



SHOWCASE YOUR DISTRICT'S COMMITMENT TO TRANSPARENCY

District Transparency Certificate of Excellence

Purpose

To promote transparency in the operations and governance of special districts to the public/constituents and provide special districts with an opportunity to showcase their efforts in transparency.

Duration

2 Years

Application Cost

FREE

District Receives

- Certificate for display (covering 2 years)
- Press release template
- Recognition on the SDLF website
- Letter to legislators within the district's boundaries announcing the achievement
- Recognition in social media, letter to the editor of local media outlet, and the CSDA eNews
- Window cling

Basic Requirements

Current Ethics Training for All Board Members *(Government Code Section 53235)*

- Provide names of board members and copies of training certificates along with date completed

Compliance with the Ralph M. Brown Act *(Government Code Section 54950 et. al)*

- Provide copy of current policy related to Brown Act compliance
- Provide copy of a current meeting agenda (including opportunity for public comment)

Adoption of Policy Related to Handling Public Records Act Requests

- Provide copy of current policy

Adoption of Reimbursement Policy, If District Provides Any Reimbursement of Actual and Necessary Expenses

(Government Code Section 53232.2 (b))

- Provide copy of current policy

Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products. This information is to be made available for public inspection. "Individual charge" includes, but is not limited to: one meal, lodging for one day, or transportation. *(Government Code Section 53065.5)*

- Provide copy of the most recent document and how it is accessible.

Timely Filing of State Controller's Special Districts Financial Transactions Report - Includes Compensation Disclosure. *(Government Code Section 53891)*

- Provide copy of most recent filing.
- SDLF staff will verify that district is not listed on the State Controller's 'non-compliance list'*

Conduct Audits As Required By Law *(Government Code Section 26909 and 12410.6)*

- Provide copy of most recent audit, management letter, and a description of how/where documents were made available to the public

Other Policies – Have Current Policies Addressing the Following Areas

Provide copies of each:

- Conflict of Interest
- Provide copies of Form 700 cover sheet for board members and general manager
- Code of Ethics/Values/Norms or Board Conduct
- Financial Reserves Policy

Website Requirements

Maintain a district website with the following items Required. (provide direct website links for each item) - Required items available to the public:

- Names of board members and their full terms of office to include start and end date
- Name of general manager and key staff along with contact information
- Election/appointment procedure and deadlines
- Board meeting schedule
(Regular meeting agendas must be posted 72 hours in advance pursuant to *Government Code Section 54954.2 (a)(1) and Government Code Section 54956 (a)*)
- District's mission statement
- Description of district's services/functions and service area
- Authorizing statute/Enabling Act (Principle Act or Special Act)
- Current District budget
- Most recent financial audit
- Archive of Board meeting minutes for at least the last 6 months
- Link to State Controller's webpages for district's reported board member and staff compensation (*Government Code Section 53908*)
- Link to State Controller's webpages for district's reported Financial Transaction Report (*Government Code Section 53891 (a)*)
- Reimbursement and Compensation Policy
- Home page link to agendas/board packets (*Government Code Section 54957.5*)
- SB 272 compliance-enterprise catalogs (*Government Code Section 6270.5*)

Additional items – website also must include at least 4 of the following items:

- Post board member ethics training certificates
- Picture, biography and e-mail address of board members
- Last (3) years of audits
- Financial Reserves Policy
- Online/downloadable public records act request form
- Audio or video recordings of board meetings
- Map of district boundaries/service area
- Link to California Special Districts Association mapping program
- Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)
- Link to www.districtsmakethedifference.org site or a general description of what a special district is
- Link most recently filed to FPPC forms
- Machine readable/searchable agendas (*required in 2019*)

Outreach/Best Practices Requirements - (Must complete at least 2 of the following items)

Regular district newsletter or communication (printed and/or electronic) that keeps the public, constituents and elected officials up-to-date on district activities (at least twice annually)

- Provide copy of most recent communication and short description on the frequency of the communication, how it's distributed and to whom.

Community notification through press release to local media outlet announcing upcoming filing deadline for election or Appointment and process for seeking a position on the district board, prior to that election (or prior to the most recent deadline For consideration of new appointments for those districts with board members appointed to fixed-terms).

- Provide copy of the press release (and the printed article if available)

Complete salary comparison/benchmarking for district staff positions using a reputable salary survey (at least every 5 years)

- Provide brief description of the survey and process used as well as the general results

Special Community Engagement Project

Designed and completed a special project promoting community engagement with the district (potential projects may be broad in nature or focus on specific issues such as rate-setting, recycled water, identifying community needs, etc.)

- Submit an overview of the community engagement project reviewing the process undertaken and results achieved

Hold annual informational public budget hearings that engage the public (outreach, workshops, etc.) Prior to adopting the budget

- Provide copy of most recent public budget hearing notice and agenda.

Community Transparency Review

The district would be required to obtain a completed overview checklist from at least 2 of the following individuals (the district may choose to conduct the overview with these individuals simultaneously or separately):

- Chair of the County Civil Grand Jury
- Editor of a reputable local print newspaper (only one may count toward requirement)
- LAFCO Executive Officer
- County Auditor-Controller
- Local Legislator (only one may count toward requirement)
- Executive Director or President of local Chamber of Commerce
- General Manager of a peer agency (special district, city, county, neighborhood association, community organization or county administrative officer)

- Provide proof of completion signed by individuals completing Community Transparency Review



SHOWCASE YOUR DISTRICT'S COMMITMENT TO TRANSPARENCY

District Transparency Certificate of Excellence


Submit Application

Submit this application along with all required documentation to:

Special District Leadership Foundation
 1112 I Street, Suite 200
 Sacramento, CA 95814
 Phone: 916-231-2909 • Fax: 916-442-7889

Electronic filing is preferable.

Contact SDLF for instructions.

District:	San Juan Water District		
Mailing Address:	P.O. Box 2157		
City:	Granite Bay	State:	CA
		Zip:	95746
Contact Name:	Teri Grant		
Contact Title:	Board Secretary/Administrative Assistant		
Phone:	916-791-6905	Fax:	916-791-6955
Email:	tgrant@sjwd.org	Website:	www.sjwd.org
Assembly Member(s)*:	Kevin Kiley, District 6; Ken Cooley, District 8		
Senator*:	Brian Dahle, District 1; Jim Neilsen, District 4		
Local Newspaper(s):	Granite Bay Tribune and Sacramento Bee		
I certify that the information submitted is accurate and complete to the best of my knowledge.	Signature: 		

**include all state legislators representing the district's area of operation*

Current Ethics Training for all Board Members

(Government Code Section 53235)

Ethics certificates follow for the Current Board Members:

*Edward J. "Ted" Costa, Marty Hanneman,
Ken Miller, Dan Rich, Pam Tobin*

Public Service Ethics Education Online Proof of Participation Certificate

Date of Completion: Oct 21, 2018

Training Time*: 2 hr. 24 min.

This course is an overview course on all public service ethics issues necessary to satisfy the requirements of Article 2.4 of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, including the following:

- Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
- Laws relating to claiming perquisites ("perks") of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
- Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members; and
- General ethical principles relating to public service.

The Fair Political Practices Commission and Attorney General have reviewed this course for course sufficiency and accuracy.



By signing below, I certify that I fully reviewed the content of the entire online AB 1234 course approved by the Attorney General and Fair Political Practices Commission and am entitled to claim two hours of public service ethics law and principles credit.

Participant Signature

Ted Costa

Participant Name

San Juan Water

Agency Name

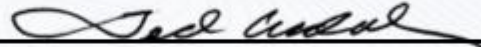
*NOTE TO PARTICIPANT: Please provide a copy of this proof of participation to the custodian for such records at your agency. In addition, we recommend you make a copy of this proof of participation for your own records to retain for at least five years. To preserve the integrity of the online certification process; **these certificates are only available upon completing the online session.** * To satisfy AB 1234 requirements, this certificate must reflect that the public official spent two hours or more reviewing the materials presented in the online course. If the certificate reflects less than two hours, the participant should have on file additional certificates demonstrating that the official has satisfied the entire two hour requirement.*

CA Local Agency Ethics (AB 1234)

CERTIFICATE OF COMPLETION
This is to acknowledge that

Marty Hanneman

Has completed the online training and successfully passed the examination for the CA Local Agency Ethics (AB 1234) training course. [Record ID #122577117] San Juan Water District



Ted Cudal, CSP, CHMM, CHCM, EMS-LA

November 15, 2017

Date of Training

Certificate issued by TargetSolutions

TARGETSOLUTIONS

Occupational & Environmental Courseware
San Diego, CA

Certificate of Attendance

THIS CERTIFIES THAT

KEN MILLER

(Print attendee's name on the line above)

has attended "**AB 1234 Conduct & Ethics: Training for Water Agency Officials**"
on **Thursday, Nov. 29, 2018** at the **Manchester Grand Hyatt, San Diego, California**.
This further certifies that this attendee has met all of the state mandated requirements of
AB 1234.

Paul D. Curri

Signature of Representative



910 K St., Suite 100
Sacramento, CA 95814

Public Service Ethics Education Online Proof of Participation Certificate

Date of Completion: Sep 15, 2019

Training Time*: 2 hr. 40 min.

This course is an overview course on all public service ethics issues necessary to satisfy the requirements of Article 2.4 of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, including the following:

- Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
- Laws relating to claiming perquisites (“perks”) of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
- Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members; and
- General ethical principles relating to public service.

The Fair Political Practices Commission and Attorney General have reviewed this course for course sufficiency and accuracy.



By signing below, I certify that I fully reviewed the content of the entire online AB 1234 course approved by the Attorney General and Fair Political Practices Commission and am entitled to claim two hours of public service ethics law and principles credit.

Dan Rich

Participant Signature

Dan Rich

Participant Name

San Juan Water District

Agency Name

*NOTE TO PARTICIPANT: Please provide a copy of this proof of participation to the custodian for such records at your agency. In addition, we recommend you make a copy of this proof of participation for your own records to retain for at least five years. To preserve the integrity of the online certification process; **these certificates are only available upon completing the online session.** * To satisfy AB 1234 requirements, this certificate must reflect that the public official spent two hours or more reviewing the materials presented in the online course. If the certificate reflects less than two hours, the participant should have on file additional certificates demonstrating that the official has satisfied the entire two hour requirement.*

Public Service Ethics Education Online Proof of Participation Certificate

Date of Completion: Oct 19, 2018

Training Time*: 2 hr. 0 min.

This course is an overview course on all public service ethics issues necessary to satisfy the requirements of Article 2.4 of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, including the following:

- Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
- Laws relating to claiming perquisites (“perks”) of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
- Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members; and
- General ethical principles relating to public service.

The Fair Political Practices Commission and Attorney General have reviewed this course for course sufficiency and accuracy.



By signing below, I certify that I fully reviewed the content of the entire online AB 1234 course approved by the Attorney General and Fair Political Practices Commission and am entitled to claim two hours of public service ethics law and principles credit.

A handwritten signature in blue ink that reads "Pamela Tobin".

Participant Signature

Pamela Tobin

Participant Name

San Juan Water District

Agency Name

*NOTE TO PARTICIPANT: Please provide a copy of this proof of participation to the custodian for such records at your agency. In addition, we recommend you make a copy of this proof of participation for your own records to retain for at least five years. To preserve the integrity of the online certification process; **these certificates are only available upon completing the online session.** * To satisfy AB 1234 requirements, this certificate must reflect that the public official spent two hours or more reviewing the materials presented in the online course. If the certificate reflects less than two hours, the participant should have on file additional certificates demonstrating that the official has satisfied the entire two hour requirement.*

The following Board Policy BOD 2.1 - Board Rules for Proceedings covers the following items:

Compliance with the Ralph M. Brown Act

(Government Code Section 54950 et. al)

Current Policy for Compliance

Adoption of policy related to handling Public Records Act requests

Current Policy for Compliance

Other Policies – Conflict of Interest

Current Policy for Compliance

Section	BOD-2 Board of Directors	Approval Date	06/11/08
Policy	BOD-2.1 Board Rules for Proceedings	Latest Revision	02/28/18

BOD-2.1 Board Rules for Proceedings

INTRODUCTION

These are the rules for proceedings of meetings of the Board of Directors of San Juan Water District. The purposes of these rules are to facilitate public participation during meetings of the Board, protect the rights of all Directors and to provide a process for conducting Board meetings in an orderly and efficient manner. The provisions of the Community Services District Law (see Government Code sections 61000, et seq.), Brown Act (Government Code section 54950, et seq.) and any other law will control over any inconsistent provision contained in these rules.

RULE 1 - SELECTION OF OFFICERS

The President and Vice-President of the Board will be elected by the members of the Board for a one-year term. The election will be held at the first regular meeting in December of each year. The remaining provisions of this paragraph will be considered discretionary guidelines for the Board to follow in selecting its President and Vice-President, and will not be binding on the Board. The Board will normally follow a rotation for the election of President and Vice-President under which the Vice-President will normally be elected President at the conclusion of the President's one-year term. If the membership on the Board of the President is terminated before the expiration of his or her one-year term of office, the Vice-President will automatically become the President for the balance of that term, and will be eligible for election as President for another full one-year term.

The Board will by majority vote appoint a Secretary and Treasurer, who will serve at the pleasure of the Board. (See Government Code section 61240.)

RULE 2 - DUTIES OF PRESIDENT OF BOARD

The President of the Board of Directors will be its presiding officer. (See Government Code section 61221.) The President's duties will include, but not be limited to, the following: acting as the liaison between the General Manager and the Board, calling special meetings of the Board, presiding over meetings of the Board, establishing and appointing committees of the Board, and appointing representatives of the District to associations of which the District is a member. The Board will appoint representatives of the District to joint powers authorities of which the District is a member. In the President's absence, the Vice-President of the Board will perform such duties.

RULE 3 - TIME AND PLACE FOR REGULAR MEETINGS

The regular monthly meeting of the Board of Directors will be held at the District office on the fourth Wednesday of each month commencing at 6:00 p.m, with the exception of November and December wherein the meeting will be held on the second Wednesday of each month. The location, day and time for holding regular meetings may be changed by the Board of Directors from time to time by resolution. If a regular meeting falls on a holiday (as listed in Government Code section 6700), the meeting will be held on the day designated by the Board. (See Government Code section 54954(a).)

RULE 4 - QUORUM REQUIREMENTS

Three members of the Board will constitute a quorum for the transaction of business. (See Government Code section 61224.)

RULE 5 - MAJORITY VOTE

Three members of the Board will be required to approve any ordinance, resolution or motion, unless a different voting requirement to approve a particular action is specified under State law. (See Government Code section 61225.)

RULE 6 - WHAT CONSTITUTES AN AFFIRMATIVE VOTE

Unless a Director is not voting because of a conflict of interest, a Director who is present will be deemed to have voted in the affirmative on a matter unless the Director votes against the measure by casting a "no" vote. An "abstain" vote will constitute an "aye" vote. (See *Dry Creek Valley Association, Inc. v. Board of Supervisors* (1977) 67 Cal.App.3d 839.) When calling for the vote on a motion, the President of the Board will normally ask if there is any opposition, since the remaining Directors present will be deemed to have voted in the affirmative unless they are not voting due to a conflict of interest.

RULE 7 - CONFLICTS OF INTEREST

A member of the Board may not make, participate in making or in any way attempt to use his or her official position to influence a decision of the Board of Directors in which he or she knows or has reason to know that he or she has a financial interest. (Government Code section 87100.) Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by the Fair Political Practices Commission's ["FPPC"] regulations) that is distinguishable from the effect on the public generally, involving dollar amounts set by FPPC regulations from time to time, on: (a) a business entity in which the Director has a direct or indirect investment in the amount specified in FPPC regulations; (b) real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations; (c) a source of income of the Director, in the amount specified in FPPC regulations, within twelve months before the Board decision; (d) a source of gifts to the Director, in the amount specified in FPPC regulations, within twelve months before the Board decision; or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's

spouse, dependent child or agent owns directly, indirectly or beneficially a ten percent interest or greater. (Government Code section 87103.)

If a member of the Board believes he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be used: (a) if the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the General Counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest; (b) if it is not possible for the Director to discuss the potential conflict with the General Counsel before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and (c) upon a determination that there is a disqualifying conflict of interest, the Director will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists. In such a case, the Board minutes will state: "Due to a potential conflict of interest, Director _____ did not participate in the discussion, deliberation or vote on this matter."

RULE 8 - MOTIONS

The three steps for bringing a motion before the Board are: (a) a Director makes a motion; (b) another Director seconds the motion; and (c) the President states the motion. Once the motion has been stated by the President, it is open to formal discussion. While only one motion can be considered at a time, and a motion must be disposed of before any other question is considered: (a) a motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded, or by a new motion and second, which is then approved by the Board; or (b) a motion may be tabled before it is voted on by motion made to table, which is then seconded and approved by the Board; or (c) a motion may be rejected without further discussion of or action on the motion by a motion of "objection to consideration," which is then seconded and approved by the Board; or (d) further discussion of a motion can be terminated by a motion "to call the question," which is then seconded and approved by the Board. Any Director may make or second a motion.

RULE 9 - PROTECTION OF RIGHTS OF DIRECTORS

One of the primary purposes for these rules of procedure is to protect the rights of all Directors. The President will allow each Director a reasonable opportunity to discuss a motion, after it has been made and seconded, and before it has been voted on. The President can set reasonable time limits for discussion of a motion. A Director can object to a procedural ruling by the President by stating: "Mr./Madam President, I rise to a point of order." The President must then ask the Director to state the point of order. The President will then rule on the point of order. The President's ruling on a point of order may be appealed by a motion made and seconded to appeal the decision, which is then voted on by the Board.

In order to assure that the Board's discussions and deliberations during a public meeting can be heard by the public, Directors are requested to refrain from engaging in other than oral communications on District matters during a Board or committee meeting (e.g., refrain from using written, electronic or telephone communications that are not made available to the other Board members and to the public).

RULE 10 - RECORD OF VOTE

Except where action is taken by the unanimous vote of all Board members present and voting, the ayes and noes taken upon the passage of all ordinances, resolutions or motions will be entered upon the minutes. (See Government Code section 61226.)

RULE 11 - ORDINANCES

The enacting clause of all ordinances passed by the Board will be: "Be it ordained by the Board of Directors of San Juan Water District as follows:" (See Government Code section 61226.) All ordinances will be signed by the President and attested by the Secretary. (See Government Code section 61228.)

