90	0.00	5,355,023.29
17700 - Capital Assets - Equipment & Furniture	13,612,154.78	0.00	1,041,601.61	0.00	14,653,756.39
17750 - Capital Assets - Vehicles	331,446.00	0.00	461,103.88	0.00	792,549.88
17800 - Capital Assets - Software	434,195.88	0.00	549,200.37	0.00	983,396.25
17850 - Capital Assets - Intangible	666,196.00	0.00	0.00	0.00	666,196.00
17900 - Less Accumulated Depreciation	-33,510,353.32	0.00	-26,750,260.74	0.00	-60,260,614.06
19015 - 2012 Premiums on Refunding Bonds	-552,686.28	0.00	-300,093.04	0.00	-852,779.32
Total Type 1000 - Assets:	69,886,547.04	7,914,782.35	32,534,780.12	6,313,873.26	116,649,982.77
Total Asset:	69,886,547.04	7,914,782.35	32,534,780.12	6,313,873.26	116,649,982.77
Liability					
Type: 1000 - Assets					
10510 - Accounts Receivable	0.00	0.00	96,834.12	0.00	96,834.12
Total Type 1000 - Assets:	0.00	0.00	96,834.12	0.00	96,834.12
Type: 2000 - Liabilities					
20010 - Accounts Payable	15,890.30	7,692.35	46,696.52	234,469.84	304,749.01
20100 - Retentions Payable	0.00	0.00	0.00	79,380.87	79,380.87
21200 - Salaries & Benefits Payable	30,199.60	0.00	49,281.90	0.00	79,481.50
21250 - Payroll Taxes Payable	0.01	0.00	-0.01	0.00	0.00
21300 - Compensated Absences	313,125.59	0.00	470,930.53	0.00	784,056.12
21500 - Premium on Issuance of Bonds Series 2017	1,382,904.36	0.00	777,883.70	0.00	2,160,788.06
21600 - OPEB Liability	100,396.44	0.00	127,509.04	0.00	227,905.48

Balance Sheet

As Of 08/31/2018

Account	010 - WHOLESALE	011 - Wholesale Capital Outlay	050 - RETAIL	055 - Retail Capital Outlay	Total
21700 - Pension Liability	3,346,571.73	0.00	4,621,456.27	0.00	7,968,028.00
22010 - Deferred Income	0.00	0.00	64,592.45	0.00	64,592.45
22050 - Deferred Inflows	260,874.00	0.00	360,252.00	0.00	621,126.00
23000 - Loans Payable	402,040.54	0.00	223,579.26	0.00	625,619.80
24200 - 2012 Bonds Payable	6,414,133.42	0.00	3,482,693.34	0.00	9,896,826.76
24250 - Bonds Payable 2017 Refunding	16,115,200.00	0.00	9,064,800.00	0.00	25,180,000.00
29010 - Other Payables	1,629,400.00	0.00	0.00	0.00	1,629,400.00
Total Type 2000 - Liabilities:	30,010,735.99	7,692.35	19,289,675.00	313,850.71	49,621,954.05
Total Liability:	30,010,735.99	7,692.35	19,386,509.12	313,850.71	49,718,788.17
Equity					
Type: 3000 - Equity					
30100 - Investment in Capital Assets	34,085,186.41	0.00	12,608,477.99	0.00	46,693,664.40
30500 - Designated Reserves	4,465,199.68	7,823,913.32	-71,748.94	6,503,543.71	18,720,907.77
Total Type 3000 - Equity:	38,550,386.09	7,823,913.32	12,536,729.05	6,503,543.71	65,414,572.17
Total Total Beginning Equity:	38,550,386.09	7,823,913.32	12,536,729.05	6,503,543.71	65,414,572.17
Total Revenue	2,349,883.51	97,488.23	2,060,942.28	-9,234.98	4,499,079.04
Total Expense	1,024,458.55	14,311.55	1,449,400.33	494,286.18	2,982,456.61
Revenues Over/Under Expenses	1,325,424.96	83,176.68	611,541.95	-503,521.16	1,516,622.43
Total Equity and Current Surplus (Deficit):	39,875,811.05	7,907,090.00	13,148,271.00	6,000,022.55	66,931,194.60
Total Liabilities, Equity and Current Surplus (Deficit):	69,886,547.04	7,914,782.35	32,534,780.12	6,313,873.26	116,649,982.77