RULE 12 - AGENDA AND AGENDA MATERIALS

The General Manager will be responsible for preparing the agenda for regular Board meetings and meetings of standing committees (see Government Code section 54952 and Rule 22), and having it posted at the District office in a location freely accessible to the public no later than seventy-two hours before a regular meeting. The General Manager will also be responsible for preparing the agenda for ad hoc advisory committee meetings. The agenda will specify the time and location of the meeting and contain a brief, general description of each item of business to be transacted or discussed at the meeting, including closed session items. (See Government Code section 54954.2.) Any member of the Board may request the General Manager to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting will be at noon, five working days before the meeting. The President of the Board of Directors will have authority to resolve a dispute concerning the preparation of the agenda.

An agenda for a regular or special Board meeting will contain the following statements: (a) "The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item." (See Government Code section 54954.3(a).); and (b) "In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact [insert the name and telephone number of the person designated by the General Manager]. Requests must be made as early as possible, and at least one-full business day before the start of the meeting." (See Government Code section 54954.2(a).)

RULE 13 - REQUESTS FOR COPIES OF AGENDAS AND AGENDA MATERIALS

Any person may request the District to mail him or her a copy of the agenda or agenda packet for any meeting of the Board. When the District receives such a request, the General Manager will mail copies of the requested materials (except for documents that are exempt from disclosure under the Public Records Act) to the requesting party at the time that the agenda is posted or when the agenda packets are distributed to a majority of the Board members, whichever occurs first. Any request for copies of agendas or agenda packets for all Board meetings in a given year will be valid for the calendar year in which the request is submitted, and the request must be renewed after January 1 of each year in which it is to remain in effect. (Government Code section 54954.1.) Documents that are distributed to all or a majority of the members of the Board by any person in connection with a matter subject to discussion

or consideration at a regular or special meeting of the Board will be disclosable public records under the California Public Records Act (commencing with Government Code section 6250), and will be made available upon request by a member of the public without delay, except as to documents that are exempt from disclosure under the Public Records Act. Documents that are distributed during a regular or special Board meeting that are subject to disclosure under the Public Records Act will be made available for public inspection at the meeting, if prepared by the District or a member of the Board, or after the meeting, if prepared by some other person. The District may charge a fee for responding to requests for copies of agendas, agenda packets or other documents, which fee will be limited to the District's copying and postage costs. (See Government Code section 54957.5(a) and (b).)

Documents and materials that are related to an open session agenda item that are provided to the District Board less than seventy-two hours prior to a regular meeting will be made available for public inspection and copying at the District office during normal District business hours. These documents will also be made available on the District's web site. (See Government Code section 54957.5.)

Upon request, the agenda and other documents referred to in this rule will be made available in an appropriate alternative format to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. section 12132) and the federal rules and regulations adopted in implementation thereof. (See Government Code sections 54954.1, 54954.2(a) and 54957.5(b).) The District will not charge a special surcharge to provide documents requested in an alternative format by a person with a disability in accordance with the Americans with Disabilities Act and its implementing regulations. (See Government Code section 54957.5(c).)

If the District tape records a meeting, it will retain the tape for at least thirty days following the meeting. The public may inspect the tape recording on a tape recorder made available by the District, without charge. (See Government Code section 54953.5(b).)

RULE 14 - AUTHORITY TO ACT ON MATTERS NOT ON THE AGENDA

The Board will take no action on or discuss any item not appearing on the posted agenda, except under the following conditions, in which cases the item will be publicly identified before discussion begins: (a) upon a determination by a majority of the Board that an emergency situation exists, which involves matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, including work stoppages or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the Board, or a crippling disaster that severely impairs public health, safety, or both, as determined by a majority of the members of the Board; (b) upon a determination by a two-third vote of the Board members present at the meeting, or, if less than two-thirds of the members of the Board are present, a unanimous vote of those members present, that the need to take immediate action became apparent after the agenda was posted; or (c) the item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken. (See Government Code sections 54954.2 and 54956.5.)

RULE 15 - CONSENT AGENDA

The General Manager may list on the agenda a "consent agenda", which will consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent agenda items

might include approval of minutes, financial reports and routine resolutions. Any matter may be removed from the consent agenda and placed on the regular agenda at the request of any member of the Board. The entire consent agenda may be approved by a single motion made, seconded and approved by the Board.

RULE 16 - ORAL INFORMATIONAL REPORTS

Any member of the Board may make an oral report at a regular meeting for the purpose of informing the Board of any matter of interest to the District. The Board may also call on the General Manager, District staff or District legal counsel for oral informational reports on matters not on the agenda. Unless the Board makes the determinations required under Rule 14, there will be no more than limited discussion, and no action, on matters covered in such oral reports. (See Government Code section 54954.2(a).)

RULE 17 - PUBLIC FORUM AND COMMENT

Every agenda for a regular meeting will provide an opportunity for members of the public to directly address the Board on items of interest that are within the subject matter jurisdiction of the Board and that do not appear on the agenda. This agenda item will be described substantially as follows: "Opportunity for public comment on non-agenda items." During the Public Forum, the Board may briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. (See Government Code sections 54954.2 and 54954.3.) The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations set forth in Rule 14. It is the general policy of the Board to refer to the General Manager for resolution complaints received from members of the public. If the complaint cannot be resolved, the General Manager will place it on a meeting agenda for consideration by the Board. In order to facilitate public participation during the Public Forum session of the meeting, the Board may limit the total amount of time allocated for public comment on a particular issue (ten minutes or less will normally be standard), and may limit the time allocated for public comment of an individual speaker (three minutes or less will normally be standard). The President may declare as out of order irrelevant, repetitious or disruptive comments. (See Government Code section 54954.3.)

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. (See Government Code section 54954.3(a).)

These rules are not intended to prohibit public criticism of policies, procedures, programs or services of the District, or of the acts or omissions of the Board. (See Government Code section 54954.3(c).)

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible, and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, will be allowed to attend any session held pursuant to this section. Nothing in this section will prohibit the Board from readmitting an individual or individuals not responsible for disturbing the orderly conduct of the meeting. (See Government Code section 54957.9.)

RULE 18 - PUBLIC HEARINGS

The procedure for conducting public hearings during a meeting of the Board will be as follows: (a) no earlier than the time set for the public hearing, the President of the Board will declare the public hearing open; (b) the President will ask the General Manager whether notice of the public hearing has been given in the manner required by law; (c) the President will ask the General Manager whether written comments on the subject matter of the public hearing have been received; (d) the President will ask whether any member of the public wishes to present written or oral comments on the subject of the public hearing; (e) in its discretion, the Board may set time limits on the amount of time an individual speaker is allowed to comment orally during the public hearing; and (f) following the close of presentation of comments, the President will declare the public hearing closed. The Board may continue a public hearing from time to time.

RULE 19 - ADJOURNMENT

A meeting of the Board will be adjourned by: (a) loss of a quorum; (b) by motion made, seconded and approved to adjourn the meeting; or (c) by declaration of the President that the meeting is adjourned when the agenda has been completed and there is no further business to come before the Board. A regular or special meeting of the Board may also be adjourned for the purpose of continuing it to a specific day and time: (a) by motion made, seconded and approved; (b) by approval of less than a quorum if a quorum is not present; or (c) by the Secretary of the Board if all members are absent from any regular or adjourned regular meeting. A copy of the order or notice of adjournment to continue a meeting to another date will be conspicuously posted on or near the door of the District office where the meeting was held within twenty-four hours after the time of adjournment. (See Government Code section 54955.)

RULE 20 - SPECIAL MEETINGS

A special meeting may be called at any time by the President or by a majority of the members of the Board, by delivering personally or by any other means, including mail, facsimile and electronic mail, written notice to each member and to each newspaper, radio or television station requesting notice in writing. Such notice must be received at least twenty-four hours before the time of such meeting as specified in the notice to constitute notice of the special meeting (except as to emergency meetings, in which case, the notice requirements specified in Rule 23 will be followed). Electronic mail will constitute notice of the special meeting only if the recipient confirms received, and it will be deemed to be received at the time of such confirmation. The call and notice will specify the time and place of the special meeting and the business to be transacted, and will include the statements specified in Rule 12. No other business will be considered at such meeting. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the District Secretary a written waiver of notice. Waiver may be given in person or by mail, facsimile, electronic mail or telegram. Such written notice may also be dispensed with as to any member who was actually present at the meeting at the time it convenes. The call and notice must also be posted at least twenty-four hours before the meeting in a location freely accessible to the public. (See Government Code sections 54954.3(a) and 54956.)

RULE 21 - BOARD WORKSHOP MEETINGS

From time to time, the Board may set a regular or special meeting to be conducted as a “workshop meeting,” during which the Board would have the opportunity to receive presentations on and discuss matters identified on the agenda, but the Board would not normally take action on those items. Nothing in this rule is intended to prevent the Board from taking action on a matter during a workshop session.

RULE 22 - BOARD COMMITTEES

Board committees will be composed of less than three Directors, and may be either standing committees or ad hoc advisory committees. In accordance with Rule 12, standing committee meetings will be open to the public (except for authorized closed sessions), and the agenda for those meetings will be posted in the same manner as the agenda for regular Board meetings. In addition, the President may from time to time establish, and appoint the members of, ad hoc advisory committees to serve a limited or single purpose, which committees are to be dissolved once their specific task is completed. The meetings of an ad hoc advisory committee are not required to be open to the public, and notice of such meetings is not required to be posted. (See Government Code sections 54951 and 54952.)

Directors who are not members of a standing committee may attend a standing committee meeting only as observers, and they may not participate in the committee meeting, ask questions or sit with the committee members at the Board table. (See subsection (c)(6) of Government Code section 54952.2.)

RULE 23 - CLOSED SESSIONS

A closed session may be held on any subject authorized under the Brown Act. The agenda for a regular or special meeting will contain a brief, general description of the purpose of a closed session, in substantially the following form:

- a. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a); _____ v. _____ [insert name of case, e.g., *Jones v. District*].
- b. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a); case name unspecified because _____ [insert either "disclosure would jeopardize service of process" or "disclosure would jeopardize existing settlement negotiations"].
- c. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(b); significant exposure to litigation involving _____ [describe].
- d. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(c); consideration of initiation of litigation involving _____ [describe].
- e. Public employee appointment involving _____ [insert position(s) to be filled]; Government Code sections 54954.5(e) and 54957.
- f. Public employee performance evaluation involving _____ [insert position(s) being reviewed]; Government Code sections 54954.5(e) and 54957.

g. Public employee discipline/dismissal/release; Government Code sections 54954.5(e) and 54957. [No additional information required.]

h. Conference with labor negotiator involving _____ [insert name of District negotiator] and _____ [insert name of employee organization involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

i. Conference with labor negotiator involving _____ [insert name of District negotiator] and unrepresented employee(s) in position(s) of _____ [insert position(s) of unrepresented employee(s) involved in negotiation]; Government Code sections 54954.5(f) and 54957.6.

j. Conference with real property negotiator involving _____ [insert street address or other description of property], and _____ [insert name of other party(ies)]. Instructions to the negotiator may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

k. Closed session consultation [insert the name, if applicable, of a law enforcement agency, and the title of the officer, or the name of an applicable agency representative and title] concerning a threat to public services or facilities, or for the assessment of the security vulnerability of public facilities. (See Government Code section 54957.)

l. Closed session (if approved by two-thirds vote of the Board, or the unanimous vote of the Board if less than two-thirds are present) for: (1) an emergency, which will be defined as a work stoppage, crippling activity or other activity that severely impairs public health, safety or both, as determined by a majority of the Board; or (2) a dire emergency, which will be defined as a crippling disaster, mass destruction, terrorist act or threatened terrorist activity that poses peril so immediate and significant that requiring the Board to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety or both, as determined by a majority of the Board. (See Government Code section 54956.5.) [The notification for an emergency meeting requires notice by telephone to each local newspaper of general circulation, radio station and television station that has requested notice of special meetings. For a meeting for a "non-dire emergency," the telephone notice must be provided at least one hour prior to the emergency meeting. In the case of a meeting for a "dire emergency," the telephone notice must be provided to the media at or near the same time as notice is given to the members of the Board.]

The Board will not keep minutes of its closed sessions. (See Government Code section 54957.2.) In the closed session, the Board will consider only those matters covered in its statement of reasons for holding the closed session. (See Government Code section 54957.7.)

Before holding a closed session to consider complaints or charges against a particular employee (as distinguished from mere evaluation of performance unrelated to any specific complaint or charge), the District will provide twenty-four hours' advance written notice to the employee of his or her right to have the matter heard in open session. (See Government Code section 54957.)

A closed session may be held to meet with the District's negotiator regarding the salary and benefits of District officers and employees, but not including elected officials, but the District's available funds,

funding priorities or budget will not be discussed during the closed session. (See Government Code section 54957.6.)

Following every closed session, the Board will reconvene to open session and publicly report any action and vote during the closed session in accordance with the following guidelines:

a. For action concerning final approval of a real property purchase/sale agreement or lease, report in open session at the same meeting the action taken (including the substance of the agreement) and vote, except that, if final approval rests with another party, the report may be deferred until the other party's approval. (See Government Code section 54957.1(a)(1).)

b. Approval given to legal counsel to defend or initiate a lawsuit, or seek appellate review will be reported in open session at the public meeting during which the closed session was held. (See Government Code section 54957.1(a)(2).)

c. Approval given to legal counsel to settle pending litigation or action taken to dispose of a claim will be reported in open session as soon as the settlement or claim disposition becomes final. (See Government Code section 54957.1(a)(3) and (4).)

d. For action to appoint, employ or dismiss, accept the resignation of, or otherwise affect the employment status of an employee, the Board will report in open session at the same meeting the action taken (including identity of employee or position and any change in compensation) and vote, except that, for any dismissal or non-renewal of a contract, the report back may be deferred until the first meeting after the exhaustion of administrative remedies. (See Government Code section 54957.1(a)(5).)

e. For action concerning a labor MOU, after the MOU has been approved by both parties, the Board will report in open session the action taken and vote. (See Government Code section 54957.1(a)(6).)

f. For actions taken during an emergency meeting, the Board will report the fact that an emergency meeting was held, the purpose of the meeting and any action taken at the meeting as soon after the meeting as possible. (See Government Code section 54956.5c.)

The District will make available after a closed session to anyone who has requested them in advance, agreements or other documents approved in closed session, unless the document needs to be revised, in which case it will be provided as soon as possible. After the closed session, changes to the agreement will be orally summarized if anyone present so requests. (See Government Code section 54957.1(b).)

RULE 24 - MEETINGS BY TELECONFERENCE

The District Board may hold meetings by teleconference. (See Government Code section 54953(b).) For purposes of this rule, "meetings by teleconference" include meetings at which one or more Board member attends and participates in the meeting by telephone, video conferencing or any other electronic means using live audio or video, or both. For any meeting by teleconference conducted by the Board, the following requirements will apply:

a. Each teleconference location (i.e., the location from which one or more Board members attends and participates in a meeting by teleconference) will be accessible to the public.

b. When meetings by teleconference are held by telephone, speaker phones will be used at the main meeting location and at any teleconference location where there are members of the public in attendance.

c. All votes taken at a meeting by teleconference will be by roll call.

d. The Board will conduct the meeting by teleconference in a manner that protects the statutory and constitutional rights of parties and the public to attend and participate in the meeting.

e. Each teleconference location will be identified in the regular meeting agenda or special meeting notice, and the agenda or notice will state that members of the public will have the opportunity to address the Board from any teleconference location.

f. Notice of any meeting by teleconference will be included in the meeting agenda or special meeting notice in substantially the following form:

"All or portions of this meeting will be conducted by teleconference in accordance with Government Code section 54953(b). The teleconference location(s) for the meeting are as follows: _____. Each teleconference location is accessible to the public, and members of the public may address the Board of Directors from any teleconference location."

g. In addition to the usual notice and agenda requirements, the regular meeting agenda or special meeting notice will be posted at all teleconference locations at least seventy-two hours before regular meetings or twenty-four hours before special meetings.

RULE 25 - AMENDMENT OF RULES

By motion made, seconded and approved, the Board in its discretion may at any meeting: (a) temporarily suspend these rules in whole or in part; (b) amend these rules in whole or in part, or (c) both.

Revision History:

Revision Date	Description of Changes	Requested By
2/28/18	Rule 3 - Change the time and to one meeting per month	Board

Compliance with the Ralph M. Brown Act

(Government Code Section 54950 et. al)

Board Agenda from September 25, 2019

**SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
September 25, 2019
6:00 p.m.
9935 Auburn Folsom Road
Granite Bay, CA 95746**

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

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

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

In compliance with the American's with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Board Secretary at 916-791-0115. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

I. ROLL CALL

II. PUBLIC FORUM

During the Public Forum, the Board may briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations to add the matter to the agenda.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, August 28, 2019 (W & R)
Recommendation: Approve draft minutes
2. Minutes of the Board of Directors Special Meeting, September 3, 2019 (W & R)
Recommendation: Approve draft minutes
3. Hinkle Reservoir Liner and Cover Replacement Project Design Services (W)
Recommendation: Approve a contract with HDR Engineering, Inc., for the completion of the design of the Hinkle Reservoir Liner and Cover Replacement Project

IV. OLD BUSINESS

1. RWA Update – Jim Peifer, Executive Director
Information

2. Hinkle Reservoir Rehabilitation Project (W)
Adoption of two resolutions required by the California State Water Resources Control Board for financing of the Hinkle Reservoir Rehabilitation Project from the Drinking Water State Revolving Loan Fund.

Action: ***Adopt Reimbursement Resolution 19-05 stating San Juan Water District's intent and reasonable expectation to be reimbursed for expenditures paid prior to the issuance of funds from the Drinking Water State Revolving Fund or the approval by the State Water Board of the project funds.***

Adopt Authorizing Resolution 19-06 designating the Director of Finance or designee, as the authorized representative of the San Juan Water District to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

V. NEW BUSINESS

1. California Voting Rights Act and Elections (W & R)
Discussion
2. Placer County LAFCO Alternate Public Member Vacancy (W & R)
Discuss Board member interest and potential nomination

VI. INFORMATION ITEMS

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

VII. DIRECTORS' REPORTS

1. SGA
2. RWA
3. ACWA
 - 3.1 Local Government/Federal Affairs/Region 4 - Pam Tobin
 - 3.2 JPIA – Pam Tobin
 - 3.3 Energy Committee - Ted Costa

4. CVP Water Users Association
5. Other Reports, Correspondence, and Comments

VIII. COMMITTEE MEETINGS

1. Engineering Committee – September 20, 2019
2. Finance Committee – September 24, 2019

IX. UPCOMING EVENTS

1. Water Education Foundation – 2019 Water Summit
October 30, 2019
Sacramento, CA
2. ACWA Fall Conference
December 3-6, 2019
San Diego, CA

X. ADJOURN

UPCOMING MEETING DATES

October 23, 2019
November 13, 2019
December 11, 2019

I declare under penalty of perjury that the foregoing agenda for the September 25, 2019 regular meeting of the Board of Directors of San Juan Water District was posted by September 20, 2019, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public.

Teri Grant, Board Secretary

**Adoption of policy related to handling Public
Records Act requests**

Current Webpage form



Public Records Request

Under the California Public Records Act, Government Code sections 6250-6276.48, the public may review certain District records upon request. A request to review District records must reasonably identify the records sought for review in order to enable District staff to locate and make them available for review or copying.

The District will advise the requestor within 10 calendar days after receiving a records request whether the District will provide the requested records. The District also will advise when the records will be available for review or when copies will be available for pick up. In certain cases, the District may extend the time to respond to a records request for up to 14 additional days. Also, certain District records are not considered public records and may be withheld from public review. For example, employee personal information is not a public record.

If requested, the District will make photocopies of public records in accordance with Government Code section 6253(b). The copying charge is twenty-five (25) cents per page, which reflects the District's direct costs. Payment is required at the time copies are provided. A deposit may be required for copying a large volume of material.

Requestor: _____
(PLEASE PRINT FULL NAME)

Representing: _____
(NAME OF ORGANIZATION)

(MAILING ADDRESS, CITY, STATE ZIP)

(DAYTIME PHONE)

(EMAIL ADDRESS)

List documents titles, as complete as possible, or fully describe the records requested, specifying dates or other information that identifies the records. Please attach additional pages if necessary.

Requestor's Signature

Date

(For Office Use Only)

Date request initially received: _____ Initials: _____ Referred to: _____

Estimated time to comply: _____ Date requestor notified: _____

Date(s) requestor informed more time required for compliance: _____

Copy Cost: \$ _____ Date Payment Received: _____ Date info supplied: _____

Comments: _____

Submit to SJWD using one of the following options:

Mail to: SJWD – Attn: Board Secretary, P.O. Box 2157, Granite Bay CA 95746

Fax to: 916-791-7361 ♦ Email to: tgrant@sjwd.org

Adoption of Reimbursement Policy

(Government Code Section 53232.2 (b))

***Board Members – Board Policy BOD-2.2 Compensation and
Reimbursement for Directors***

Employees – Employee Policy 11010

Section	BOD-2 Board of Directors	Date Adopted	10/23/03
Policy	BOD-2.2 Compensation and Reimbursement for Directors	Latest Revision	2/28/18

BOD-2.2 Compensation and Reimbursement for Directors

2.2.1 Compensation and Reimbursement for Board and Committee Meetings

Members of the Board of Directors of the District will be entitled to receive \$125 per day for each day's attendance at meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, as provided for in this policy.

Applicable law provides that a Director can be compensated for up to 10 days per calendar month for each day's attendance at meetings of the Board, or for each day's service rendered as a Director. The District encourages Directors to take advantage of opportunities to be informed concerning matters of interest to the District, and to inform others of the activities and interests of the District. The General Manager will provide to the Board on a quarterly basis a list of meetings attended by each Director for which the Director was compensated under this policy. Directors will be compensated (for up to 10 days per calendar month) for attending the following types of meetings:

- Meetings of the Board of Directors of the District;
- Meetings of committees of the Board of Directors of the District, as a committee member or alternate committee member;
- Meetings of joint powers authorities, associations and other organizations of which the District is a member or participant, as the liaison representative of the Board and/or the liaison representative alternate who has been appointed to represent the District on the governmental entity or committee;
- Meetings of a County Board of Supervisors, Local Agency Formation Commission or a special district or legislative or regulatory body that has on its agenda a matter that is of interest to the District;
- Meetings or office visits as requested by the General Manager;
- Meetings, water industry events or office visits of a substantial duration concerning substantive District business as requested and approved for payment by the General Manager or the Board President; and
- Conferences, seminars, meetings, and other events dealing with matters of interest to the District.

When making any trips on official business of the Board, or in attending any conferences, Directors will be compensated for each day sessions are attended. If the conference is of sufficient distance that travel on the same day is unreasonable, then Directors will be compensated for up to one travel day before and one travel day after the meeting or conference. For out of state events, attendance at the event will be discussed in advance with the Board of Directors.

2.2.2 Director Travel and Reimbursement Policy

It is the policy of the San Juan Water District to reimburse Directors for any expenses incurred in the performance of his/her duties required or authorized by the Board, and that expenses be reimbursed in a manner that conforms to an "accountable plan" under Internal Revenue Service regulations. Such expenses will be reported on the District's "Statement of Reimbursable Expenses", which includes the following information: (a.) cost of each separate expense (incidental expenses may be totaled by category); (b.) date expense was incurred; (c.) destination (for travel and transportation); (d.) business purpose and/or benefit gained; and (e) receipts confirming the expense. This form must be submitted to the Director of Finance or Board Secretary within 60 days of incurring the expense, who will have authority to provide reimbursement of expenses that conforms to the requirements under this policy.

The District's annual budget will set an appropriate level of funding for reimbursement of Board member's travel expenses. A Board member will not be entitled to receive in excess of the budgeted amount per fiscal year for reimbursement of travel expenses, unless the Board of Directors approves a Board member's request to increase this amount for the Board member for the applicable fiscal year. The General Manager will be responsible for identifying when a travel request would cause the budgeted amount to be exceeded, and discuss whether the Board member would like to request approval of the Board for additional funds.

- a. Each Board member will be reimbursed for travel, lodging, and other expenses actually and reasonably incurred in the performance of service rendered. All activities for which expense reimbursement is sought must be in accordance with approved policies of the Board.
- b. Normally, travel will be arranged through the Board Secretary. If a Board member has personal travel that will occur on either end of the District travel, the Director may coordinate personal travel plans with the Board secretary. In any case, the incremental cost of personal travel will be at the Board member's own expense.
- c. Airline travel will be based on the least expensive coach tickets at the time of purchase.
- d. If personal vehicle is used, the reimbursement will be based on the mileage reimbursement rates as set by the IRS. The reimbursement will be limited to either the amount of automobile mileage reimbursement; or regular coach airfare plus transfers (or cost of rental car if it would have been necessary), fees, tips, etc.; whichever is less. If alternative transportation is used, the limiting airfare for reimbursement will be determined by the Board secretary, and will generally be based on the fares paid for other attendees, if any, or the 21-day advance purchase coach airfare.
- e. Rental cars will be limited to the intermediate size, unless there are multiple people requiring a larger vehicle.
- f. Lodging will be at the standard conference hotel room, or as assigned in the conference registration process, or of similar cost. Lodging reimbursed by the District is limited to the night before the conference through the night after the conclusion of the conference. In the case where the cost of the airfare for a Saturday night stay plus the additional lodging cost is less than the coach airfare for the conference nights, the Board member may choose this option. If the conference or meeting is local, no lodging will be provided.
- g. Meals will be reimbursed for actual expenses (receipts required) or at the per diem rate approved for the applicable city under the IRS accountable plan (no receipts needed).
- h. If a spouse or other family member/s attend/s a conference, seminar or meeting with a Board member, the cost for travel, meals, registration and any other incremental expenses related to such spouse or family member will be paid by the Board member.

Travel advances are available to Board members upon request. Receipts must be provided and expenses documented on an expense reimbursement form, with any remaining advanced funds returned to the District.

A Director shall not attend a conference or training event for which there is an expense to the District if it occurs after they have announced their pending resignation or have not filed for re-election, or if it occurs after an election in which it has been determined that they will not retain their seat on the Board of Directors except as formally authorized by action of the Board of Directors.

Board members returning from conferences or seminars for which expenses have been reimbursed may submit a brief oral or written report to the Board.

2.2.3 Benefits for Directors

Directors will be covered by the District’s Workers Compensation Insurance policy while acting as a Board of Directors or acting under its orders.

Revision History:

Revision Date	Description of Changes	Requested By
2/28/18	Combine Policies 2300 and 2500; further define types of meetings; offer per diem rate vs. receipts; remove list of pre-approved meetings to allow Director to incur expenses in the performance of his/her duties	Personnel Committee

SAN JUAN WATER DISTRICT
EMPLOYEE MANUAL

POLICY TYPE : Miscellaneous
POLICY TITLE : Employee Business Travel and Expense Reimbursement Policy
POLICY NUMBER : 11010
DATE ADOPTED : May 12, 2002
DATES AMENDED : February 14, 2007

11010.00 EMPLOYEE BUSINESS TRAVEL AND EXPENSE REIMBURSEMENT
POLICY

It is the policy of the San Juan Water District to reimburse Employees for any expenses for District purposes approved by the Department Manager, and that expenses be reimbursed in a manner that conforms to an "accountable plan" under Internal Revenue Service regulations. Such expenses will be reported on the District's "Statement of Reimbursable Expenses", which includes the following information: (a.) cost of each separate expense (incidental expenses may be totaled by category); (b.) date expense was incurred; (c.) destination (for travel and transportation); (d.) business purpose and/or benefit gained; and (e) receipts confirming the expense. This form must be submitted with the approval of the Department Manager to the Finance and Administrative Services Manager within 60 days of incurring the expense, who will have authority to provide reimbursement of expenses that conforms to the requirements under this policy.

a. Employees will be reimbursed for travel, lodging, and other expenses actually and reasonably incurred in the performance of service rendered. All activities for which expense reimbursement is sought must be in accordance with approved policies of the Board.

b. Normally, travel will be arranged through the Board secretary. If an employee has personal travel that will occur on either end of the District travel, the Employee may coordinate personal travel plans with the Board secretary. In any case, the incremental cost of personal travel will be at the Employee's own expense.

c. Airline travel will be based on the least expensive coach tickets at the time of purchase.

d. If personal vehicle is used, the reimbursement will be based on the mileage reimbursement rates as set by the IRS. The reimbursement will be limited to either the amount of automobile mileage reimbursement; or regular coach airfare plus transfers (or cost of rental car if it would have been necessary), fees, tips, etc; whichever is less. If alternative transportation is used, the limiting airfare for reimbursement will be determined by the Board secretary, and will generally be based on the fares paid for other attendees, if

any, or the 21-day advance purchase coach airfare.

e. Rental cars will be limited to the intermediate size, unless there are multiple people requiring a larger vehicle.

f. Lodging will be at the standard conference hotel room, or as assigned in the conference registration process, or of similar cost. Lodging reimbursed by the District is limited to the night before the conference through the night after the conclusion of the conference. In the case where the cost of the airfare for a Saturday night stay plus the additional lodging cost is less than the coach airfare for the conference nights, the Employee may choose this option. If the conference or meeting is local, no lodging will be provided.

g. Meals will be reimbursed for actual expenses with receipts provided, with a cost not to exceed the rate that would be approved for the applicable city under the IRS accountable plan.

h. Receipts will be required to be provided for all reimbursable expenses, except minor travel incidentals.

i. If a spouse or other family member/s attend/s a conference, seminar or meeting with an Employee, the cost for travel, meals, registration and any other incremental expenses related to such spouse or family member will be paid by the Employee.

Travel advances are available to Employees upon request. Receipts must be provided and expenses documented on an expense reimbursement form, with any remaining advanced funds returned to the District.

Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products. This information is to be made available for public inspection. “Individual charge” includes, but is not limited to: one meal, lodging for one day, or transportation.

(Government Code Section 53065.5)

San Juan Water District provides monthly disclosure of Board member and employee reimbursements which are accessible on the SJWD website under the Board meeting minutes and Board meeting packets under the General Manager’s Monthly Report. Each monthly report includes the check report for the previous month and the Board member stipends.



San Juan Water District, CA

Check Report

By Check Number

Date Range: 08/01/2019 - 08/31/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-APBNK						
03406	Alpha Analytical Laboratories Inc.	08/06/2019	Regular	0.00	90.00	54514
03731	Bay Cities Paving and Grading	08/06/2019	Regular	0.00	1,876.88	54515
01368	Citrus Heights Water District	08/06/2019	Regular	0.00	34,150.00	54516
01378	Clark Pest Control of Stockton	08/06/2019	Regular	0.00	150.00	54517
01569	Employee Relations, Inc.	08/06/2019	Regular	0.00	4.50	54518
01601	Fair Oaks Water District	08/06/2019	Regular	0.00	21,650.00	54519
03091	Granite Bay Ace Hardware	08/06/2019	Regular	0.00	121.53	54520
02649	MUFG Union Bank, N.A.	08/06/2019	Regular	0.00	3,105.00	54521
02131	Office Depot, Inc.	08/06/2019	Regular	0.00	372.98	54522
02280	Rawles Engineering, Inc	08/06/2019	Regular	0.00	24,436.30	54523
02223	Rexel Inc (Platt - Rancho Cordova)	08/06/2019	Regular	0.00	942.07	54524
02302	Riebes Auto Parts, LLC	08/06/2019	Regular	0.00	1.28	54525
02392	Safeguard Business Systems, Inc.	08/06/2019	Regular	0.00	68.23	54526
02514	State Water Resources Control Board - SWRCB	08/06/2019	Regular	0.00	105.00	54527
02651	United Parcel Service Inc	08/06/2019	Regular	0.00	126.38	54528
02717	Water Research Foundation	08/06/2019	Regular	0.00	27,165.00	54529
03406	Alpha Analytical Laboratories Inc.	08/14/2019	Regular	0.00	3,103.00	54530
01073	Amarjeet Singh Garcha	08/14/2019	Regular	0.00	1,500.00	54531
03594	Borges & Mahoney, Inc.	08/14/2019	Regular	0.00	6,612.29	54532
01310	Capital Rubber Co., Ltd	08/14/2019	Regular	0.00	1,270.74	54533
03706	Capra Environmental Services, Corp.	08/14/2019	Regular	0.00	900.00	54534
01316	Carbonite Filter Corporation	08/14/2019	Regular	0.00	6,693.34	54535
03345	Cessna, Chris	08/14/2019	Regular	0.00	453.00	54536
01372	City of Folsom	08/14/2019	Regular	0.00	33.60	54537
01375	City of Sacramento	08/14/2019	Regular	0.00	2,603.41	54538
01494	Dewey Services Inc.	08/14/2019	Regular	0.00	86.00	54539
01659	Gary Webb Trucking	08/14/2019	Regular	0.00	105.00	54540
03091	Granite Bay Ace Hardware	08/14/2019	Regular	0.00	88.93	54541
03736	Hallmark Building and Development	08/14/2019	Regular	0.00	1,960.12	54542
03735	Heimberg, Sheldon	08/14/2019	Regular	0.00	182.92	54543
03716	Janice D. Thompson & Associates, LLC	08/14/2019	Regular	0.00	4,639.49	54544
03669	MFDB Architects, Inc.	08/14/2019	Regular	0.00	27,452.25	54545
02649	MUFG Union Bank, N.A.	08/14/2019	Regular	0.00	1,530.85	54546
02131	Office Depot, Inc.	08/14/2019	Regular	0.00	183.39	54547
02150	Pace Supply Corp	08/14/2019	Regular	0.00	611.02	54548
02280	Rawles Engineering, Inc	08/14/2019	Regular	0.00	10,275.00	54549
02283	Recology Auburn Placer	08/14/2019	Regular	0.00	657.88	54550
02223	Rexel Inc (Platt - Rancho Cordova)	08/14/2019	Regular	0.00	551.00	54551
02302	Riebes Auto Parts, LLC	08/14/2019	Regular	0.00	173.70	54552
03732	Roth, Emily	08/14/2019	Regular	0.00	44.07	54553
01411	SureWest Telephone	08/14/2019	Regular	0.00	1,616.94	54554
02540	Sutter Medical Foundation	08/14/2019	Regular	0.00	169.00	54555
02463	The New AnswerNet	08/14/2019	Regular	0.00	620.64	54556
03729	Tree Pro Tree Services, Inc.	08/14/2019	Regular	0.00	9,000.00	54557
02667	US Bank Corporate Payments Sys (CalCard)	08/14/2019	Regular	0.00	15,132.93	54558
	Void	08/14/2019	Regular	0.00	0.00	54559
	Void	08/14/2019	Regular	0.00	0.00	54560
	Void	08/14/2019	Regular	0.00	0.00	54561
	Void	08/14/2019	Regular	0.00	0.00	54562
	Void	08/14/2019	Regular	0.00	0.00	54563
	Void	08/14/2019	Regular	0.00	0.00	54564
	Void	08/14/2019	Regular	0.00	0.00	54565
	Void	08/14/2019	Regular	0.00	0.00	54566
01041	Afman, Todd R	08/20/2019	Regular	0.00	684.28	54571