San Juan Water District, CA

Check Report

By Check Number

Date Range: 08/01/2018 - 08/31/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
03657	Anderson, Chana	08/07/2018	Regular	0.00	3,250.00	53061
01659	Gary Webb Trucking	08/07/2018	Regular	0.00	1,386.00	53062
02649	MUFG Union Bank, N.A.	08/07/2018	Regular	0.00	4,460.00	53063
03026	PFM Asset Management	08/07/2018	Regular	0.00	1,403.71	53064
02223	Rexel Inc (Platt - Rancho Cordova)	08/07/2018	Regular	0.00	583.25	53065
02298	Richardson & Company, LLP	08/07/2018	Regular	0.00	5,720.00	53066
01411	SureWest Telephone	08/07/2018	Regular	0.00	1,616.31	53067
03353	Teichert Construction	08/07/2018	Regular	0.00	1,836.12	53068
02580	The Eidam Corporation	08/07/2018	Regular	0.00	490.00	53069
01182	Bartkiewicz, Kronick & Shanahan	08/13/2018	Regular	0.00	19,588.93	53072
03660	Blue Tent Farms LLC DBA Western Grazers	08/13/2018	Regular	0.00	1,604.27	53073
03659	California Native Plant Society	08/13/2018	Regular	0.00	175.00	53074
01372	City of Folsom	08/13/2018	Regular	0.00	30.24	53075
01378	Clark Pest Control of Stockton	08/13/2018	Regular	0.00	150.00	53076
01634	Folsom Lake Ford, Inc.	08/13/2018	Regular	0.00	131.21	53077
01659	Gary Webb Trucking	08/13/2018	Regular	0.00	2,478.00	53078
03091	Granite Bay Ace Hardware	08/13/2018	Regular	0.00	260.37	53079
01710	Greenback Equipment Rentals, Inc.	08/13/2018	Regular	0.00	79.24	53080
02146	PG&E	08/13/2018	Regular	0.00	2,980.32	53081
	Void	08/13/2018	Regular	0.00	0.00	53082
02283	Recology Auburn Placer	08/13/2018	Regular	0.00	643.47	53083
02223	Rexel Inc (Platt - Rancho Cordova)	08/13/2018	Regular	0.00	12,513.08	53084
02293	RFI Enterprises, Inc	08/13/2018	Regular	0.00	559.00	53085
02651	United Parcel Service Inc	08/13/2018	Regular	0.00	103.67	53086
02667	US Bank Corporate Payments Sys (CalCard)	08/13/2018	Regular	0.00	18,789.41	53087
	Void	08/13/2018	Regular	0.00	0.00	53088
	Void	08/13/2018	Regular	0.00	0.00	53089
	Void	08/13/2018	Regular	0.00	0.00	53090
	Void	08/13/2018	Regular	0.00	0.00	53091
	Void	08/13/2018	Regular	0.00	0.00	53092
	Void	08/13/2018	Regular	0.00	0.00	53093
	Void	08/13/2018	Regular	0.00	0.00	53094
01687	W. W. Grainger, Inc.	08/13/2018	Regular	0.00	121.68	53095
03445	Zlotnick, Greg	08/13/2018	Regular	0.00	82.85	53096
03655	Adrian Mocan Drywall and Texture	08/20/2018	Regular	0.00	2,445.00	53098
01041	Afman, Todd R	08/20/2018	Regular	0.00	642.81	53099
03406	Alpha Analytical Laboratories Inc.	08/20/2018	Regular	0.00	1,454.00	53100
01073	Amarjeet Singh Garcha	08/20/2018	Regular	0.00	1,500.00	53101
01026	American River Ace Hardware, Inc.	08/20/2018	Regular	0.00	7.28	53102
01137	Astra Construction & Design	08/20/2018	Regular	0.00	1,886.75	53103
03664	Baldwin, Boyce OR Darlene	08/20/2018	Regular	0.00	66.09	53104
03649	Caggiano General Engineering, Inc.	08/20/2018	Regular	0.00	231,610.00	53105
01373	City of Roseville	08/20/2018	Regular	0.00	6,000.00	53106
01375	City of Sacramento	08/20/2018	Regular	0.00	3,606.50	53107
01494	Dewey Services Inc.	08/20/2018	Regular	0.00	85.00	53108
03666	Ernie's Excavating and Engineering	08/20/2018	Regular	0.00	1,715.84	53109
01554	Electrical Equipment Co	08/20/2018	Regular	0.00	516.56	53110
03605	Fairbank, Maslin, Maullin, Metz & Assoc. Inc.	08/20/2018	Regular	0.00	20,750.00	53111
03091	Granite Bay Ace Hardware	08/20/2018	Regular	0.00	267.25	53112
01706	Graymont Western US Inc.	08/20/2018	Regular	0.00	6,393.64	53113
01733	Harris Industrial Gases	08/20/2018	Regular	0.00	56.79	53114
03396	Live Oak Landscapes	08/20/2018	Regular	0.00	155.00	53115
03533	M&C Bliss Enterprises Inc	08/20/2018	Regular	0.00	29.85	53116
01837	Mayorga, Jason	08/20/2018	Regular	0.00	215.47	53117

Check Report

Date Range: 08/01/2018 - 08/31/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02024	MCI WORLDCOM	08/20/2018	Regular	0.00	88.83	53118
03300	Meyers Fozi, LLP	08/20/2018	Regular	0.00	925.00	53119
03239	NorCal RotoCo, Inc.	08/20/2018	Regular	0.00	214.50	53120
03239	NorCal RotoCo, Inc.	08/20/2018	Regular	0.00	-214.50	53120
03402	Normac, Inc	08/20/2018	Regular	0.00	8.09	53121
02131	Office Depot, Inc.	08/20/2018	Regular	0.00	542.11	53122
	Void	08/20/2018	Regular	0.00	0.00	53123
02150	Pace Supply Corp	08/20/2018	Regular	0.00	3,139.70	53124
02146	PG&E	08/20/2018	Regular	0.00	10.00	53125
03532	Quincy Engineering Inc	08/20/2018	Regular	0.00	27,089.26	53126
02223	Rexel Inc (Platt - Rancho Cordova)	08/20/2018	Regular	0.00	409.37	53127
02293	RFI Enterprises, Inc	08/20/2018	Regular	0.00	49.86	53128
02357	Sacramento Municipal Utility District (SMUD)	08/20/2018	Regular	0.00	25,890.80	53129
02463	The New AnswerNet	08/20/2018	Regular	0.00	314.00	53130
03079	Van Dusen, Darren	08/20/2018	Regular	0.00	60.00	53131
02690	Verizon Wireless	08/20/2018	Regular	0.00	1,467.66	53132
02700	Viking Shred LLC	08/20/2018	Regular	0.00	50.00	53133
03361	Applied Landscape Materials Inc dba NorCal Whol	08/20/2018	Regular	0.00	214.50	53139
01189	Bay Area Coating Consultants, Inc.	08/22/2018	Regular	0.00	4,522.14	53140
02223	Rexel Inc (Platt - Rancho Cordova)	08/22/2018	Regular	0.00	29.69	53141
03406	Alpha Analytical Laboratories Inc.	08/27/2018	Regular	0.00	1,115.00	53142
01073	Amarjeet Singh Garcha	08/27/2018	Regular	0.00	60.00	53143
03594	Borges & Mahoney, Inc.	08/27/2018	Regular	0.00	179.79	53144
01283	California Municipal Statistics Inc	08/27/2018	Regular	0.00	875.00	53145
01310	Capital Rubber Co., Ltd	08/27/2018	Regular	0.00	107.30	53146
03345	Cessna, Chris	08/27/2018	Regular	0.00	223.89	53147
03548	Digital Deployment, Inc.	08/27/2018	Regular	0.00	400.00	53148
01554	Electrical Equipment Co	08/27/2018	Regular	0.00	504.72	53149
03089	Fulton, Jonathan	08/27/2018	Regular	0.00	33.93	53150
01681	Golden State Flow Measurements, Inc.	08/27/2018	Regular	0.00	1,042.47	53151
03091	Granite Bay Ace Hardware	08/27/2018	Regular	0.00	5.77	53152
01733	Harris Industrial Gases	08/27/2018	Regular	0.00	56.79	53153
01819	Joel Richard Eichman	08/27/2018	Regular	0.00	268.80	53154
03665	JPB Designs Inc	08/27/2018	Regular	0.00	77.50	53155
02150	Pace Supply Corp	08/27/2018	Regular	0.00	311.45	53156
02302	Riebes Auto Parts, LLC	08/27/2018	Regular	0.00	104.72	53157
03416	Smith, Kendall	08/27/2018	Regular	0.00	512.68	53158
03309	Sorum, Mark	08/27/2018	Regular	0.00	2,500.00	53159
02048	Spencer, Michael	08/27/2018	Regular	0.00	156.98	53160
01748	Herc Rentals Inc.	08/07/2018	EFT	0.00	421.08	405546
02162	Tobin, Pamela	08/07/2018	EFT	0.00	105.75	405547
01232	Brower Mechanical, Inc.	08/13/2018	EFT	0.00	1,059.00	405548
01365	Cisco Air Systems, Inc.	08/13/2018	EFT	0.00	488.43	405549
01419	Corrpro Companies, Inc.	08/13/2018	EFT	0.00	6,800.00	405550
01521	DataProse, LLC	08/13/2018	EFT	0.00	10,186.33	405551
01721	Hach Company	08/13/2018	EFT	0.00	12,236.55	405552
02308	River City Staffing, Inc.	08/13/2018	EFT	0.00	917.20	405553
02406	Savage Enterprises	08/13/2018	EFT	0.00	425.00	405554
03220	Solenis LLP	08/13/2018	EFT	0.00	3,745.17	405555
02572	Thatcher Company of California, Inc.	08/13/2018	EFT	0.00	4,226.94	405556
03387	WageWorks, Inc	08/13/2018	EFT	0.00	702.30	405557
01486	Department of Energy	08/20/2018	EFT	0.00	1,058.48	405558
01532	E&M Electric & Machinery, Inc.	08/20/2018	EFT	0.00	24,336.55	405559
01604	Fastenal Company	08/20/2018	EFT	0.00	291.72	405560
03237	GM Construction & Developers, Inc	08/20/2018	EFT	0.00	8,978.35	405561
01721	Hach Company	08/20/2018	EFT	0.00	270.42	405562
01895	Joseph G Pollard Co, Inc	08/20/2018	EFT	0.00	388.70	405563
03458	MSDSonline, Inc.	08/20/2018	EFT	0.00	2,669.00	405564
01038	Nimmo, Sandra G	08/20/2018	EFT	0.00	338.00	405565
02158	Pacific Storage Company	08/20/2018	EFT	0.00	35.01	405566
02286	Regional Water Authority	08/20/2018	EFT	0.00	5,230.00	405567