Check Report

Date Range: 08/01/2019 - 08/31/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
03406	Alpha Analytical Laboratories Inc.	08/20/2019	Regular	0.00	508.00	54572
03653	Baird, Kelly	08/20/2019	Regular	0.00	26.18	54573
01569	Employee Relations, Inc.	08/20/2019	Regular	0.00	95.35	54574
03173	Foley, Jacqueline	08/20/2019	Regular	0.00	188.75	54575
01659	Gary Webb Trucking	08/20/2019	Regular	0.00	3,066.00	54576
03091	Granite Bay Ace Hardware	08/20/2019	Regular	0.00	101.23	54577
01706	Graymont Western US Inc.	08/20/2019	Regular	0.00	6,642.05	54578
03679	L and D Landfill Limited Partnership	08/20/2019	Regular	0.00	7,585.74	54579
02024	MCI WORLDCOM	08/20/2019	Regular	0.00	64.47	54580
01916	Miller, Ken	08/20/2019	Regular	0.00	48.80	54581
02093	NDS Solutions, Inc	08/20/2019	Regular	0.00	2,343.16	54582
03239	NorCal RotoCo, Inc.	08/20/2019	Regular	0.00	344.12	54583
02129	Occu-Med Ltd.	08/20/2019	Regular	0.00	242.00	54584
02131	Office Depot, Inc.	08/20/2019	Regular	0.00	769.59	54585
02150	Pace Supply Corp	08/20/2019	Regular	0.00	1,291.12	54586
02146	PG&E	08/20/2019	Regular	0.00	3,519.45	54587
	Void	08/20/2019	Regular	0.00	0.00	54588
03150	Professional Id Cards Inc	08/20/2019	Regular	0.00	12.50	54589
02223	Rexel Inc (Platt - Rancho Cordova)	08/20/2019	Regular	0.00	325.63	54590
02293	RFI Enterprises, Inc	08/20/2019	Regular	0.00	51.34	54591
02302	Riebes Auto Parts, LLC	08/20/2019	Regular	0.00	144.96	54592
02328	Rocklin Windustrial Co	08/20/2019	Regular	0.00	4.15	54593
02357	Sacramento Municipal Utility District (SMUD)	08/20/2019	Regular	0.00	24,997.36	54594
02459	Sierra Safety Company	08/20/2019	Regular	0.00	145.86	54595
03644	Tully & Young, Inc.	08/20/2019	Regular	0.00	4,170.00	54596
02690	Verizon Wireless	08/20/2019	Regular	0.00	1,346.44	54597
01687	W. W. Grainger, Inc.	08/20/2019	Regular	0.00	100.94	54598
03445	Zlotnick, Greg	08/20/2019	Regular	0.00	160.66	54599
03392	Abercrombie, John B.	08/23/2019	Regular	0.00	2,441.51	54603
03406	Alpha Analytical Laboratories Inc.	08/23/2019	Regular	0.00	873.00	54604
01073	Amarjeet Singh Garcha	08/23/2019	Regular	0.00	2,970.00	54605
01026	American River Ace Hardware, Inc.	08/23/2019	Regular	0.00	75.93	54606
03594	Borges & Mahoney, Inc.	08/23/2019	Regular	0.00	13,511.35	54607
03548	Digital Deployment, Inc.	08/23/2019	Regular	0.00	400.00	54608
03091	Granite Bay Ace Hardware	08/23/2019	Regular	0.00	211.70	54609
01763	Holt of California	08/23/2019	Regular	0.00	51.21	54610
03383	Infererra Construction Management Group, Inc.	08/23/2019	Regular	0.00	20,933.75	54611
03300	Meyers Fozi, LLP	08/23/2019	Regular	0.00	850.00	54612
03239	NorCal RotoCo, Inc.	08/23/2019	Regular	0.00	3,500.00	54613
02150	Pace Supply Corp	08/23/2019	Regular	0.00	3,007.88	54614
	Void	08/23/2019	Regular	0.00	0.00	54615
02223	Rexel Inc (Platt - Rancho Cordova)	08/23/2019	Regular	0.00	2,300.33	54616
02328	Rocklin Windustrial Co	08/23/2019	Regular	0.00	186.29	54617
02651	United Parcel Service Inc	08/23/2019	Regular	0.00	115.47	54618
03284	Vavrinek, Trine, Day & Co, LLP	08/23/2019	Regular	0.00	595.00	54619
02766	Youngdahl Consulting Group, Inc.	08/23/2019	Regular	0.00	1,921.00	54620
03221	Chemtrade Chemicals Corporation	08/06/2019	EFT	0.00	4,914.73	406168
03702	Flowline Contractors, Inc.	08/06/2019	EFT	0.00	2,085.00	406169
01721	Hach Company	08/06/2019	EFT	0.00	13,075.87	406170
01741	HDR Engineering, Inc.	08/06/2019	EFT	0.00	55,010.14	406171
03026	PFM Asset Management	08/06/2019	EFT	0.00	920.22	406172
02504	Starr Consulting	08/06/2019	EFT	0.00	870.00	406173
02572	Thatcher Company of California, Inc.	08/06/2019	EFT	0.00	4,594.80	406174
02643	Underground Service Alert of Northern California	08/06/2019	EFT	0.00	3,469.63	406175
03298	United Rentals (North America), Inc.	08/06/2019	EFT	0.00	657.30	406176
01486	WAPA - Department of Energy	08/06/2019	EFT	0.00	2,598.33	406177
01232	Brower Mechanical, Inc.	08/14/2019	EFT	0.00	5,470.00	406178
01234	Bryce HR Consulting, Inc.	08/14/2019	EFT	0.00	1,280.00	406179
01235	BSK Associates	08/14/2019	EFT	0.00	56.00	406180
01330	CDW Government LLC	08/14/2019	EFT	0.00	1,416.15	406181
03221	Chemtrade Chemicals Corporation	08/14/2019	EFT	0.00	4,910.55	406182

Check Report

Date Range: 08/01/2019 - 08/31/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01419	Corrpro Companies, Inc.	08/14/2019	EFT	0.00	675.00	406183
01439	Cummins Inc.	08/14/2019	EFT	0.00	106,543.33	406184
01521	DataProse, LLC	08/14/2019	EFT	0.00	8,369.57	406185
01611	Ferguson Enterprises, Inc	08/14/2019	EFT	0.00	745.07	406186
01741	HDR Engineering, Inc.	08/14/2019	EFT	0.00	7,553.58	406187
01416	ICONIX Waterworks (US) Inc.	08/14/2019	EFT	0.00	321.75	406188
01935	Konecranes, Inc	08/14/2019	EFT	0.00	1,550.00	406189
03535	McLaughlin, Stacey	08/14/2019	EFT	0.00	1,975.00	406190
01472	Mel Dawson, Inc.	08/14/2019	EFT	0.00	4,880.74	406191
03385	S J Electro Systems Inc	08/14/2019	EFT	0.00	1,773.00	406192
02572	Thatcher Company of California, Inc.	08/14/2019	EFT	0.00	4,594.80	406193
02162	Tobin, Pamela	08/14/2019	EFT	0.00	46.50	406194
03298	United Rentals (North America), Inc.	08/14/2019	EFT	0.00	656.40	406195
03387	WageWorks, Inc	08/14/2019	EFT	0.00	259.15	406196
03681	Allied Electronics Inc.	08/20/2019	EFT	0.00	1,682.31	406197
01232	Brower Mechanical, Inc.	08/20/2019	EFT	0.00	1,840.00	406198
03221	Chemtrade Chemicals Corporation	08/20/2019	EFT	0.00	9,787.64	406199
01419	Corrpro Companies, Inc.	08/20/2019	EFT	0.00	6,700.00	406200
01532	E&M Electric & Machinery, Inc.	08/20/2019	EFT	0.00	1,830.00	406201
03687	HD Supply Facilities Maintenance Ltd.	08/20/2019	EFT	0.00	200.80	406202
03703	Hilts Consulting Group, Inc.	08/20/2019	EFT	0.00	3,256.96	406203
03628	Lees Automotive Repair Inc.	08/20/2019	EFT	0.00	554.28	406204
02027	Mcmaster-Carr Supply Company	08/20/2019	EFT	0.00	1,047.10	406205
02158	Pacific Storage Company	08/20/2019	EFT	0.00	68.74	406206
03026	PFM Asset Management	08/20/2019	EFT	0.00	3,500.00	406207
01486	WAPA - Department of Energy	08/20/2019	EFT	0.00	2,141.41	406208
03700	Westin Technology Solutions, LLC	08/20/2019	EFT	0.00	27,392.25	406209
03730	Arbinger Institute LLC	08/23/2019	EFT	0.00	13,098.46	406210
01328	Association of California Water Agencies / Joint P	08/23/2019	EFT	0.00	7,533.43	406211
01898	Association of California Water Agencies / JPIA	08/23/2019	EFT	0.00	234.00	406212
01242	Bureau of Reclamation-MPR	08/23/2019	EFT	0.00	7,020.00	406213
01439	Cummins Inc.	08/23/2019	EFT	0.00	913.50	406214
03712	DataRemote, Inc.	08/23/2019	EFT	0.00	7,303.79	406215
03688	Evoqua Water Technologies	08/23/2019	EFT	0.00	8,470.00	406216
03237	GM Construction & Developers, Inc	08/23/2019	EFT	0.00	1,155.00	406217
01721	Hach Company	08/23/2019	EFT	0.00	4,867.46	406218
01741	HDR Engineering, Inc.	08/23/2019	EFT	0.00	12,280.99	406219
01736	MailFinance Inc	08/23/2019	EFT	0.00	489.23	406220
02367	McClatchy Newspapers, Inc.	08/23/2019	EFT	0.00	799.02	406221
03180	SAC ICE LLC	08/23/2019	EFT	0.00	3,768.73	406222
03728	Talley, Inc.	08/23/2019	EFT	0.00	4,025.93	406223
02581	The Ferguson Group, LLC	08/23/2019	EFT	0.00	12,000.00	406224
03387	WageWorks, Inc	08/23/2019	EFT	0.00	259.15	406225
02710	WageWorks, Inc	08/23/2019	EFT	0.00	86.00	406226
03700	Westin Technology Solutions, LLC	08/23/2019	EFT	0.00	6,730.00	406227
01641	Sun Life Assurance Company of Canada	08/01/2019	Bank Draft	0.00	9,964.61	262832
03077	VALIC	08/09/2019	Bank Draft	0.00	4,495.88	0007859576
03077	VALIC	08/23/2019	Bank Draft	0.00	4,501.70	0007870046
03078	CalPERS Health	08/05/2019	Bank Draft	0.00	41,603.35	1001374836
03078	CalPERS Health	08/05/2019	Bank Draft	0.00	42,484.36	1001374836
03078	CalPERS Health	08/05/2019	Bank Draft	0.00	38,434.20	1001374836
03130	CalPERS Retirement	08/09/2019	Bank Draft	0.00	35,936.50	1001381751
01366	Citistreet/CalPERS 457	08/09/2019	Bank Draft	0.00	3,627.96	1001381764
03130	CalPERS Retirement	08/23/2019	Bank Draft	0.00	36,233.75	1001390757
01366	Citistreet/CalPERS 457	08/23/2019	Bank Draft	0.00	3,627.96	1001390797
03080	California State Disbursement Unit	08/08/2019	Bank Draft	0.00	370.61	705QUAX6658
03080	California State Disbursement Unit	08/23/2019	Bank Draft	0.00	370.61	R809VEY6663
03163	Economic Development Department	08/09/2019	Bank Draft	0.00	8,433.07	0-202-399-424
03163	Economic Development Department	08/23/2019	Bank Draft	0.00	8,282.44	1-869-382-080
03163	Economic Development Department	08/23/2019	Bank Draft	0.00	559.56	1-869-382-080
01039	American Family Life Assurance Company of Colu	08/28/2019	Bank Draft	0.00	691.28	Q3869 08-28-19

Check Report

Date Range: 08/01/2019 - 08/31/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
01039	American Family Life Assurance Company of Colu	08/28/2019	Bank Draft	0.00	691.28	Q3869 08-28-19
03164	Internal Revenue Service	08/09/2019	Bank Draft	0.00	49,296.98	2709621938374
03164	Internal Revenue Service	08/23/2019	Bank Draft	0.00	2,187.89	2709635101735
03164	Internal Revenue Service	08/23/2019	Bank Draft	0.00	48,430.43	2709635101735

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	138	90	0.00	325,540.21
Manual Checks	0	0	0.00	0.00
Voided Checks	0	10	0.00	0.00
Bank Drafts	20	20	0.00	340,224.42
EFT's	81	60	0.00	392,308.79
	239	180	0.00	1,058,073.42

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	138	90	0.00	325,540.21
Manual Checks	0	0	0.00	0.00
Voided Checks	0	10	0.00	0.00
Bank Drafts	20	20	0.00	340,224.42
EFT's	81	60	0.00	392,308.79
	239	180	0.00	1,058,073.42

Fund Summary

Fund	Name	Period	Amount
999	INTERCOMPANY	8/2019	1,058,073.42
			1,058,073.42



San Juan Water District, CA

Vendor History Report

By Vendor Name

Posting Date Range 07/01/2019 - 08/31/2019

Payment Date Range -

Payable Number	Description	Units	Price	Post Date	1099 Account Number	Payment Number	Payment Date	Amount	Shipping	Tax	Discount	Net	Payment	
Item Description				Amount			Account Name	Dist Amount						
Vendor Set: 01 - Vendor Set 01														
01916 - Miller, Ken														
Exp Reimb	Mileage Reimbursement-Variou			8/31/2019		54641	9/9/2019	80.12	0.00	0.00	0.00	80.12	80.12	
Mileage Reimbursement-		0.00	0.00	31.32	010-010-52110		Training - Meetings, Education & Trai	31.32	0.00	0.00	0.00	31.32	31.32	
					050-010-52110		Training - Meetings, Education & Trai	15.66						
					050-010-52110		Training - Meetings, Education & Trai	15.66						
Exp Reimb 07-2018	Mileage & Parking-Variou			8/31/2019		54581	8/20/2019	48.80	0.00	0.00	0.00	48.80	48.80	
Mileage & Parking-Variou		0.00	0.00	48.80	010-010-52110		Training - Meetings, Education & Trai	48.80				48.80	48.80	
					050-010-52110		Training - Meetings, Education & Trai	24.40						
					050-010-52110		Training - Meetings, Education & Trai	24.40						
02162 - Tobin, Pamela														
Exp Reimb 07-2019	Expense Reimb-Mileage Variou			7/31/2019		406194	8/14/2019	128.28	0.00	0.00	0.00	128.28	128.28	
Expense Reimb-Mileage \		0.00	0.00	46.50	010-010-52110		Training - Meetings, Education & Trai	46.50	0.00	0.00	0.00	46.50	46.50	
					050-010-52110		Training - Meetings, Education & Trai	23.25						
					050-010-52110		Training - Meetings, Education & Trai	23.25						
Exp Reimb 08-2019	Mileage Expense-Variou			8/31/2019		406236	9/9/2019	81.78	0.00	0.00	0.00	81.78	81.78	
Mileage-Variou Meeting		0.00	0.00	81.78	010-010-52110		Training - Meetings, Education & Trai	81.78				81.78	81.78	
					050-010-52110		Training - Meetings, Education & Trai	40.89						
					050-010-52110		Training - Meetings, Education & Trai	40.89						
Vendors: (2)								Total 01 - Vendor Set 01:	208.40	0.00	0.00	0.00	208.40	208.40
Vendors: (2)								Report Total:	208.40	0.00	0.00	0.00	208.40	208.40



Payroll Set: 01-San Juan Water District

Employee Number	Employee Name	Pay Code	# of Payments	Units	Pay Amount
0690	Costa,Ted	Reg - Regular Hours	2	12.00	1,500.00
			0690 - Costa Total:	12.00	1,500.00
1028	Hanneman,Martin W	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 T	Reg - Regular Hours	1	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:	44.00	5,500.00



Payroll Set: 01-San Juan Water District

<u>Account</u>	<u>Account Description</u>	<u>Units</u>	<u>Pay Amount</u>
010-010-58110	Director - Stipend	22.00	2,750.00
	010 - WHOLESALE Total:	22.00	2,750.00
050-010-58110	Director - Stipend	22.00	2,750.00
	050 - RETAIL Total:	22.00	2,750.00
	Report Total:	44.00	5,500.00



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	9	44.00	5,500.00
		Report Total:	44.00	5,500.00

**Timely filing of State Controller's Special
Districts Financial Transactions Report -
includes compensation
disclosure.**

(Government Code Section 53891)

San Juan Water District - 2018 State Controllers Report										Total Wages Subject to Medicare (Box 5 of W-2) Less GTL				Employer Contribution			
Line #	Elected Official Enter "Y"	Emp #	Employee Name	Department	Classification	Multiple Positions Footnote	Annual Salary Minimum	Annual Salary Maximum	Annual Regular Pay	Overtime Pay	Lump Sum Pay	Other Pay	Applicable defined Benefit Pension Formula	Retirement Plan: Employees' Share Paid by Employer	Defined Benefit plan: Employer's Share	Deferred Compensation / Defined Contribution Plan	Health, Dental, Vision
1		1029	Alcantara, Scott D	Operations	Safety/Regulatory Compliance Specialist		89,419.20	107,744.00	72,521.20	0.00	0.00	0.00	3%@60	0.00	9,099.62	0.00	19,617.34
2		0210	Barela, Tony D	Operations	Operations Manager		148,262.40	177,923.20	173,321.60	0.00	10,449.76	960.00	3%@60	0.00	21,498.44	0.00	27,371.02
3		1019	Barrett, Devon M	Customer Service	Customer Service Technician III		57,241.60	68,702.40	60,729.61	1,218.42	0.00	500.00	2%@62	0.00	4,062.90	0.00	17,660.14
4		1008	Brown, Lisa M	Customer Service	Customer Service Manager		107,952.00	129,521.60	127,744.82	0.00	0.00	1,000.00	3%@60	0.00	15,970.27	0.00	10,551.98
5		1001	Cater, Justen D	Field Services	Distribution Operator III		67,912.00	81,494.40	69,967.20	8,661.16	0.00	6,135.60	2%@62	0.00	4,680.99	0.00	10,551.98
6		1017	Cessna, Christopher E	Water Treatment	Instrumentation Technician		84,552.00	101,504.00	99,736.00	278.34	0.00	500.00	3%@60	0.00	12,434.23	0.00	26,896.44
7		0190	Clark, Thomas M	Field Services	Distribution Lead Worker		76,689.60	92,040.00	88,614.40	9,227.70	798.64	793.40	3%@60	0.00	11,710.63	0.00	23,930.40
8		1031	Corothers, Kurtis W	Water Efficiency	Water Efficiency Technician I		57,241.60	68,702.40	15,792.00	0.00	0.00	0.00	2%@62	0.00	1,080.48	0.00	9,252.46
9		0141	Cosens, Eric B	Water Treatment	Maintenance Chief		97,884.80	117,478.40	115,867.20	3,916.88	0.00	1,160.00	3%@60	0.00	14,442.79	0.00	19,052.32
10	Y	0690	Costa, Ted	Board of Directors	Director		125.00	15,000.00	5,500.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00
11		0115	Darr, Toni L	Finance & Administrative Services	Accounting Technician II		58,656.00	70,408.00	70,580.00	573.45	0.00	0.00	3%@60	0.00	9,222.65	0.00	29,958.72
12		1002	Davis, Aaron N	Water Treatment	Water Treatment Plant Operator IV		88,774.40	106,558.40	101,088.72	4,524.92	0.00	500.00	3%@60	0.00	12,654.02	0.00	23,930.40
13		0310	DesJardin, Scott A	Field Services	Distribution Operator IV		73,049.60	87,672.00	86,466.41	6,701.39	486.80	1,593.12	3%@60	0.00	11,391.81	0.00	20,786.44
14		0215	Ehnat, Stephen T	Engineering	Engineering Technician III		78,624.00	94,369.60	86,717.64	270.94	0.00	100.00	2%@62	0.00	5,801.62	0.00	27,371.02
15		1005	Foley, Jacqueline M	Water Treatment	Water Treatment Plant Operator II		73,049.60	87,672.00	73,675.20	937.08	0.00	0.00	2%@62	0.00	4,928.67	0.00	1,725.90
16		0220	Fulton, Jonathan	Engineering	Construction Inspector III		80,537.60	96,657.60	87,905.62	6,486.57	0.00	5,746.30	2%@62	0.00	5,881.04	0.00	23,930.40
17		0129	Grant, Teri L	Executive	Administrative Assistant/Board Secretary		67,912.00	81,494.40	80,131.20	945.66	2,291.40	500.00	3%@60	0.00	10,002.44	0.00	23,930.40
18		0200	Griego, Daniel J	Field Services	Distribution Operator IV		73,049.60	87,672.00	86,156.80	624.16	0.00	11,349.66	3%@60	0.00	11,375.87	0.00	27,559.64
19	Y	1028	Hanneman, Martin W	Board of Directors	Director		125.00	15,000.00	6,875.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00
20		0290	Heasley, Michael A	Field Services	Distribution Operator IV		73,049.60	87,672.00	86,065.61	7,727.85	2,074.06	4,539.50	3%@60	0.00	10,729.35	0.00	26,896.44