Check Report

Date Range: 08/01/2018 - 08/31/2018

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
02308	River City Staffing, Inc.	08/20/2018	EFT	0.00	917.20	405568
02534	Row, Burnie F	08/20/2018	EFT	0.00	-799.20	405569
02534	Row, Burnie F	08/20/2018	EFT	0.00	799.20	405569
01328	Association of California Water Agencies / Joint P	08/27/2018	EFT	0.00	7,693.33	405570
	Void	08/27/2018	EFT	0.00	0.00	405571
03221	Chemtrade Chemicals Corporation	08/27/2018	EFT	0.00	28,883.66	405572
01365	Cisco Air Systems, Inc.	08/27/2018	EFT	0.00	90.93	405573
03097	E.S West Coast, LLC.	08/27/2018	EFT	0.00	2,549.70	405574
01574	Endress + Huaser, Inc.	08/27/2018	EFT	0.00	10,271.99	405575
01604	Fastenal Company	08/27/2018	EFT	0.00	134.13	405576
03237	GM Construction & Developers, Inc	08/27/2018	EFT	0.00	12,011.70	405577
01721	Hach Company	08/27/2018	EFT	0.00	1,425.52	405578
03628	Lees Automotive Repair Inc.	08/27/2018	EFT	0.00	362.30	405579
01736	MailFinance Inc	08/27/2018	EFT	0.00	489.23	405580
02027	Mcmaster-Carr Supply Company	08/27/2018	EFT	0.00	351.15	405581
01472	Mel Dawson, Inc.	08/27/2018	EFT	0.00	4,226.08	405582
02308	River City Staffing, Inc.	08/27/2018	EFT	0.00	917.20	405583
02572	Thatcher Company of California, Inc.	08/27/2018	EFT	0.00	4,226.40	405584
03298	United Rentals (North America), Inc.	08/27/2018	EFT	0.00	277.26	405585
02710	WageWorks, Inc	08/27/2018	EFT	0.00	86.00	405586
03387	WageWorks, Inc	08/27/2018	EFT	0.00	351.15	405587
03077	VALIC	08/10/2018	Bank Draft	0.00	4,916.37	0007531675
03077	VALIC	08/24/2018	Bank Draft	0.00	4,919.93	0007542381
01641	Sun Life Assurance Company of Canada	08/05/2018	Bank Draft	0.00	10,043.64	100426557
03130	CalPERS Retirement	08/10/2018	Bank Draft	0.00	34,017.55	1001138427
01366	Citistreet/CalPERS 457	08/10/2018	Bank Draft	0.00	2,876.60	1001138432
03130	CalPERS Retirement	08/24/2018	Bank Draft	0.00	1,050.00	1001147264
01366	Citistreet/CalPERS 457	08/24/2018	Bank Draft	0.00	2,883.63	1001147273
03080	California State Disbursement Unit	08/10/2018	Bank Draft	0.00	750.92	PUBXPBA6657
03163	Economic Development Department	08/13/2018	Bank Draft	0.00	8,444.71	0-922-523-968
03080	California State Disbursement Unit	08/23/2018	Bank Draft	0.00	750.92	UF76P1R66657
03163	Economic Development Department	08/24/2018	Bank Draft	0.00	8,079.23	2-098-379-072
01039	American Family Life Assurance Company of Colu	08/24/2018	Bank Draft	0.00	567.84	Q3869 08-24-18
03130	CalPERS Retirement	08/24/2018	Bank Draft	0.00	34,341.63	1000000153607
03078	CalPERS Health	08/03/2018	Bank Draft	0.00	40,538.35	1000000153667
03078	CalPERS Health	08/03/2018	Bank Draft	0.00	39,740.75	1000000153667
03078	CalPERS Health	08/03/2018	Bank Draft	0.00	37,528.41	1000000153667
03164	Internal Revenue Service	08/10/2018	Bank Draft	0.00	48,119.43	2708622236035
03164	Internal Revenue Service	08/10/2018	Bank Draft	0.00	106.10	2708622236035
03164	Internal Revenue Service	08/24/2018	Bank Draft	0.00	46,839.63	2708636119980
01039	American Family Life Assurance Company of Colu	08/24/2018	Bank Draft	0.00	567.84	Q3869 08-24-20

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	117	83	0.00	434,002.26
Manual Checks	0	0	0.00	0.00
Voided Checks	0	10	0.00	-214.50
Bank Drafts	20	20	0.00	327,083.48
EFT's	70	43	0.00	160,174.91
	207	156	0.00	921,046.15

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	117	83	0.00	434,002.26
Manual Checks	0	0	0.00	0.00
Voided Checks	0	10	0.00	-214.50
Bank Drafts	20	20	0.00	327,083.48
EFT's	70	43	0.00	160,174.91
	207	156	0.00	921,046.15

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2018	921,046.15
			921,046.15



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2018 - 08/31/2018

Payment Date Range -

Payable Number	Description	Post Date	1099	Payment Number	Payment Date	Amount	Shipping	Tax	Discount	Net	Payment
Item Description	Units	Price	Amount	Account Number	Account Name	Dist Amount					
Vendor Set: 01 - Vendor Set 01											
01916 - Miller, Ken											
Exp Reimb 08-2018	Exp Reimb 08-2018-Mileage PCWA 2x2 Meet 8/31/2018			53205	9/10/2018	16.90	0.00	0.00	0.00	16.90	16.90
Exp Reimb 08-2018-Mile	0.00	0.00	16.90	010-010-52110	Training - Meetings, Education & Trai	15.21					
				050-010-52110	Training - Meetings, Education & Trai	1.69					
02162 - Tobin, Pamela											
Exp Reimb 07-2018	Mileage Exp Reimb-Various Meetings& ACW/7/30/2018			405547	8/7/2018	105.75	0.00	0.00	0.00	105.75	105.75
Mileage Exp Reimb-Vario	0.00	0.00	105.75	010-010-52110	Training - Meetings, Education & Trai	52.88					
				050-010-52110	Training - Meetings, Education & Trai	52.87					
Exp Reimb 08-2018	Mileage Expense Reimbursement-Various M€8/31/2018			405608	9/10/2018	38.70	0.00	0.00	0.00	38.70	38.70
Mileage Expense Reimbu	0.00	0.00	38.70	010-010-52110	Training - Meetings, Education & Trai	19.35					
				050-010-52110	Training - Meetings, Education & Trai	19.35					
Vendors: (2) Total 01 - Vendor Set 01:						161.35	0.00	0.00	0.00	161.35	161.35
Vendors: (2) Report Total:						161.35	0.00	0.00	0.00	161.35	161.35



Payroll Set: 01-San Juan Water District

<u>Employee Number</u>	<u>Employee Name</u>	<u>Pay Code</u>	<u># of Payments</u>	<u>Units</u>	<u>Pay Amount</u>
0690	Costa, Ted	Reg - Regular Hours	2	5.00	625.00
			0690 - Costa Total:	5.00	625.00
1028	Hanneman, Martin	Reg - Regular Hours	2	9.00	1,125.00
			1028 - Hanneman Total:	9.00	1,125.00
0670	Miller, Ken	Reg - Regular Hours	2	6.00	750.00
			0670 - Miller Total:	6.00	750.00
1003	Rich, Daniel	Reg - Regular Hours	2	5.00	625.00
			1003 - Rich Total:	5.00	625.00
0650	Tobin, Pamela	Reg - Regular Hours	2	12.00	1,500.00
			0650 - Tobin Total:	12.00	1,500.00
			Report Total:	37.00	4,625.00



Payroll Set: 01-San Juan Water District

<u>Account</u>	<u>Account Description</u>	<u>Units</u>	<u>Pay Amount</u>
010-010-58110	Director - Stipend	18.50	2,312.50
	010 - WHOLESALE Total:	18.50	2,312.50
050-010-58110	Director - Stipend	18.50	2,312.50
	050 - RETAIL Total:	18.50	2,312.50
	Report Total:	37.00	4,625.00



Payroll Set: 01-San Juan Water District

<u>Pay Code</u>	<u>Description</u>	<u># of Payments</u>	<u>Units</u>	<u>Pay Amount</u>
Reg	Regular Hours	10	37.00	4,625.00
		Report Total:	37.00	4,625.00

2018/19 Actual Deliveries and Revenue - By Wholesale Customer Agency

July - August 2018								
	Budgeted Deliveries	Budgeted Revenue	Actual Deliveries	Actual Revenue	Delivery Variance		Revenue Variance	
San Juan Retail	3,672	\$ 626,894	3,558	\$ 617,613	(114.38)	-3.1%	\$ (9,280)	-1.5%
Citrus Heights Water District	3,009	\$ 588,499	2,344	\$ 534,560	(664.77)	-22.1%	\$ (53,939)	-9.2%
Fair Oaks Water District	2,114	\$ 419,434	1,410	\$ 362,324	(703.85)	-33.3%	\$ (57,110)	-13.6%
Orange Vale Water Co.	1,159	\$ 206,182	1,181	\$ 207,945	21.73	1.9%	\$ 1,763	0.9%
City of Folsom	320	\$ 58,443	317	\$ 58,198	(3.01)	-0.9%	\$ (244)	-0.4%
Granite Bay Golf Course	123	\$ 5,316	109	\$ 4,695	(14.36)	-11.7%	\$ (621)	-11.7%
Sac Suburban Water District	4,450	\$ 785,381	4,278	\$ 754,957	(172.38)	-3.9%	\$ (30,423)	-3.9%
Water Transfer	2,560	\$ 1,024,000	1,977	\$ 790,808	(582.98)	-22.8%	\$ (233,192)	-22.8%
TOTAL	17,407	\$ 3,714,148	15,173	\$ 3,331,101	(2,233.99)	-12.8%	\$ (383,047)	-10.3%