San Juan Water District - 2018 State Controllers Report										Total Wages Subject to Medicare (Box 5 of W-2) Less GTL				Employer Contribution			
Line #	Elected Official Enter "Y"	Emp #	Employee Name	Department	Classification	Multiple Positions Footnote	Annual Salary Minimum	Annual Salary Maximum	Annual Regular Pay	Overtime Pay	Lump Sum Pay	Other Pay	Applicable defined Benefit Pension Formula	Retirement Plan: Employees' Share Paid by Employer	Defined Benefit plan: Employer's Share	Deferred Compensation / Defined Contribution Plan	Health, Dental, Vision
21		1024	Helliker, Paul E	Executive	General Manager		186,735.00	186,735.00	187,497.13	0.00	0.00	8,075.04	3%@60	0.00	23,556.93	0.00	16,732.28
22		1025	Johnson, Jeff A	Water Treatment	Water Treatment Plant Operator III		80,537.60	96,657.60	81,313.85	8,979.28	0.00	500.00	3%@60	0.00	10,156.24	0.00	18,139.90
23		0308	Kirkland, Kenneth S	Water Efficiency	Water Efficiency Lead Worker		67,932.80	81,494.40	80,378.45	2,739.83	1,836.94	175.00	3%@60	0.00	10,531.32	0.00	23,930.40
24		0180	Larsen, Adam W	Field Services	Distribution Lead Worker		76,689.60	92,040.00	90,778.40	15,405.46	2,655.00	3,123.00	3%@60	0.00	12,179.72	0.00	27,371.02
25		1015	LeFohn, Joel M	Water Treatment	Water Treatment Plant Operator III		80,537.60	96,657.60	85,615.64	11,007.71	0.00	0.00	2%@62	0.00	5,727.94	0.00	23,930.40
26		0265	Machado, George C	Field Services	Field Services Manager		118,996.80	142,792.00	133,528.63	0.00	4,014.00	960.00	3%@60	0.00	17,483.50	0.00	27,371.02
27		0236	Mayer, Christopher R	Field Services	Pump Station Lead		84,552.00	101,504.00	100,108.00	2,404.41	1,669.36	19,562.82	3%@60	0.00	13,168.98	0.00	27,371.02
28		0285	Mayorga, Jason R	Field Services	Utilities Coordinator		73,049.60	87,672.00	86,466.40	3,784.04	6,592.52	4,236.94	3%@60	0.00	11,357.80	0.00	26,971.24
29	Y	0670	Miller, Ken	Board of Directors	Director		125.00	15,000.00	5,625.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00
30		1026	Morgan, Robert J	Field Services	Distribution Operator II		61,588.80	73,923.20	63,457.60	6,726.15	0.00	6,147.32	2%@62	0.00	4,245.43	0.00	23,930.40
31		0118	Naatz, April A	Finance & Administrative Services	Finance & Administrative Services Analyst		93,246.40	111,883.20	107,901.60	1,819.34	0.00	5,100.00	3%@60	0.00	14,034.65	0.00	27,371.02
32		1030	Nassau, Ryan M	Water Efficiency	Water Efficiency Technician I		57,241.60	68,702.40	25,237.70	221.78	442.66	0.00	2%@62	0.00	1,686.66	0.00	11,818.60
33		0278	Nush, Robert J	Field Services	Distribution Operator IV		73,049.60	87,672.00	86,466.40	440.15	4,668.74	0.00	3%@60	0.00	11,342.56	0.00	18,139.90
34		0266	Paul, Scott D	Customer Service	Meter Technician		55,868.80	67,059.20	62,869.60	0.00	573.54	0.00	3%@60	0.00	8,264.83	0.00	20,786.44
35		1009	Paulson, Rachael M	Finance & Administrative Services	Accountant		78,624.00	94,369.60	85,023.20	2,172.06	680.22	0.00	2%@62	0.00	5,688.12	0.00	9,228.60
36		1027	Phillips, Nicholas L	Water Treatment	Facilities Maintenance Helper		49,441.60	59,321.60	48,769.60	3,020.15	0.00	0.00	2%@62	0.00	3,262.44	0.00	10,551.98
37		0222	Pierson, Andrew C	Engineering	Senior Engineer		121,971.20	146,348.80	130,421.60	0.00	256.93	3,800.00	3%@60	0.00	16,559.38	0.00	23,930.40
38		0174	Potter, Randall L	Field Services	Pump Station Technician / Mechanic		76,689.60	92,040.00	90,778.40	1,300.58	1,276.65	13,579.18	3%@60	0.00	11,985.24	0.00	27,371.02
39	Y	1003	Rich, Daniel T	Board of Directors	Director		125.00	15,000.00	3,875.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00

San Juan Water District - 2018 State Controllers Report										Total Wages Subject to Medicare (Box 5 of W-2) Less GTL				Employer Contribution			
Line #	Elected Official Enter "Y"	Emp #	Employee Name	Department	Classification	Multiple Positions Footnote	Annual Salary Minimum	Annual Salary Maximum	Annual Regular Pay	Overtime Pay	Lump Sum Pay	Other Pay	Applicable defined Benefit Pension Formula	Retirement Plan: Employees' Share Paid by Employer	Defined Benefit plan: Employer's Share	Deferred Compensation / Defined Contribution Plan	Health, Dental, Vision
40		1014	Silva, Donna B	Finance & Administrative Services	Director of Finance		144,664.00	173,576.00	171,205.60	0.00	0.00	5,960.00	3%@60	0.00	21,870.51	0.00	22,719.12
41		0132	Sinnock, Cody Michael	Water Treatment	Facilities Maintenance Worker II		69,576.00	83,491.20	71,724.00	1,799.79	0.00	600.00	2%@62	0.00	4,798.55	0.00	27,371.02
42		1021	Smith, Kendall H	Field Services	Distribution Operator II		61,588.80	73,923.20	61,131.14	4,707.87	0.00	10,645.00	3%@60	0.00	7,721.89	0.00	9,228.60
43		1013	Sorensen, Elishia R	Customer Service	Customer Service Technician III		57,241.60	68,702.40	59,450.40	0.00	0.00	0.00	2%@62	0.00	3,977.06	0.00	23,930.40
44		0147	Spencer, Michael C	Water Treatment	Chief Operator		100,339.20	120,390.40	118,633.60	9,477.36	2,738.14	1,160.00	3%@60	0.00	14,814.75	0.00	23,930.40
45		0110	Stemple, Michael A	Finance & Administrative Services	Purchasing Agent		69,576.00	83,491.20	70,888.00	469.93	0.00	100.00	2%@62	0.00	4,742.77	0.00	27,559.64
46		0117	Strohmaier, Rosemary	Water Efficiency	Water Efficiency Technician I		57,241.60	68,702.40	67,752.05	0.00	400.44	0.00	3%@60	0.00	8,860.82	0.00	18,139.90
47		0143	Thorne, Jedediah L	Water Treatment	Water Treatment Plant Operator IV		88,774.40	106,558.40	99,034.27	15,203.14	0.00	100.00	3%@60	0.00	12,318.26	0.00	18,139.90
48	Y	0650	Tobin, Pamela	Board of Directors	Director		125.00	15,000.00	11,500.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00
49		0154	Turner, Gregory P	Water Treatment	Water Treatment Plant Manager		121,971.20	146,348.80	146,422.57	0.00	12,243.91	3,477.42	3%@60	0.00	18,799.45	0.00	20,681.92
50		0270	Van Dusen, Darren C	Field Services	Distribution Operator III		67,912.00	81,494.40	66,940.81	4,781.64	0.00	1,840.58	3%@60	0.00	8,394.78	0.00	23,930.40
51		0126	Von Collenberg, Chris M	Executive	Information Technology Manager		102,772.80	123,344.00	121,083.20	0.00	9,367.20	960.00	3%@60	0.00	15,831.30	0.00	25,116.64
52		0227	Watson, Rob	Engineering	Engineering Services Manager		137,758.40	165,297.60	146,770.43	0.00	12,327.59	0.00	3%@60	0.00	19,188.73	0.00	19,052.32
53		1023	Zlotnick, Gregory A	Executive	Water Resources Manager		102,606.40	127,233.60	112,488.00	0.00	0.00	5,960.00	2%@62	0.00	7,525.61	0.00	20,945.98
									4,476,592.50	148,555.19	77,844.50	131,439.88					
									4,834,432.07				0.00	507,044.04	0.00	1,016,665.32	

Special District of San Juan Water District
 Special Districts Financial Transactions Report
 General Information

Fiscal Year: 2018

District Mailing Address

Street 1 Has Address Changed?

Street 2

City State Zip

Email

Members of the Governing Body

	First Name	M. I.	Last Name	Title
Member 1	<input type="text" value="Marty"/>	<input type="text"/>	<input type="text" value="Hanneman"/>	<input type="text" value="President"/>
Member 2	<input type="text" value="Dan"/>	<input type="text"/>	<input type="text" value="Rich"/>	<input type="text" value="Vice President"/>
Member 3	<input type="text" value="Edward 'Ted'"/>	<input type="text" value="J"/>	<input type="text" value="Costa"/>	<input type="text" value="Director"/>
Member 4	<input type="text" value="Kenneth"/>	<input type="text" value="H"/>	<input type="text" value="Miller"/>	<input type="text" value="Director"/>
Member 5	<input type="text" value="Pamela"/>	<input type="text"/>	<input type="text" value="Tobin"/>	<input type="text" value="Director"/>
Member	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

District Fiscal Officers

	First Name	M. I.	Last Name	Title	Email
Official 1	<input type="text" value="Paul"/>	<input type="text"/>	<input type="text" value="Helliker"/>	<input type="text" value="General Manager"/>	<input type="text" value="phelliker@sjwd.org"/>
Official 2	<input type="text" value="Donna"/>	<input type="text"/>	<input type="text" value="Silva"/>	<input type="text" value="Director of Finance"/>	<input type="text" value="dsilva@sjwd.org"/>
Officials	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Report Prepared By

First Name M. I. Last Name

Telephone Email

Independent Auditor

Firm Name

First Name M. I. Last Name

Telephone

1. Is this district a component unit of a City, County, or Special District (Choose one)? If "Yes", answer question 2. Yes No

2. Is this district a blended component unit (BCU) or a discretely presented component unit (DPCU) of a City, County, or Special District (Choose one)? Refer to the Financial Transactions Report (FTR) instructions for definitions of these terms. If the district is a BCU, answer questions 3 - 5.
 BCU DPCU

3. Is financial data of this BCU included in the financial statements or Comprehensive Annual Financial Report (CAFR) of a City, County, or Special District (Choose one)?
 City County Special District

4. In which City, County, or Special District financial statements or CAFR is the financial data of this BCU included?
City name:
County name:
Special District name:

5. Is financial data of this BCU included in the City, County, or Special District FTR (Choose one)? Yes No

Special District of San Juan Water District
Special Districts Financial Transactions Report
Comments for the Special District Report

Fiscal Year: 2018

Comments

Appropriation Limits: The District is not subject to the Appropriation limits for the property tax apportionment received from Placer and Sacramento Counties.

Special District of San Juan Water District
Special Districts Financial Transactions Report
Water Enterprise Fund
Statement of Revenues, Expenses, and Change in Fund Net Position

Fiscal Year: 2018**Operating Revenues**

Water Sales Revenues

Retail Water Sales

R01.	Residential	9,533,095
R02.	Business	1,389,190
R03.	Industrial	
R04.	Irrigation	12,402
R09.	Sales to Other Utilities for Resale	10,480,070
R10.	Interdepartmental	
R11.	Other Water Sales Revenues	469,508

Water Services Revenues

R12.	Fire Prevention	34,876
R13.	Groundwater Replenishment	
R14.	Connection Fees	
R15.	Standby and Availability Charges	
R16.	Service-Type Assessments	
R17.	Other Water Services Revenues	152,512
R18.	Other Operating Revenues	83,288
R19.	Total Operating Revenues	\$22,154,941

Operating Expenses

Water Supply Expenses

R20.	Water Supply	
R21.	Water Purchases	4,420,199
R22.	Groundwater Replenishment	
R23.	Other Water Supply Expenses	
R24.	Pumping	
R25.	Treatment	2,897,555
R26.	Transmission and Distribution	3,285,215
R28.	Customer Accounting and Collection	1,071,900
R29.	Sales Promotion	
R30.	Personnel Services	

R31.	Contractual Services	
R32.	Materials and Supplies	
R33.	General and Administrative Expenses	3,957,148
R34.	Depreciation and Amortization Expenses	3,652,626
R35.	Other Operating Expenses	707,112
R36.	Total Operating Expenses	\$19,991,755
R37.	Operating Income (Loss)	\$2,163,186
	Nonoperating Revenues	
R38.	Investment Earnings	135,625
R39.	Rents, Leases, and Franchises	109,671
	Taxes and Assessments	
SD40.	Current Secured and Unsecured (1%)	2,104,555
SD41.	Voter-Approved Taxes	
SD42.	Pass-through Property Taxes (ABX1 26)	
SD43.	Property Assessments	
SD44.	Special Assessments	
SD45.	Special Taxes	
SD46.	Prior-Year Taxes and Assessments	
SD47.	Penalties and Cost of Delinquent Taxes and Assessments	
	Intergovernmental – Federal	
R48.	Aid for Construction	
R49.	Other Intergovernmental – Federal	
	Intergovernmental – State	
R50.	Aid for Construction	
SD51.	Homeowners Property Tax Relief	18,641
SD52.	Timber Yield	
R53.	In-Lieu Taxes	
R54.	Other Intergovernmental – State	
R55.	Intergovernmental – County	
R56.	Intergovernmental – Other	
R57.	Gain on Disposal of Capital Assets	3,240
R58.	Other Nonoperating Revenues	520,763
R59.	Total Nonoperating Revenues	\$2,892,495

Nonoperating Expenses		
R60.	Interest Expense	1,428,906
R61.	Loss on Disposal of Capital Assets	
R62.	Other Nonoperating Expenses	9,112
R63.	Total Nonoperating Expenses	\$1,438,018
R64.	Income (Loss) Before Capital Contributions, Transfers, and Special and Extraordinary Items	\$3,617,663
Capital Contributions		
R65.	Federal	
R66.	State	
R67.	Connection Fees (Capital)	
R68.	County	
R69.	Other Government	
R70.	Other Capital Contributions	946,298
R71.	Total Capital Contributions	\$946,298
R72.	Transfers In	
R73.	Transfers Out	
Special and Extraordinary Items		
R73.5	Special Item	
R73.6	Extraordinary Item	
R73.7	Total Special and Extraordinary Items	\$0
R74.	Change in Net Position	\$4,563,961
R75.	Net Position (Deficit), Beginning of Fiscal Year	\$63,683,411
R76.	Adjustment	-3,646,390
R77.	Reason for Adjustment	Adopted GASB 75 OPEB Reporting
R78.	Net Position (Deficit), End of Fiscal Year	\$64,600,982
Net Position (Deficit)		
R79.	Net Investment in Capital Assets	46,120,417
R80.	Restricted	
R81.	Unrestricted	18,480,565
R82.	Total Net Position (Deficit)	\$64,600,982

Note:

(R77) Reason for Adjustment: Adopted GASB 75 OPEB Reporting

Special District of San Juan Water District
 Special Districts Financial Transactions Report
 Long-Term Debt
 Bonds and COPs

Go to Report: [Detail Summary of Long-Term Debt](#)

Fiscal Year: 2018

SD01. Districtwide or Improvement District/Zone	Districtwide
SD02. Improvement District/Zone (if applicable)	
R03. Purpose of Debt (1 of 2) (Record Completed)	2012 San Juan Project & Advance Refi
R04. Nature of Revenue Pledged	Utility Billing Revenue
R05. Percent of Pledge	100%
R06. Debt Type	Revenue Bonds
R07. Fund Type	Enterprise
SD08. Activity	Water Enterprise
R09. Year of Issue	2012
R10. Beginning Maturity Year	2013
R11. Ending Maturity Year	2033
R12. Principal Authorized	13,625,000
R13. Principal Issued to Date	13,625,000
R14. Principal Unspent	
R15. Principal Payable, Beginning of Fiscal Year	\$11,537,101
R16. Adjustment to Principal in Current Fiscal Year	
R17. Reason for Adjustment to Principal in Current Fiscal Year	
R18. Principal Issued in Current Fiscal Year	
R18.5 Bond Discount/Premium at Issuance in Current Fiscal Year	
R19. Principal Paid in Current Fiscal Year	465,000
R19.5 Bond Discount/Premium Amortized in Current Fiscal Year	99,321
R20. Principal Defeased in Current Fiscal Year	
R21. Principal Payable, End of Fiscal Year	\$10,972,780
R22. Principal Payable, Current Portion	485,000
R23. Principal Payable, Noncurrent Portion	\$10,487,780
R24. Interest Paid in Current Fiscal Year	425,902
R25. Principal Delinquent, End of Fiscal Year	
R26. Interest Delinquent, End of Fiscal Year	
R27. Amount Held in Reserve	

Special District of San Juan Water District
 Special Districts Financial Transactions Report
 Long-Term Debt
 Bonds and COPs

Go to Report: [Detail Summary of Long-Term Debt](#)