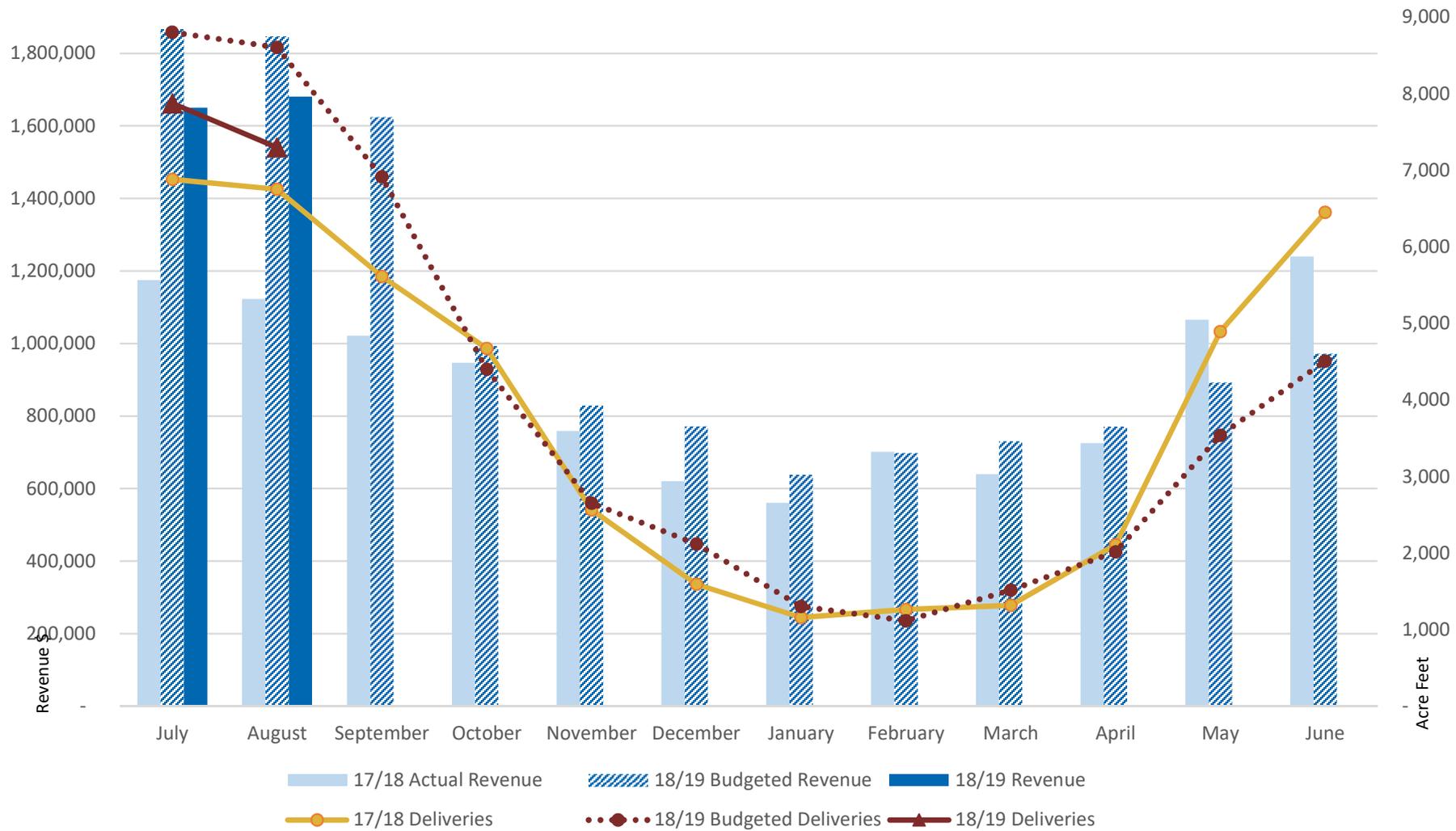
Budgeted Deliveries	17,407.13
Actual Deliveries	15,173.14
Difference	(2,233.99)
	-13%

Budgeted Water Sale Revenue	\$ 3,714,148
Actual Water Sale Revenue	\$ 3,331,101
Difference	\$ (383,047)
	-10.3%

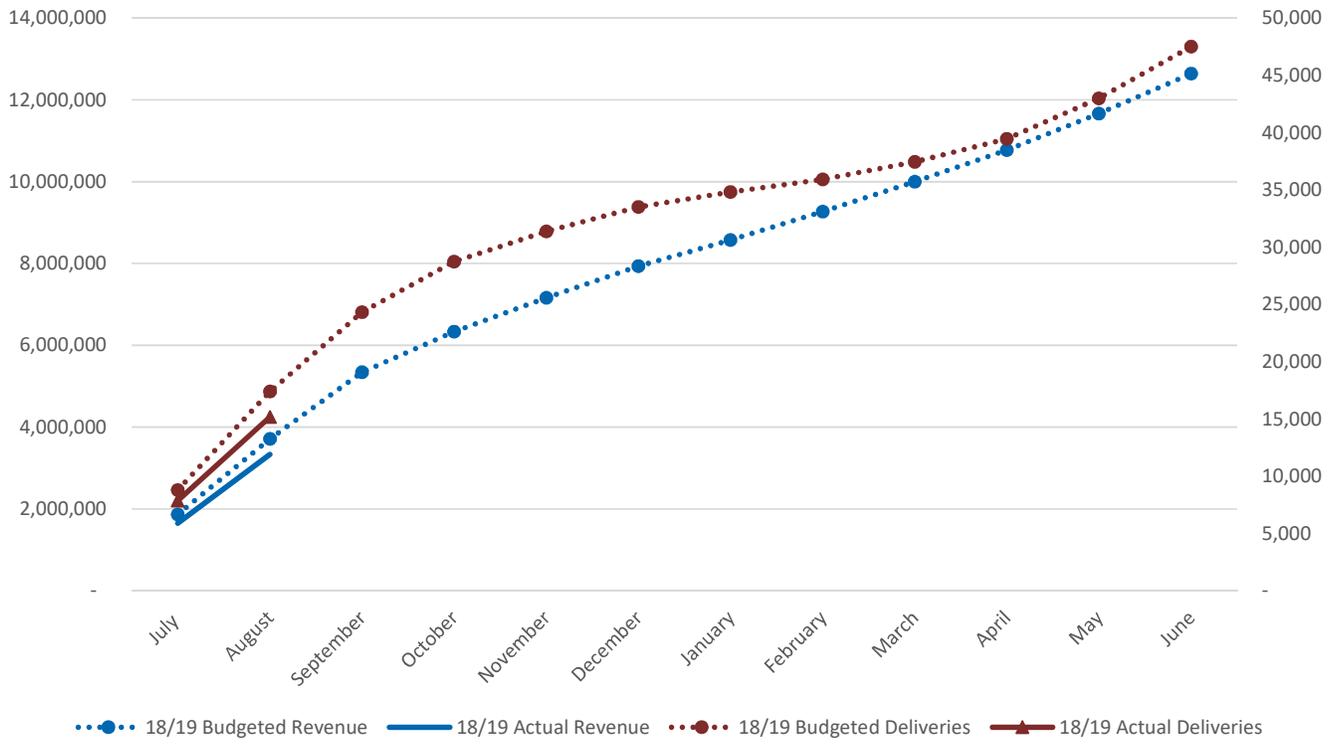
Conclusion:

Citrus Heights and Fair Oaks took less water in July and August than anticipated in the budget, even after accounting for the water transfer. Due to issues with wells, both Citrus Heights and Fair Oaks were unable to pump the expected amount of groundwater in July and August but pumped more in August than July, reducing the negative variance between expectations and results. There will be a decrease in expenses associated with the decreased groundwater pumping. Water deliveries to the Retail Service Area, Orange Vale, City of Folsom and SSWD tracked fairly close to the budget, but the gap between budget and actual widened in August.

Comparison of Fiscal Year 2017/2018 Actual to 2018/2019 Projections of Deliveries and Revenue



Cumulative Water Deliveries and Revenues FY 2017-18



Teri Grant

From: Greg Zlotnick
Sent: Friday, September 7, 2018 2:21 PM
To: Teri Grant
Cc: Paul Helliker
Subject: For Board packet?

Importance: Low

From: Mountain Counties Water Resource Association
[mailto:executivedirector.mcwra11@gmail.com@mail95.suw91.mcdlv.net] **On Behalf Of** Mountain Counties Water Resource Association
Sent: Friday, September 7, 2018 6:08 AM
To: Greg Zlotnick <gzlotnick@sjwd.org>
Subject: [Potential SPAM] MCWRA News
Importance: Low



[SAVE THE DATE – MCWRA Water Symposium – October 26, 2018](#)

SAVE THE DATE for the next Mountain Counties Water Resources Association symposium

Date: Friday, October 26, 2018

Location: The Ridge Golf Course and Event Center,
2020 Golf Course Rd, Auburn, CA 95602

Featuring:



Brenda Burman, Commissioner

United States Bureau of Reclamation

***The California Water Fix
Supply, Conveyance & Operation***



Roger K. Patterson, Assistant General Manager

Metropolitan Water District of Southern California

Additional attendees to be announced!

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MailChimp

Teri Grant

From: Pam Tobin <petpyrs@surewest.net>
Sent: Friday, September 7, 2018 11:17 AM
To: Teri Grant
Subject: FW: Upcoming ACWA Events

Please download and include in directors board packets
Thanks
Pam

From: ACWA Events <events@acwa.com>
Sent: Friday, September 07, 2018 9:43 AM
To: petpyrs@surewest.net
Subject: Upcoming ACWA Events

Click [here](#) to view it in your browser.

A promotional banner for ACWA events. The background is a high-quality photograph of water splashing, with droplets and ripples in shades of blue and white. The banner is divided into two main sections. On the left, the word "UPCOMING" is written in a light blue, sans-serif font. Below it, in a smaller font, is the text "Visit www.acwa.com for updated event information and registration". On the right, the word "EVENTS" is written in a large, bold, teal-colored, sans-serif font. Below "EVENTS", the phrase "you don't want to miss" is written in a white, sans-serif font. The entire banner has a dark blue, wavy pattern at the bottom.

DON'T MISS THESE FALL EVENTS!
Register Today!



**A NOVEL INTELLIGENT,
AFFORDABLE AND RELIABLE CR(VI)
TREATMENT SYSTEM**

SEPTEMBER 19, 2018 | 11:00 AM – 12:00 PM

LIVE WEBINAR

Utilities affected by contamination from Cr(VI) that are seeking a reliable and cost-effective approach to treat this known carcinogen in their drinking water will not want to miss this workshop.

SafeGuard™ H2O is an intelligent water system that has been developed to help drive down the costs of improving the quality of US water supplies by providing an accurate and affordable Cr(VI) remediation system. This proprietary system has been successfully demonstrated at California utilities and results from these case studies will be presented.

Webinar attendees will have an opportunity to win a 3-month SafeGuard H2O trial – REGISTER TODAY!

REGISTER ONLINE BY SEPTEMBER 18

REGISTER NOW



**REGION 4 EVENT - FOLSOM DAM:
MULTIPLE BENEFITS FOR ALL OF
CALIFORNIA**

SEPTEMBER 26, 2018 | 8:30 AM – 3:30 PM
ANTELOPE GARDENS, ANTELOPE, CA

ACWA Region 4 invites you to an event that will highlight the importance of the Folsom Dam. The program will highlight how the Folsom Dam operations are crucial for management of the Delta, Sacramento River, Lower American River and our local regional agencies. Following the program, attendees will be taking a bus to the Folsom Dam where they will receive a site visit tour by the Bureau of Reclamation of the newly constructed Joint Federal Project (Auxiliary Spillway) and the Folsom Main Dam.

REGISTER ONLINE BY SEPTEMBER 21

REGISTER NOW



**REGION 8 PROGRAM -
METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA F.E.
WEYMOUTH TREATMENT PLANT
TOUR**

OCTOBER 4, 2018 | 9:00 AM – 2:00 PM
LA VERNE, CA

ACWA Region 8 invites you to tour the Metropolitan Water District of Southern California F.E. Weymouth Treatment Plant. The F.E. Weymouth Treatment Plant is the first treatment plant built by Metropolitan. Today, it treats water from the Colorado River and the State Water Project. Weymouth has a treatment capacity of 520 million gallons a day, the equivalent of filling the Rose Bowl every four hours. The tour will include an overview of the treatment plant, ozone facilities, solar, machine shops and water quality lab as well as an update on ACWA activities.