Fiscal Year: 2018

SD01. Districtwide or Improvement District/Zone	Districtwide
SD02. Improvement District/Zone (if applicable)	
R03. Purpose of Debt (2 of 2) (Record Completed)	2017 San Juan Projects & Advanced R
R04. Nature of Revenue Pledged	Utility Billing Revenue
R05. Percent of Pledge	100%
R06. Debt Type	Revenue Bonds
R07. Fund Type	Enterprise
SD08. Activity	Water Enterprise
R09. Year of Issue	2017
R10. Beginning Maturity Year	2017
R11. Ending Maturity Year	2039
R12. Principal Authorized	26,125,000
R13. Principal Issued to Date	26,125,000
R14. Principal Unspent	
R15. Principal Payable, Beginning of Fiscal Year	\$28,390,769
R16. Adjustment to Principal in Current Fiscal Year	
R17. Reason for Adjustment to Principal in Current Fiscal Year	
R18. Principal Issued in Current Fiscal Year	
R18.5 Bond Discount/Premium at Issuance in Current Fiscal Year	
R19. Principal Paid in Current Fiscal Year	945,000
R19.5 Bond Discount/Premium Amortized in Current Fiscal Year	104,981
R20. Principal Defeased in Current Fiscal Year	
R21. Principal Payable, End of Fiscal Year	\$27,340,788
R22. Principal Payable, Current Portion	565,000
R23. Principal Payable, Noncurrent Portion	\$26,775,788
R24. Interest Paid in Current Fiscal Year	1,003,004
R25. Principal Delinquent, End of Fiscal Year	
R26. Interest Delinquent, End of Fiscal Year	
R27. Amount Held in Reserve	

Special District of San Juan Water District
 Special Districts Financial Transactions Report
 Detail Summary of Long-Term Debt

Back to Form: [Long-Term Debt](#)

Fiscal Year: 2018

	Year of Issue	Principal Payable, Beginning of Fiscal Year	Principal Issued in Current Fiscal Year	Principal Paid in Current Fiscal Year	Principal Payable, End of Fiscal Year	Principal Payable, Current Portion	Principal Payable, Noncurrent Portion	Interest Paid in Current Fiscal Year
Enterprise								
Revenue Bonds								
2012 San Juan Project & Advance Refunding	2012	11,537,101	0	465,000	10,972,780	485,000	10,487,780	425,902
2017 San Juan Projects & Advanced Refunding	2017	28,390,769	0	945,000	27,340,788	565,000	26,775,788	1,003,004
Total Enterprise Debt:		\$39,927,870	\$0	\$1,410,000	\$38,313,568	\$1,050,000	\$37,263,568	\$1,428,906

Special District of San Juan Water District
 Special Districts Financial Transactions Report
 Debt Service Reconciliation Report

Fiscal Year: 2018

	Governmental Funds	Internal Service Fund	Enterprise Funds
Debt Payments from Debt Forms			
R01. Long-Term Debt			1,428,906
R02. Other Long-Term Debt			
R03. Construction Financing			
R04. Lease Obligations			
R05. Total Debt Payments from Debt Forms	\$0	\$0	\$1,428,906
R06. Debt Service			1,428,906
R07. Difference	\$0	\$0	\$0
R08. Reason for Difference			

Special District of San Juan Water District
Special Districts Financial Transactions Report
Statement of Net Position
Proprietary Funds

Form has been completed.

Fiscal Year: 2018

		Enterprise	Internal Service
Assets			
Current Assets			
Cash and Investments			
R01.	Unrestricted	19,973,260	
R02.	Restricted		
R03.	Accounts Receivable (net)	3,965,727	
R04.	Taxes Receivable	83,921	
R05.	Interest Receivable (net)	40,343	
R06.	Due from Other Funds		
R07.	Due from Other Governments		
R08.	Inventories	125,979	
R09.	Prepaid Items	60,730	
R10.	Other Current Assets 1		
R11.	Other Current Assets 2		
R12.	Total Current Assets	\$24,249,960	\$0
Noncurrent Assets			
R13.	Cash and Investments, Restricted		
R14.	Investments	312,349	
R15.	Loans, Notes, and Contracts Receivable		
Capital Assets			
R16.	Land	264,484	
R17.	Buildings and Improvements	127,124,553	
R18.	Equipment	15,502,324	
R18.5	Infrastructure		
R19.	Intangible Assets – Amortizable	1,517,050	
R20.	Construction in Progress	1,320,226	
R21.	Intangible Assets – Nonamortizable		
R22.	Other Capital Assets		
R23.	Less: Accumulated Depreciation/Amortization	-63,190,423	
R23.5	Net Pension Asset		
R23.6	Net OPEB Asset		
R24.	Other Noncurrent Assets 1		
R25.	Other Noncurrent Assets 2		
R26.	Total Noncurrent Assets	\$82,850,563	\$0
R27.	Total Assets	\$107,100,523	\$0

Deferred Outflows of Resources

R28.	Related to Pensions	8,108,144	
R28.5	Related to OPEB	665,663	
R28.6	Related to Debt Refunding	1,895,771	
R29.	Other Deferred Outflows of Resources		
R30.	Total Deferred Outflows of Resources	\$10,669,578	\$0
R31.	Total Assets and Deferred Outflows of Resources	\$117,770,101	\$0

Liabilities

Current Liabilities

R32.	Accounts Payable	762,974	
R33.	Contracts and Retainage Payable	54,922	
R34.	Interest Payable	625,619	
R35.	Due to Other Funds		
R36.	Due to Other Governments		
R37.	Deposits and Advances	55,069	
R38.	Accrued Compensated Absences	365,959	
R39.	Long-Term Debt, Due Within One Year	1,050,000	0
R40.	Other Long-Term Liabilities, Due Within One Year		
R41.	Other Current Liabilities 1	84,529	
R42.	Other Current Liabilities 2		
R43.	Total Current Liabilities	\$2,999,072	\$0

Noncurrent Liabilities

R44.	Deposits and Advances, Net of Current Portion		
R45.	Compensated Absences, Net of Current Portion	418,097	
R46.	General Obligation Bonds		
R47.	Revenue Bonds	37,263,568	
R48.	Certificates of Participation		
R49.	Other Bonds		
R50.	Loans (Other Long-Term Debt)		
R51.	Notes (Other Long-Term Debt)		
R52.	Other (Other Long-Term Debt)		
R53.	Construction Financing – Federal		
R54.	Construction Financing – State		
R55.	Lease Principal		
R56.	Net Pension Liability	4,801,816	
R57.	Net OPEB Liability	4,303,424	
R58.	Other Noncurrent Liabilities 1		
R59.	Other Noncurrent Liabilities 2		
R60.	Total Noncurrent Liabilities	\$46,786,905	\$0
R61.	Total Liabilities	\$49,785,977	\$0

Deferred Inflows of Resources			
R62.	Related to Pensions	3,383,142	
R62.5	Related to OPEB		
R62.6	Related to Debt Refunding		
R63.	Other Deferred Inflows of Resources		
R64.	Total Deferred Inflows of Resources	\$3,383,142	\$0
R65.	Total Liabilities and Deferred Inflows of Resources	\$53,169,119	\$0
R66.	Total Net Position (Deficit)	\$64,600,982	\$0
Net Position (Deficit)			
R67.	Net Investment in Capital Assets	46,120,417	
R68.	Restricted		
R69.	Unrestricted	18,480,565	
R70.	Total Net Position (Deficit)	\$64,600,982	\$0
R71.	Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	\$117,770,101	\$0

Special District of San Juan Water District
Special Districts Financial Transactions Report
Appropriations Limit Information

Fiscal Year: 2018

R01. Appropriations Limit	<input type="text"/>
R02. Total Annual Appropriations Subject to the Limit	<input type="text"/>
R03. Revenues Received (Over) Under Appropriations Limit	<input type="text"/>

Special District of San Juan Water District
 Special District Financial Transactions Report
 Footnotes

Fiscal Year: 2018		<input checked="" type="radio"/> Current Year <input type="radio"/> Prior Year
FORM DESC	FIELD NAME	FOOTNOTES
WaterEnterpriseFund	(R01)Residential	Increase is due to a 15% increase in water supplied to retail customers, plus a 9% increase to the base retail water rate on 1/1/2018.
WaterEnterpriseFund	(R02)Business	Increase is due to a 15% increase in water supplied to retail customers, plus a 9% increase to the base retail water rate on 1/1/2018.
WaterEnterpriseFund	(R04)Irrigation	The District increased its water delivery by 24% to irrigation customer's, and the rate increased 9.8% on 1/1/2018.
WaterEnterpriseFund	(R11)OtherWaterSalesRevenues	Includes meter rentals, interest and late fees on water sales invoices.
WaterEnterpriseFund	(R17)OtherWaterServicesRevenues	Includes services fees (e.g., flow/pressure analysis) and pumping surcharges.
WaterEnterpriseFund	(R18)OtherOperatingRevenues	Includes rebate revenues and grants.
WaterEnterpriseFund	(R35)OtherOperatingExpenses	Includes Engineering department expenses.
WaterEnterpriseFund	(R57)GainonDisposalofCapitalAssets	During FYE 6/30/2017, the District sold several large pieces of equipment (e.g., backhoe, and vacuum trailer) and multiple vehicles at auction that totaled over 81% of the gains. During FYE 6/30/2018, the District only disposed of 1 vehicle.
WaterEnterpriseFund	(R58)OtherNonoperatingRevenues	Includes tapping/connection fees.
WaterEnterpriseFund	(R60)InterestExpense	The District issued the 2017 refunding bonds in June 2017, which saved the District over \$657,000 in FYE 6/30/2018.
WaterEnterpriseFund	(R61)LossonDisposalofCapitalAssets	There were no losses on the disposal of capital assets.
WaterEnterpriseFund	(R62)OtherNonoperatingExpenses	Includes the adjustment to the value of the California Oregon Transmission Pipeline, LAFCO assessment, and Financing Corp expenses.
WaterEnterpriseFund	(R70)OtherCapitalContributions	Includes capital facility fees from wholesale customers and refund for Antelope pump-back project.
ProprietaryFunds	(R03)Entpr-AccountsReivable(net)	Due to a conversion to a new retail utility billing program, the District changed the methodology used for the yearend accrual to a more accurate calculation. This led to the increase in the accounts receivable balance at the end of the year.
ProprietaryFunds	(R05)Entpr-InterestReivable(net)	The increase is due to a combination of a higher balance in the District's LAIF accounts (over 18%) and higher interest rates earned on the balance.
ProprietaryFunds	(R08)Entpr-Inventories	At FYE 6/30/2018 the District had a higher level of meters and registers on hand - approximately \$20,000 - which accounts for approximately 2/3 of the variance.
ProprietaryFunds	(R20)Entpr-ConstructionInProgress	FYE 6/30/2017 included the Floc-Sed Basins & Settle Water Channel improvements project, which was \$7.1M of the \$7.4M Construction in Progress balance. This project was completed during FYE 6/30/2018 and transferred to capital assets.
ProprietaryFunds	(R32)Entpr-AccountsPayable	FYE 6/30/2017 included payables of \$307K for the bond payments.
ProprietaryFunds	(R33)Entpr-ContractsandRetainagePayable	The majority of the variance is due to \$301K in retentions for the Floc-sed Basin project that was not released until FYE 6/30/2018.
ProprietaryFunds	(R34)Entpr-InterestPayable	In FYE 6/30/2017, the debt interest payment was made before the end of the fiscal year; however, in FYE 6/30/2018, the debt interest payment was made in FYE 6/30/2019.
ProprietaryFunds	(R41)Entpr-OtherCurrentLiabilities1	Includes unearned revenue from retail utility billing account prepayments.
ProprietaryFunds	(R56)Entpr-NetPensionLiability	Pension liability was reduced due to a payment at FYE 6/30/2017 that was not reflected in liabilities until FYE 6/30/2018.
ProprietaryFunds	(R57)Entpr-NetOPEBLiability	The District implemented GASB 75 in FYE 6/30/2018.
AppropriationsLimitInformation	(R01)AppropriationsLimit	The District is not subject to the appropriation limits for the property tax apportionment received from Placer and Sacramento Counties.
AppropriationsLimitInformation	(R02)TotalAnnualAppropriationsSubjecttotheLimit	The District is not subject to the appropriation limits for the property tax apportionment received from Placer and Sacramento Counties.

Total Footnote: 25

Conduct Annual Audits

(Government Code Section 26909 and 12410.6)

Documents are made available on the SJWD website under -

<http://www.sjwd.org/financial-audits>

Audit and Management letters included therein

INVESTING IN HIGH-QUALITY, RELIABLE WATER

Greg, [Water Treatment Plant Manager >](#)

SAN JUAN WATER DISTRICT

GRANITE BAY, CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018



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SAN JUAN WATER DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018

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SAN JUAN WATER DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2018

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INTRODUCTORY SECTION

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Directors

Edward J. "Ted" Costa

Marty Hanneman

Kenneth H. Miller

Dan Rich

Pamela Tobin

General Manager

Paul Helliker

December 12, 2018

To: Members of the Board of Directors San Juan Water District and Ratepayers of the San Juan Water District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the San Juan Water District (District) for the fiscal year ended June 30, 2018.

REPORT PURPOSE AND ORGANIZATION

The purpose of this letter is to introduce the basic financial statements and provide an analytical overview of the District's financial activities. The information presented in this CAFR is intended to provide financial information with all the disclosures necessary to enable the District's customers, investment community and general public to assess the District's financial condition. Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, which can be found immediately following the report of the independent auditors.

The CAFR is published in accordance with State law that requires financial statements be published within twelve months of the close of each fiscal year, and be presented in conformity with GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. It is also prepared to meet reporting standards set forth by the Government Finance Officers Association (GFOA). This report contains management's representations concerning the finances of the District. Management is responsible for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both protect the District's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Richardson & Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free from material

misstatement. Information on the audit, and the auditor's opinion, can be found in the Independent Auditor's Report on page 1.

ABOUT THE DISTRICT

Not everyone who reads this report is familiar with our District and it is hard to understand a government's finances without knowing something about the entity and how it operates. Let us tell you a little about the San Juan Water District!

History

The District was formed as a result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company and a group of homeowners in South Placer County. An election was held within the boundaries of the sponsoring districts on February 10, 1954. At this election, voters approved the formation of the San Juan Water District by nearly a two-thirds majority and elected five Directors. The District is a community services district formed under Section 60000 et seq., Title 5, Division 3 of the California Government Code.

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

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

San Juan's retail operations consist of operating and maintaining storage, pumping, transmission and distribution facilities, which deliver water to approximately 10,600 retail service connections located in a portion of Northeast Sacramento County and the Granite Bay area of South Placer County, and providing the administrative, customer service, conservation and engineering support necessary to successfully carry out those functions.

Mission Statement

The District's mission, and highest priority to our customers, is to take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. As part of accomplishing our mission, we commit to working cooperatively with others on projects of mutual public benefit to achieve the greatest possible efficiency and effectiveness. We further commit to communicate what we are doing, and why we are doing it. The District prides itself in providing excellent customer service to all its customers, external and internal.

Water Supply

The District's existing water supply consists of three separate raw water contracts. The first source of water comes from a settlement contract with the U.S. Bureau of Reclamation (Reclamation) whereby it is required to deliver the District's pre-1914 and post-1914 water rights water from the American River, totaling 33,000

acre-feet. The second source is a water service contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The District secured a long-term (40 year) renewal of this contract in 2006. The third water source is a contract with Placer County Water Agency for up to 25,000 acre-feet of water.

All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by the U. S. Bureau of Reclamation Folsom Pumping Plant. Total raw water delivery for the 2017-2018 fiscal year was 36,225 acre-feet.

In response to the recent drought and in preparation of future drought conditions, the District recently partnered with two nearby water districts, Placer County Water Agency and the Sacramento Suburban Water District, to construct inter-ties to allow water supplies to be shared and transferred if normally available supplies are reduced and/or inadequate to meet immediate demands for either district.

Water Efficiency

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

The District's water efficiency programs include:

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

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

The District became 100% metered and began billing all customers on a metered rate on January 1, 2005.

Water Treatment Plant

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

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

During the 2018 fiscal year, the District worked on and/or completed several capital improvement projects to improve the water system reliability:

- Completed the rehabilitation of the Sedimentation Basins including replacement of the flocculation and vacuum system
- SCADA improvements
- Security Improvements at the Upper Granite Bay Pump Station (Slide Gate and Track)
- Installation of various Pressure Reducing Stations
- Replacement of portions of the main distribution lines on Douglas Blvd., Main Avenue, and Oak Avenue

Other projects underway in the 2018-19 fiscal year will continue to improve and efficiently maintain District water facilities.

Accounting System and Budgetary Controls

The District operates on a fiscal year that runs from July 1 through June 30. The District's accounting records are maintained using the accrual basis of accounting. The revenues of the District are recognized when they are earned and the expenses are recognized when they are incurred.

The District staff works with the Finance Department to develop the annual budget. The budget is used as a management tool for projecting and measuring revenues and expenses. The process typically begins in January when managers begin developing their budget requests to fulfill the District's mission, goals and objectives for the next fiscal year. The Finance Department prepares the proposed budget which is presented to the Board of Directors in May for their review. A public hearing is usually held in June, with anticipated finalization and adoption scheduled for the following meeting or at least no later than June 30th. The District is legally required to adopt a budget by September 1st of the budget year.

Enterprise Operations

The District is one legal enterprise but is accounted for as two separate enterprise operations. The financial management and accounting for the two enterprise operations is recorded separately; with an operating and a capital outlay fund for each enterprise. However, for financial reporting purposes all four funds are presented in a consolidated report. As additional information, the accounting for the four funds on a budget versus actual basis is provided.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific economy within which the District operates. The District is located in Northern California approximately 20 miles Northeast of Sacramento and between the Cities of Folsom and Roseville. The District spans two counties in the region with the wholesale-only service area primarily in Sacramento County, and the wholesale/retail service area primarily within Placer County. Consistent with the national economy, the region as a whole has been experiencing a continued period of economic expansion. Placer County's unemployment rate fell from 4.1% in June 2017 to 3.5% in June 2018¹. Sacramento County's unemployment rate also improved, falling from 5% to 4.2% over the same time period¹. The national average unemployment rate in June 2018 was 4%¹. Placer County unemployment rate is slightly better than the national average and Sacramento County is slightly behind, but both counties saw improvement in employment over the past year. Total assessed property values in both counties have improved as well. Placer County has experienced a 5.7% increase in assessed property values in 2017 over the prior year², and Sacramento County experienced a 6.4%³ increase in fiscal year 2017-18 values the prior fiscal year. The San Juan Water District is located in a relatively low growth area of both counties. There were approximately 24 more service connections for the current fiscal year, which represents a growth rate of approximately .3% for the year.