REGISTER ONLINE BY SEPTEMBER 26

REGISTER NOW



**REGION 6 & 7 SAN JOAQUIN VALLEY
WATER FORUM**

OCTOBER 12, 2018 | 10:00 AM – 2:00 PM
VISALIA, CA

ACWA Regions 6 & 7 is co-hosting a forum to discuss San Joaquin Valley policy issues. A panel of ACWA Regions 6 & 7 legislative representatives will be on hand to provide a legislative update and take questions from ACWA members in attendance. The program will also highlight industry experts to reflect on the current issues affecting the San Joaquin Valley. A few of the topics that will be discussed include Water Storage and the California WaterFix. Updates will also be provided on ACWA related activities.

REGISTER ONLINE BY OCTOBER 5

REGISTER NOW

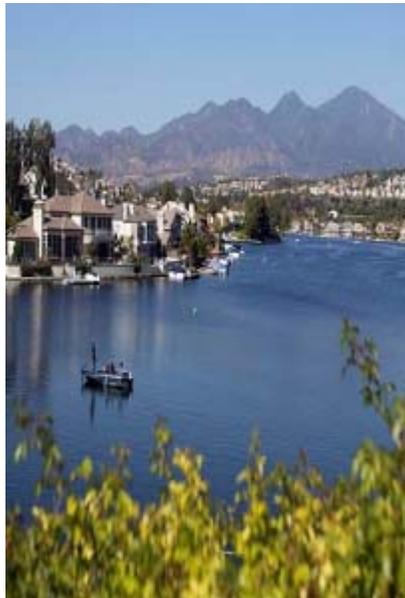


2018 REGULATORY SUMMIT
OCTOBER 16, 2018 | 9:00 AM – 5:00 PM
HILTON SACRAMENTO ARDEN WEST

Join water managers and water quality specialists for the eighth annual ACWA Regulatory Summit to learn about new and evolving water quality regulatory requirements in California. Experts across the state will discuss the development of new guidelines and requirements by the State Water Resources Control Board on a diverse array of topics, such as economic considerations of new drinking water standards, microplastics, and the legacy of non-naturally occurring industrial chemicals in groundwater.

REGISTER ONLINE BY OCTOBER 5

REGISTER NOW



REGION 10 PROGRAM - REMOVING BARRIERS TO INNOVATION IN WATER

OCTOBER 18, 2018 | 9:00 AM – 2:00 PM
MISSION VIEJO, CA

ACWA Region 10 invites you to a one-day program that will highlight innovation by local water agencies. The program will feature discussion on cutting edge technology being used in battery storage, water treatment, and reuse as well as a keynote discussion on water policy. The program will also include an update on ACWA's current activities.

REGISTER ONLINE BY OCTOBER 11

REGISTER NOW



REGION 9 PROGRAM - ENSURING WATER RELIABILITY FOR OUR FUTURE

NOVEMBER 2, 2018 | 9:00 AM – 2:30 PM
PALM DESERT, CA

As the state's gateway to Colorado River resources, a

critical operational hub for the State Water Project, and a leader in groundwater management and “new water” development, Region 9 will take a deep dive into the water reliability issues we face now and into the future. We’ll delve into the projects, laws, agreements and partnerships that have facilitated economic growth and stability in the region, while discussing possible obstacles to this forward trajectory. Most importantly, this event will showcase the region’s top water leaders collaboratively exploring the future of innovative partnerships, policies, infrastructure and agreements that will enhance our water reliability for generations to come.

REGISTER ONLINE BY OCTOBER 26

REGISTER NOW



2018 CLE FALL WORKSHOP

NOVEMBER 27, 2018 | 9:00 AM – 4:00 PM
MANCHESTER GRAND HYATT SAN DIEGO

ACWA’s 2018 Continuing Legal Education Fall Workshop will take place November 27, 2018 at the Manchester Grand Hyatt in San Diego, prior to ACWA’s 2018 Fall Conference & Exhibition.

**** Plan on attending this workshop AND the Fall Conference?** Discounted pricing is available if registering for both events.

REGISTER ONLINE BY NOVEMBER 9

REGISTER NOW



2018 FALL CONFERENCE & EXHIBITION

NOVEMBER 27 – 30, 2018
MANCHESTER GRAND HYATT SAN DIEGO

ACWA conferences are the premier destination for water industry professionals to learn and connect. Program offerings include Statewide Issue Forums, Town Hall discussions, Region Programs and sessions covering a wide range of topics including groundwater management, water rates issues, crisis communications, affordable drinking water issues, municipal finance, and more.

**** Plan on attending this conference AND the CLE Fall Workshop?** Discounted pricing is available if registering for both events.

REGISTER ONLINE BY NOVEMBER 9

REGISTER NOW

MY ACWA

EVENTS

SPONSORSHIPS



The banner features a photograph of the U.S. Capitol building at night on the left. On the right, a blue background contains the text: "ACWA DC2019 Annual Washington D.C. Conference" with a star above "DC2019". Below this, it says "Feb. 26 - 28, 2019" and "St. Regis Hotel • Washington, DC". At the bottom of the banner are four social media icons: a water drop, Facebook, Twitter, and RSS.

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910 K Street, Suite 100, Sacramento, CA 95814

We hope you enjoy receiving email notices and updates from ACWA. At any time you can click [here](#) to unsubscribe or to change your subscription preferences.

**Engineering Committee Meeting Minutes
San Juan Water District
September 18, 2018
4:00 p.m.**

Committee Members: Dan Rich, Chair
Ted Costa, Director

District Staff: Paul Helliker, General Manager
Tony Barela, Operations Manager
Rob Watson, Engineering Services Manager
Teri Grant, Board Secretary/Administrative Assistant

Topics: CMMS Design Guide and Platform Options Evaluation (W & R)
Maintenance Building HVAC Replacement Project (W & R)
Douglas Main Replacement Project Status Update (R)
Capital Facilities Fee Procedures (R)
Other Engineering Matters
Public Comment

1. CMMS Design Guide and Platform Options Evaluation (W & R)

Mr. Barela provided the committee with a staff report which will be attached to the meeting minutes. He explained that the use of CMMS (Computerized Maintenance Management System) throughout the District is not standardized. Therefore, the goal of this project is to develop a uniform operation related to CMMS and determine if the District's current CMMS program is best for District operations.