Water Supply Outlook

In 2013 northern California experienced its driest year on record. In response to the water shortage, California Governor Edmund G. Brown, Jr. declared a Drought State of Emergency in January 2014. The District's Board of Directors adopted a resolution in February 2014 declaring and implementing a stage 3 water warning and authorized a Drought Surcharge of 10% that became effective on June 1, 2015. The intent of the drought surcharge was to address the decrease in revenues associated with decreased water use such that the District could comply with legal requirements to pay its debt service obligations, and to avoid expending District reserves to levels that would be imprudent. The Drought Surcharge was eliminated on April 1, 2016.

The District was required by the state to achieve a 36% reduction in water use, from 2013 levels from June 2015 through February 2016 and a 33% reduction in water use from March through May 2016. Over that

1. Bureau of Labor Statistics
2. Placer County Assessor
3. Sacramento County Assessor

time period the District achieved an actual reduction in use of 35.6%. In June 2016, the State's mandate was lifted. The District satisfied a self-certification requirement that allowed it to declare it had ample water supply to serve all customers through water year 2019. Consequently, the District is not currently subject to a state water conservation mandate but continues to urge its customers to be efficient with their water use.

Though increasing, water demands have not fully rebounded to pre-drought levels. This was anticipated as some customers have permanently modified their landscapes to use less water. Moreover, the State of California has taken significant action to permanently reduce California's overall water use, committing to make water conservation a California way of life. On May 31, 2018, Governor Brown signed legislation intended to help the state better prepare for droughts and climate change by establishing statewide water efficiency standards. The legislation increases the water reduction goal above the 20% target by the year 2020 that was adopted by the Legislature in 2009 and requires reductions in indoor and outdoor water use by residential customers, reductions in water use by commercial customers and requires agencies to reduce their distribution system water loss.

The increasing focus on reducing water use has prompted the District, like many water agencies throughout California, to begin to shift its rate methodology from volumetric to fixed, to better align its revenues with its costs. Under its recently adopted five-year financial plan and rate schedule, discussed further below, the District will be applying all rate increases to the daily base rate, as opposed to the volumetric rate. This will move the base rate from about 55% of total revenue a year ago, to close to 70% of total rate revenues by the end of the five year plan horizon, which is more in alignment with the ratio of fixed versus variable costs. This rebalancing will help solidify the District's financial stability.

Long-term Financial Planning

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

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

Relevant Financial Policies

The District's adopted budget document contains a listing and explanation of relevant financial policies, including reserve policies. Information regarding District reserves can be found in Note H to the Financial Statements.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Juan Water District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish as easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the dedicated services of the entire staff of Finance, Retail Operations (Conservation, Customer Service, Engineering Services, and Field Services), and Wholesale Operations. This specifically includes the continuing support of the Board of Directors of the District in the planning and implementation of the financial affairs of the District.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Donna Silva".

Donna Silva, CPA

Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Juan Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

SAN JUAN WATER DISTRICT
List of Elected and Appointed Officials June 30, 2018

BOARD OF DIRECTORS – ELECTED OFFICIALS

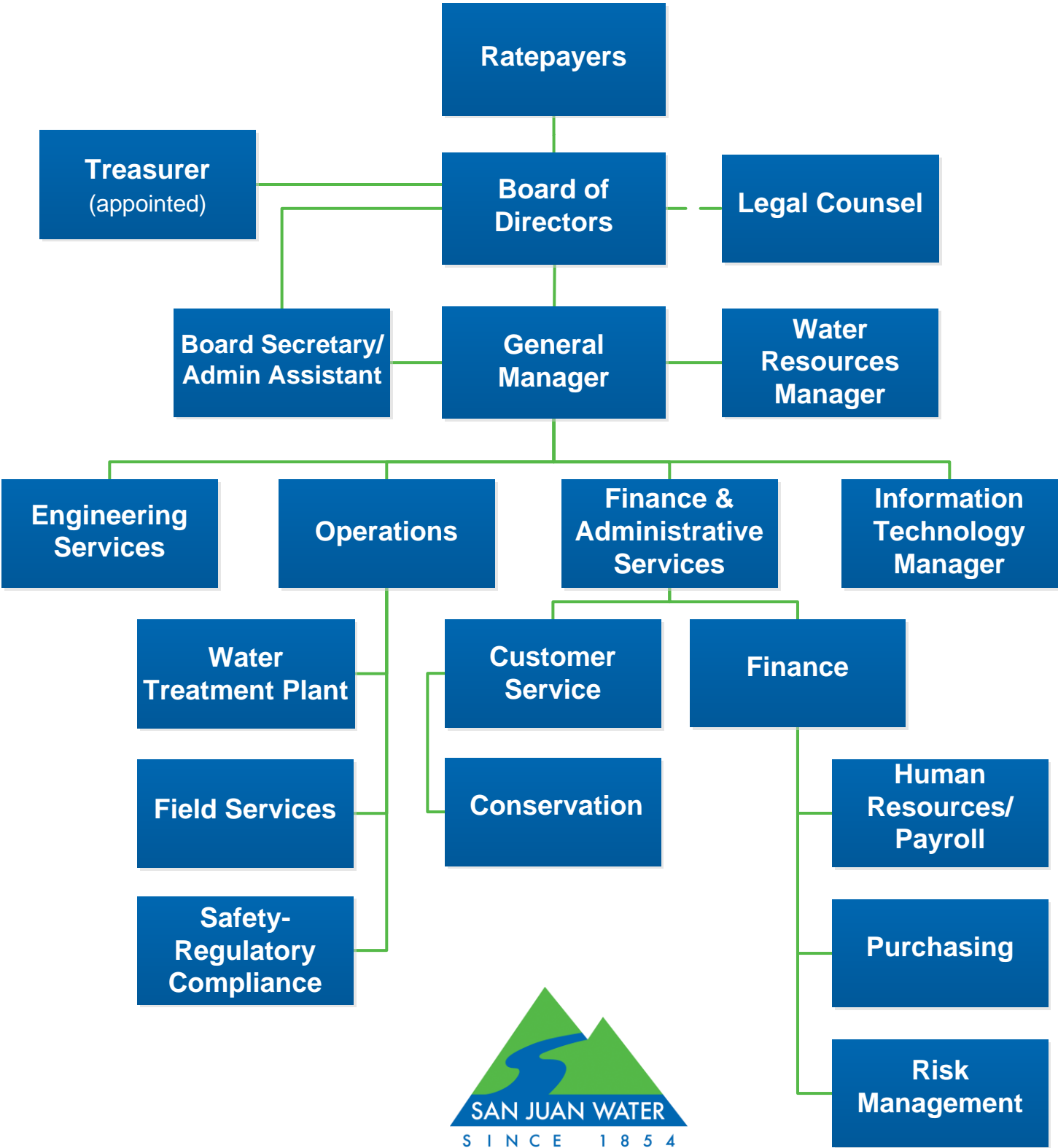
<u>Title</u>	<u>Name</u>	<u>Current Term</u>
President	Marty Hanneman	10/2017 – 12/2018
Vice President	Dan Rich	12/2014 – 12/2018
Director	Edward J. “Ted” Costa	12/2014 – 12/2018
Director	Kenneth H. Miller	12/2016 – 12/2020
Director	Pamela Tobin	12/2016 – 12/2020

STAFF – APPOINTED OFFICIALS

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

Organization Chart by Functional Area

As of June 30, 2018



FINANCIAL SECTION

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550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Juan Water District
Granite Bay, California

Report on the Financial Statements

We have audited the accompanying financial statements of San Juan Water District (the District), which comprise the statements of net position as of June 30, 2018, and the related statements of revenues, expenses, changes in net position, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Directors
San Juan Water District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2018 and the changes in financial position results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Change in Accounting Principles

As discussed in Note L to the financial statements, during the year ended June 30, 2018, the District adopted new accounting guidance, GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matters

As discussed in Note J to the financial statements, the District's actuary did not consider it necessary to use age adjusted health insurance premiums in the calculation of the District's net other postemployment benefits (OPEB) liability. Had the actuary included age adjusted health insurance premiums in the calculation of the net OPEB liability, the OPEB liability may have been significantly larger in the amount. Our opinion is not modified with respect to this matter.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and the required supplementary information on pages 38 to 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The introductory section, supplemental information for Wholesale operating and capital and Retail operating, capital asset rollforward schedules for Wholesale and Retail, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

To the Board of Directors
San Juan Water District

these schedules are fairly stated, in all material respects, in relation the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 12, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

In order to enhance the information provided in the transmittal letter, management offers this narrative overview and analysis of the financial activities of the San Juan Water District (District) for the fiscal year ended June 30, 2018 (Fiscal Year 2018). We encourage readers to consider the information here in conjunction with that transmittal letter, which can be found on pages i-vii of this report. The information is intended to provide a better understanding of the District's financial operations and performance.

HIGHLIGHTS

The District's activities vary, sometimes significantly, from year to year resulting in changes to the District's revenues, expenses and capital project spending and overall cash flows. Those activities that tend to drive District revenues and expenses most notably for the period ending June 30, 2018 are highlighted below.

- The District treated and delivered a total of 36,225 acre-feet of water to its wholesale customers in fiscal year 2017-18, as compared to 33,456 the year prior. In addition, it treated and delivered 10,769 and 11,808 acre-feet respectively, of water for the Sacramento Suburban Water District (SSWD). SSWD relies primarily on groundwater to serve its customers but occasionally purchases raw water from suppliers off the American River. When they do so, they pay the District to treat the raw water on their behalf. The increased water demand, combined with the water treated for SSWD, and a 9% wholesale rate increase that went into effect on January 1, 2018 resulted in increased wholesale water sale revenues of \$1 million or 10.7%.
- For the period ended June 30, 2018, the District supplied 10,823 acre-feet of water to 10,641 retail connections, compared to 9,389 acre-feet of water to 10,617 connections in the prior fiscal year. This, combined with a 9% rate increase that went into effect of January 1, 2018 resulted in total retail water sale revenues of \$10,922,285, an increase of \$1,807,798, or 19.9%, from the prior year.
- In an effort to pay down the District's unfunded pension liability, reducing future costs, the District remitted an extra payment of \$2.79 million to the California Public Employee's Retirement System (CalPERS), following an extra payment of \$4.1 million in the prior year. As mandated by Government Accounting Standards Board Statement 68 (GASB 68), that payment is reflected in Deferred Pension Related Outflows, which increased by \$1,715,928 from the prior fiscal year, for an ending balance at June 30, 2018 of \$8,108,144. More information on the District's pension liability can be found in Note I to the Financial Statement.

OVERVIEW OF THE FINANCIAL STATEMENTS

The four sections of the District's financial statements are: 1) introductory section, 2) financial section, 3) supplemental information section, and 4) statistical section.

The Introductory Section includes the letter of transmittal, list of Board of Directors and Staff, and organization chart.

The Financial Section includes the auditor's report, management's discussion and analysis and basic financial statements. The District's basic financial statements are comprised of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items reported as net position. When evaluated over a period of time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses

and Changes in Net Position reflects the revenues and expenses for the fiscal year ended. The Statement of Cash Flows shows the sources and uses of cash in the operating, non-capital, capital and related financing, and investing activities. The notes provide in-depth information that is vital to gaining a full understanding of the data provided in the financial statements. The notes to the financial statements begin on page 16.

The Required Supplementary Section provides information on the funding progress of the District's pension and postemployment benefits plans.

The Supplemental Information Section provides additional information on administrative and general expenses and budget versus actual comparisons.

The Statistical Section provides additional information not contained in the financial section on District activities.

FINANCIAL ANALYSIS OF THE DISTRICT

Unlike a private company, as a government agency, the District is not in the business to make a profit. The District has two major goals, which are:

1. Recovering the cost of providing services to its constituents, and
2. Securing the financial resources needed to maintain and improve the capital facilities used in providing those services.

The financial statements assist a reader in determining whether the District is meeting these goals. In general, net position provides a realistic indicator of a government's financial position. For the fiscal year ending June 30, 2018, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$64,600,982. In the prior year, assets exceeded liabilities by \$60,037,021 (restated).

A summary of the Statement of Net Position (as restated) follows:

Statement of Net Position			
	<u>2018</u>	<u>2017*</u>	<u>Change</u>
Assets			
Current Assets	\$ 24,249,960	\$ 21,548,612	\$ 2,701,348
Capital Assets, Net	82,538,214	84,618,510	(2,080,296)
Other Assets	<u>312,349</u>	<u>317,822</u>	<u>(5,473)</u>
Total Assets	<u>107,100,523</u>	<u>106,484,944</u>	<u>615,579</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,895,771	2,003,024	(107,253)
Deferred Pensions Related Outflows	8,108,144	6,392,216	1,715,928
Deferred Other Post Employment Benefits Related Outflows	<u>665,663</u>	<u>-</u>	<u>665,663</u>
Total Deferred Outflows of Resources	<u>10,669,578</u>	<u>8,395,240</u>	<u>2,274,338</u>
Liabilities			
Current Liabilities	2,999,072	3,445,014	(445,942)
Long-Term Liabilities	<u>46,786,905</u>	<u>51,313,354</u>	<u>(4,526,449)</u>
Total Liabilities	<u>49,785,977</u>	<u>54,758,368</u>	<u>(4,972,391)</u>
Deferred Inflows of Resources			
Deferred Pension Related Inflows	3,383,142	84,795	3,298,347
Net Position			
Net Investment in Capital Assets	46,120,417	46,693,664	(573,247)
Unrestricted	<u>18,480,565</u>	<u>13,343,357</u>	<u>5,137,208</u>
Total Net Position	<u>\$ 64,600,982</u>	<u>\$ 60,037,021</u>	<u>\$ 4,563,961</u>

2017 Restated*

As shown in the table above, total assets remained relatively stable, increasing by \$615,579, or less than one percent compared to the prior fiscal year.

Deferred Outflows of Resources increased by \$2.27 million due in part to the \$2.79 million extra payment to CalPERS to pay down the unfunded pension liability. Additionally, the District implemented GASB 75 requiring current year payments for retiree medical expenses to be reported as a deferred outflow of resources since they were made subsequent to the valuation measurement date. This resulted in a \$665,663 increase.

Total liabilities decreased by \$4.97 million from the prior year. The decrease was caused by a number of factors but the primary reason was the prior year payment of \$4.1 million towards the unfunded pension liability. Because the annual pension valuation report lags the financial statements by one year, the prior year payment was reflected as a Deferred Outflow of Resources in the prior fiscal year and is recognized this year as a reduction to the pension liability.

The District realized an overall increase in net position of \$4.6 million for the year ended June 30, 2018. The components of net position as of June 30, 2017 are:

- Net Investment in Capital Assets: is the largest portion of the District's net position, 71%, and reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. In the prior year, net investment

in capital assets represented 78% of net position. The District utilizes capital assets to serve its customers; therefore, these assets are not available for future spending. While the District's investment in capital assets is reported net of related debt, be aware that the funds needed to repay this debt must be contributed from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

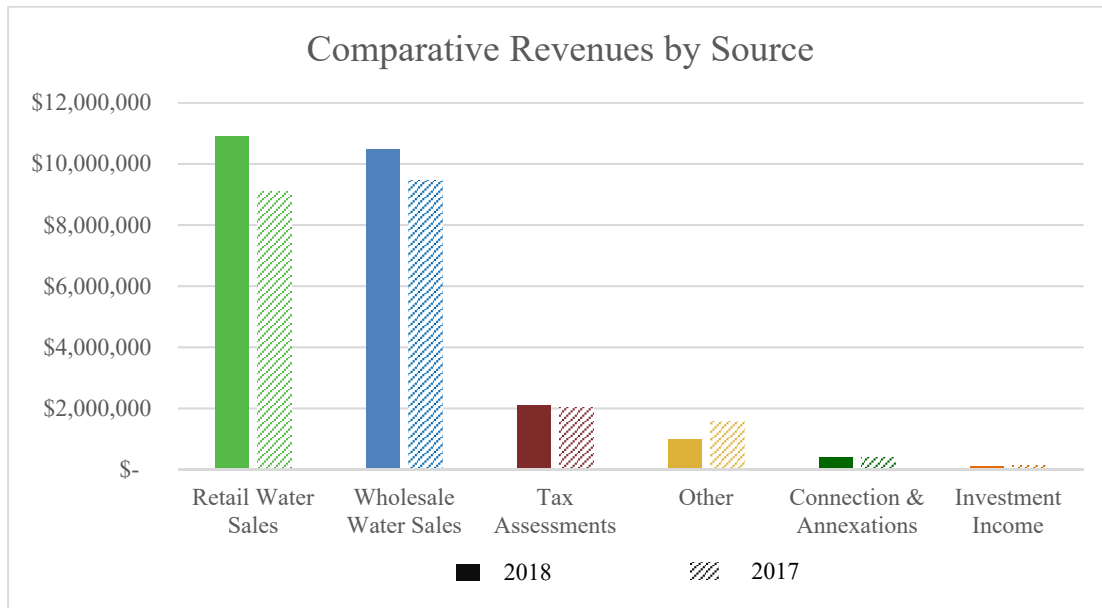
- Unrestricted Net Position represents resources available to the District to utilize in the future for various needs. The Board of Directors has designated the unrestricted net position for various specific purposes. An explanation of these reserve funds can be found in Note H to the financial statements. Unrestricted Net Position increased by \$5,137,208 due to a combination of increased water sale revenues (increased sales volume and increased rates) and the restatement of expenses in the prior year to recognize the other post-employment employee benefits costs in accordance with GASB 75.