In response to Director Costa's comment, Mr. Barela explained that phase 2 of the project will address software support. The committee discussed the project and agreed with staff's recommendation.

The Engineering Committee recommends consideration of a motion to approve the award for a Consulting Services Contract related to the CMMS Design Guide and Platform Options Evaluation to HDR Engineering, Inc. in the amount of \$92,665, with a total approved budget of \$102,000.

2. Maintenance Building HVAC Replacement Project (W & R)

Mr. Barela provided the committee with a staff report which will be attached to the meeting minutes. He informed the committee that he was just informed by the Structural Engineer that additional structural support will be needed to support the heavier HVAC units on the roof, which will increase the Change Order greater than what was listed in the staff report. He explained that this will increase the amount to \$32,556 instead of \$23,938.

The committee discussed the possibility of obtaining a second opinion from another Structural Engineer; however, due to liability concerns, the committee elected not to recommend this course of action.

The Engineering Committee recommends consideration of a motion to authorize construction contract Change Order No. 1 to AirCo Mechanical, Inc. for the amount of \$32,556 for unanticipated structural upgrades to the Maintenance Building roofing truss system and extending the existing authorized budget by the same amount. The proposed request brings the total authorized budget to \$94,300.

3. Douglas Main Replacement Project Status Update (R)

Mr. Watson conducted a presentation on the Douglas Main Replacement Project. He explained that the project completion date will be extended to January 2019 due to the unanticipated conditions found during the Phase I work, and that at this time the project is about 45% complete and within budget. He informed the committee that the Phase I insertion of the alternate design resolution pipeline under the intersection portion at Auburn Folsom and Douglas was successfully completed. The pipe bursting west of that intersection is being scheduled and Phase I is expected to be completed by the end of October.

Mr. Watson informed the committee that Phase II and Phase III are expected to be completed by September 30th. He explained that Phase IV work will begin after Phases I, II and III and all tie-ins are complete, which will ensure adequate service to customers while Phase IV is underway. Work on Phase IV is currently scheduled between November 2018 and January 2019. He informed the committee that there has been a slight increase in total construction cost due to a few unanticipated additional work items however, the project currently remains within budget. In addition, he reported that the website has been updated and communication with customers affected by the project has been ongoing.

For information only; no action requested.

4. Capital Facilities Fee Procedures (R)

Mr. Helliker informed the committee that he met with Mr. Watson to review the ordinances pertaining to Capital Facilities Fees. This item was placed on the agenda prior to that discussion, and Mr. Helliker determined that the committee did not need to review the item at this time.

Mr. Helliker also informed the committee that he met with Ms. Silva and the Reed Group to discuss updating the wholesale and retail Capital Facility Fees as directed by the Board.

5. Other Engineering Matters

Mr. Watson informed the committee that the Dambacher Drive Service Replacements Project is essentially complete with the exception of the slurry seal. In addition, he

reported that staff is working on design plans to begin replacements of the aged service saddles throughout the District.

Mr. Barela reported that the RFP is out for the Meter Replacement Project and a pre-proposal meeting is scheduled for September 25th with proposals due by October 25th.

Director Costa reported that he attended the RWA meeting at the request of Director Tobin, as she could not attend the meeting. He informed the committee that they discussed SMUD selling gray water for agricultural use and they categorized the water as regular and pre-1914 water. Director Costa voiced concern regarding this and would like to discuss it further.

Mr. Helliker reported that Rob Schwartz (RWA) released a RFP for groundwater storage and recharge wells. He stated that the region is looking into partnerships for injection wells.

6. Public Comment

There were no public comments.

The meeting was adjourned at 5:03 p.m.

**Finance Committee Meeting Minutes
San Juan Water District
August 24, 2018
4:00 p.m.**

Committee Members: Ken Miller, Director (Chair)
Marty Hanneman, President

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

1. Review General Manager Reimbursements (W & R)

There was no reimbursement request from the General Manager.

2. Review Check Register from August 2018 (W & R)

The committee reviewed the August 2018 check register from the September 25th Board meeting packet and found it to be in order.

3. District Banking Policy (W & R)

Ms. Silva informed the committee that the Board discussed elements of the proposed banking policy and reserve policy in a workshop a few years ago. She provided the committee with a written staff report which will be attached to the meeting minutes. She reviewed the proposed policy with the committee and recommends that the banking policy be removed from the ordinances and be placed in a Board policy.

The Finance Committee recommends approval of the proposed Banking Policy

4. District Reserve Policy (W & R)

Ms. Silva provided the committee with a written staff report which will be attached to the meeting minutes. She reviewed the wholesale and retail reserves with the committee. She informed the committee that Mr. Helliker and District Legal Counsel reviewed the banking and the reserve policies and recommend that they be removed from the ordinances and be placed in Board policies.

The Finance Committee recommends approval of the proposed Reserve Policy, and rescind all previous Reserve Policies made by motion of the Board of Directors

5. First Reading of Ordinance 3100 – An Ordinance of the Board of Directors of the San Juan Water District Repealing Ordinance No. 3000 of the District Code of Ordinances (W & R)

Ms. Silva provided the committee with a written staff report which will be attached to the meeting minutes. She explained that, with two new policies, Ordinance 3000 will no longer be needed and that Legal Counsel recommends rescinding the ordinance. The first reading of Ordinance 3100 - an Ordinance of the Board of Directors of the San Juan Water District Repealing Ordinance No. 3000 of the District Code of Ordinances is the first step in rescinding the ordinance; therefore, until the ordinance process is complete, there will be both an ordinance and a Board policy regarding banking and reserves.

The Finance Committee recommends introduction of Ordinance 3100 and read the full text of the proposed ordinance or waive such reading by motion of the Board

6. Other Finance Matters (W & R)

Ms. Silva informed the committee that she attended a workshop where she learned that the State Revolving Loan Fund process is being changed. She explained that the new process will include a scoring system, and requests from small disadvantaged agencies will receive automatic funding while other agency requests will be scored and placed in priority order.

7. Public Comment

There were no public comments.

The meeting was adjourned at 4:25 p.m.