Condensed Statement of Revenues, Expenses and Changes in Net Position

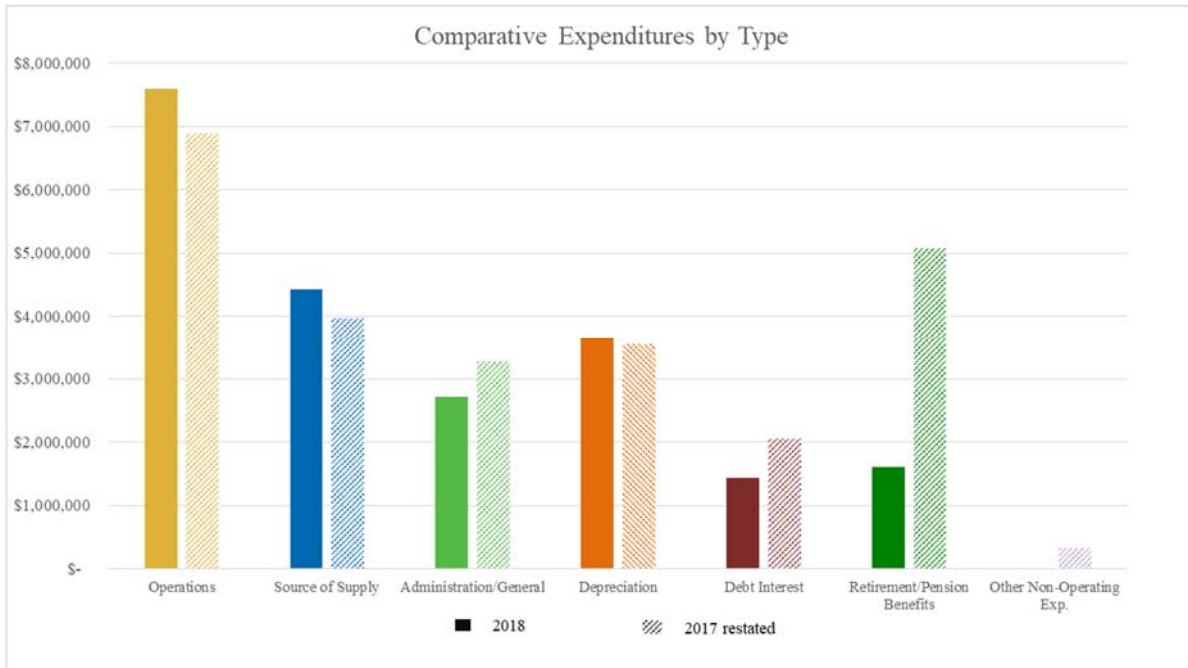
	<u>2018</u>	<u>2017*</u>	<u>Change</u>
Revenues			
Wholesale Water Sales	\$ 10,492,472	\$ 9,477,539	\$ 1,014,933
Retail Water Sales	10,922,285	9,114,487	1,807,798
Tax Assessments	2,123,196	2,036,972	86,224
Connections and Annexations	397,668	399,703	(2,035)
Investment Income	107,104	123,079	(15,975)
Other Operating Revenue	740,184	421,579	318,605
Other Non Operating Revenue	<u>264,527</u>	<u>1,156,175</u>	<u>(891,648)</u>
Total Revenues	<u>25,047,436</u>	<u>22,729,534</u>	<u>2,317,902</u>
Expenses			
Operations	7,595,816	6,880,971	714,845
Source of Supply	4,420,199	3,960,004	460,195
Administration and General	2,719,157	3,281,000	(561,843)
Depreciation	3,652,626	3,555,255	97,371
Interest Expense	1,428,906	2,058,201	(629,295)
Retirement (OPEB) & Pension Benefits	1,603,957	5,080,343	(3,476,386)
Other Non-Operating Expenses	<u>9,112</u>	<u>328,943</u>	<u>(319,831)</u>
Total Expenses	<u>21,429,773</u>	<u>25,144,717</u>	<u>(3,714,944)</u>
Change in Net Position Before Capital Contributions			
	<u>3,617,663</u>	<u>(2,415,183)</u>	<u>6,032,846</u>
Capital Contributions	946,298	1,987,666	(1,041,368)
Change in Net Position	4,563,961	(427,517)	4,991,478
Net Position, Beginning of Year, As Restated			
	<u>60,037,021</u>	<u>60,464,538</u>	<u>(427,517)</u>
Net Postion, End of Year	<u>\$ 64,600,982</u>	<u>\$ 60,037,021</u>	<u>\$ 4,563,961</u>

* 2017 Restated

As shown in the previous table, the District's net position increased by \$4,563,961 for the period ended June 30, 2018. Revenues increased by \$2.3 million, while expenses decreased by \$3.7 million from the prior year. Capital Contributions declined by \$1 million as well. Year over year changes are more fully described and depicted below.



- Combined water sales (wholesale and retail) represent 85.5% of District revenues (excluding Capital Contributions). Combined water sales increased over \$2.8 million from the prior year.
 - Revenues from Retail Water Sales increased by \$1.8 million from the prior year, an increase of 19.9%. The increase is attributable to an effective rate increase of 8% on January 1, 2017 and 9% on January 1, 2018. Additionally, water demand increased by 15.3% over the prior year.
 - Revenues from Wholesale Water Sales increased by 10.7% from the prior year. This increase is attributable to an 8.3% increase in the amount of water sold and an effective 9% rate increase on January 1, 2018. These increases were offset by a 22% reduction in the amount of water treated for the Sacramento Suburban Water District (SSWD). SSWD periodically purchases raw water from the Placer County Water Agency which the District treats and delivers to SSWD. The SSWD water is not counted in the District's annual water production.
- Tax Assessments increased by \$86,224 or 4.3% as a result of increasing assessed values within both Sacramento and Placer counties.
- Other Revenues (operating and non-operating) decreased by \$573,043 from the prior year. In the prior year the District received approximately \$720,000 from the SSWD as reimbursement for the joint Antelope Pump Back Station project, and \$50,000 of Prop 84 grant fund from the Regional Water Authority, neither of which was received in the current year. This was partially offset by a \$426,000 refund received from the U.S. Bureau of Reclamation of excess deposits. The remainder of the difference is due to a multitude of small year over year variances.
- Connection Fee revenues were stable from the prior year, with a net decrease of just \$2,035.
- Investment Income decline by \$15,975 or 13% from the prior year due to market fluctuations.



- As demonstrated in the graph above, Operations remains the largest category of expense. Operation expenses increased by \$714,845, or 10%, over the prior year. \$406,000 of the increase was due to increased salary costs. Salary costs increased as a result of certain positions being vacant for portions of the prior year due to employee turnover, two new positions in Fiscal Year 2017-18, a 2.6% COLA and an increase in Compensated Absences liability/expense. The remainder of the increase was due to increases in energy, system maintenance and temporary employee expenses.
- Source of Supply, the second largest expense category, grew by \$460,195 or 11.6%. This is due primarily to the 7.2% increase in water taken by the Retail service area, combined with the effective 9% increase (January 2018) in the rate paid to wholesale by Retail. This expense is offset by Wholesale revenues.
- Administration and General Expenses fell by \$562,000 from the prior year. The decrease is caused by the elimination of the Assistant General Manager position as well as the completion of several studies in the prior year.
- Debt Interest decreased by \$629,295 due to the advance refunding of the 2009A COP's in June of 2017.
- Retirement Benefits, which includes retiree medical and pension expense (calculated in accordance with GASB 68 and 74/75), decreased by \$3,476,386. This decrease is caused primarily by the implementation of GASB 74/75 which required a prior period adjustment to recognize the previously unrecorded liability for Other Post-Employment Benefits (OPEB). The difference between the OPEB expense as calculated under the previous method, and the expense under GASB 74/75, for all prior years, was adjusted in Fiscal year 2016-17 as a restatement.
- Other Non-Operating Expenses declined significantly from the prior year (\$319,831). In the prior year, the District paid approximately \$293,000 in cost of issuance expenses to advance refund the 2009A COP's to take advantage of lower interest rates. The refunding was completed in June 2017.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of June 30, 2018, net of accumulated depreciation, is \$82,538,214. This investment includes land, buildings, water treatment plant, distribution system, construction in progress, vehicles, equipment, office equipment and furniture. At June 30, 2017, this amount was \$84,618,510.

The decrease from the prior fiscal year of \$2,080,296, is largely due asset additions being less than annual depreciation. At June 30, 2018, the District had \$1,570,317 in construction commitments outstanding (Note G). At June 30, 2017, the District had \$1,044,967 in construction commitments outstanding.

Additional information on capital assets can be located in Note C.

Changes in capital asset amounts for 2018 were as follows:

Capital assets	2017 Balance	Transfers	Additions	Disposal	2018 Balance
Non-depreciable assets	\$ 7,660,801	\$ (7,501,506)	\$ 1,432,181	\$ (6,767)	\$ 1,584,709
Depreciable assets	137,218,323	7,501,506	150,402	(726,303)	144,143,928
Accumulated depreciation	(60,260,614)	-	(3,652,626)	722,817	(63,190,423)
Total capital assets, net	\$ 84,618,510	\$ -	\$ (2,070,043)	\$ (10,253)	\$ 82,538,214

Changes in capital asset amounts for 2017 (as restated) were as follows:

Capital assets	2016 Balance	Transfers	Additions	Disposal	2017 Balance
Non-depreciable assets	\$ 3,077,832	\$ (1,992,677)	\$ 6,581,863	\$ (6,217)	\$ 7,660,801
Depreciable assets	137,208,788	1,992,677	1,679,355	(3,662,497)	137,218,323
Accumulated depreciation	(60,364,640)	-	(3,555,255)	3,659,281	(60,260,614)
Total capital assets, net	\$ 79,921,980	\$ -	\$ 4,705,963	\$ (9,433)	\$ 84,618,510

Debt Administration

As of June 30, 2018, the District had two different debt issues outstanding in an aggregate amount of \$35,300,000. Of this amount, \$1,050,000 represents the current portion due in Fiscal Year 2019. For more information on Long-Term Liabilities, refer to Note E.

	2018	2017	2016	2015	2014
2017 Revenue Refunding Bonds	\$ 25,180,000	\$ 26,125,000	\$ -	\$ -	\$ -
2012 Revenue Refunding Bonds	10,120,000	10,585,000	11,035,000	11,475,000	11,895,000
2009 Certificates of Participation	-	-	28,825,000	29,255,000	29,670,000
1977 Economic Development Administration Loan	-	-	27,826	55,159	81,190
Total	\$ 35,300,000	\$ 36,710,000	\$ 39,887,826	\$ 40,785,159	\$ 41,646,190

The 2017 Revenue Refunding Bonds advance refunded the 2009 Certificates of Participation and were issued with a ratings of "AA" from Standard & Poor's Rating Group. The 2012 refunding Certificates of Participation (COP) were issued with ratings of "AA" from Standard & Poor's Ratings Group and "AA+" from Fitch Ratings, Inc. The 2009 Certificates of Participation, which were refunded with the 2017 revenue Refunding Bonds, were originally issued with the District's underlying credit rating of "AA+", outlook, which was lowered by both Standard & Poor's Ratings Group and Fitch Ratings Inc. to AA.

BUDGET AND RATES

The District adopts annual non-appropriated budgets for planning and control purposes. The budgets are adopted on a modified cash basis. Budgetary controls are set at the department level. The General Manager has the authority to reallocate budgeted funds between accounts within a fund or project.

The District's budget contains four funds: one operating budget each for wholesale and retail, and one capital budget each. On June 27, 2018 the Board approved the Fiscal Year 2018-19 operating and capital budget in a total amount of \$31,955,700.

The District completed comprehensive five-year Financial Plan and Rate Studies for both wholesale and retail during fiscal year 2016-17. On January 11, 2017 (wholesale) and April 12, 2017 (retail) the Board adopted a five year wholesale rate schedule that implemented rate increases as follows:

Calendar Year	Wholesale	Retail
2017	16% rate increase	8% rate increase (eff. 5/1/2017)
2018	9% rate increase	9% rate increase
2019	9% rate increase	8% rate increase
2020	9% rate increase	8% rate increase
2021	5% rate increase	6% rate increase

For both wholesale and retail, all rate increases are applied to the fixed portion of the rate, the variable (volumetric) rate does not change over the five-year period. This will result in a stabilization of revenues and a better matching of fixed costs to fixed revenues.

CONDITIONS AFFECTING CURRENT FINANCIAL POSITION

The State of California has taken significant action to permanently reduce California's overall water use, committing to make water conservation a California way of life. On May 31, 2018, Governor Brown signed legislation intending to help the state better prepare for droughts and climate change by establishing statewide water efficiency standards. The legislation increases the water reduction goal above the 20% target by the year 2020 that was adopted by the Legislature in 2009 and requires reductions in indoor and outdoor water use by residential customers, reductions in water use by commercial customers and requires agencies to reduce their distribution system water loss.

Additionally, on September 28, 2018 Governor Brown signed Senate Bill No. 998, the Water Shutoff Protection Act. This bill restricts the District's ability collect on delinquent accounts and prohibits the District from recovering the unpaid accounts from other rates revenues.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, San Juan Water District, 9935 Auburn-Folsom Road, Granite Bay, CA 95746.

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BASIC FINANCIAL STATEMENTS

SAN JUAN WATER DISTRICT
STATEMENT OF NET POSITION

June 30, 2018

ASSETS

CURRENT ASSETS

Cash and investments	\$ 19,973,260
Receivables:	
Accounts	3,965,727
Taxes	83,921
Accrued interest receivable	40,343
Prepaid expenses	60,730
Inventories	125,979
TOTAL CURRENT ASSETS	24,249,960

NONCURRENT ASSETS

Capital assets, not being depreciated	1,584,710
Capital assets, net of accumulated depreciation	80,953,504
TOTAL CAPITAL ASSETS	82,538,214
Investment in electrical power	312,349
TOTAL NONCURRENT ASSETS	82,850,563

TOTAL ASSETS 107,100,523

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts on refunding	1,895,771
Deferred pension related outflows	8,108,144
Deferred other postemployment benefits related outflows	665,663
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,669,578

LIABILITIES

CURRENT LIABILITIES

Accounts payable	515,241
Accrued liabilities	302,655
Accrued interest	625,619
Unearned revenues	84,529
Deposits payable	55,069
Due within one year:	
Accrued compensated absences	365,959
Bonds, notes and capital leases	1,050,000
TOTAL CURRENT LIABILITIES	2,999,072

NONCURRENT LIABILITIES

Accrued compensated absences	418,097
Bonds, notes and capital leases	37,263,568
Net other postemployment benefit liability	4,303,424
Net pension liability	4,801,816
TOTAL NONCURRENT LIABILITIES	46,786,905

TOTAL LIABILITIES 49,785,977

DEFERRED INFLOWS OF RESOURCES

Deferred pension related inflows	3,383,142
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NET POSITION

Net investment in capital assets	46,120,417
Unrestricted	18,480,565
TOTAL NET POSITION	\$ 64,600,982

The notes to the financial statements are an integral part of this statement.

SAN JUAN WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the year ended June 30, 2018

OPERATING REVENUES	
Water sales - wholesale	\$ 10,492,472
Water sales - retail	10,922,285
Other revenue	740,184
TOTAL OPERATING REVENUES	22,154,941
OPERATING EXPENSES	
Source of supply	
Water charged to retail service area	3,336,366
Placer County Water Agency	380,125
US Bureau of Reclamation	
Wheeling	71,073
Bureau pumping	92,266
Other public agencies	540,369
Administration and general	2,719,157
Water treatment	2,781,469
Transmission and distribution	3,133,490
Customer service	648,714
Engineering	662,812
Conservation	369,331
Depreciation	3,652,626
Retirement benefits (OPEB)	364,236
Pension expense	1,239,721
TOTAL OPERATING EXPENSES	19,991,755
OPERATING INCOME (LOSS)	2,163,186
NON-OPERATING REVENUES (EXPENSES)	
Tax assessments	2,123,196
Investment income	107,104
Connections and annexations	397,668
Other revenue	264,527
Interest expense	(1,428,906)
Other expenses	(9,112)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,454,477
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	3,617,663
CAPITAL CONTRIBUTIONS	
Capital charges and other capital revenue	946,298
TOTAL CAPITAL CONTRIBUTIONS	946,298
CHANGE IN NET POSITION	4,563,961
NET POSITION	
Net position at beginning of year, as previously reported	63,683,411
Restatement for change in accounting principle	(3,646,390)
Net position, beginning of year, as restated	60,037,021
NET POSITION AT END OF YEAR	\$ 64,600,982

The notes to the financial statements are an integral part of this statement.

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 21,723,239
Cash paid to suppliers for goods and services	(9,236,870)
Cash paid to employees for services	<u>(10,057,339)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,429,030
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Tax assessments received	<u>2,123,172</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,123,172
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital charges received	946,298
Acquisition and construction of capital assets	(1,582,583)
Proceeds from the sale of capital assets	12,512
Principal paid on capital debt	(1,410,000)
Interest paid on capital debt	(1,135,185)
Payments for miscellaneous expenses	(2,345)
Connection and annexation income	<u>397,668</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,773,635)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>89,820</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>89,820</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,868,387
Cash and cash equivalents at beginning of year	<u>18,104,873</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 19,973,260</u></u>

(Continued)

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS (Continued)

For the year ended June 30, 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)	\$ 2,163,186
Nonoperating income received	260,974
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	3,652,626
(Increase) decrease in accounts receivable	(784,939)
(Increase) decrease in prepaid expenses	(890)
(Increase) decrease in inventories	(29,824)
(Increase) decrease in deferred pension related outflows	(1,715,928)
(Increase) decrease in deferred other postemployment benefits related outflows	(129,332)
Increase (decrease) in accounts payable	(673,275)
Increase (decrease) in accrued liabilities	66,964
Increase (decrease) in unearned revenues	84,529
Increase (decrease) in deposits payable	7,734
Increase (decrease) in compensated absences	103,497
Increase (decrease) in deferred pension related inflows	2,762,016
Increase (decrease) in other postemployment benefits liability	(172,096)
Increase (decrease) in net pension liability	<u>(3,166,212)</u>

NET CASH USED BY OPERATING ACTIVITIES \$ 2,429,030

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Gain/(loss) on investment in joint venture	\$ 5,473
Amortization of bond premiums	(204,303)
Amortization of deferred charge on refunding	107,253

The notes to the financial statements are an integral part of this statement.

SAN JUAN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the San Juan Water District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity: The San Juan Water District (the District) was incorporated March 4, 1954 as a community service district under community service district law of the State of California (Section 60000 et. seq., Title 5, Division 3 of the California Government Code). The District is governed by a five member Board of Directors elected by the voters within the District for staggered, four year terms, every two years. The District provides water to retail customers in Sacramento and Placer Counties and sells water on a wholesale basis to other agencies. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

The District has created the San Juan Suburban Water District Financing Corporation (the Corporation) to provide assistance to the District in the issuance of debt. Although legally separate from the District, the Corporation is reported as if it were part of the primary government because it shares a common Board of Directors with the District and its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Corporation is reflected as debt of the District in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

Basis of Presentation: The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that period determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of the fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

In the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position, business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Earned and unbilled water services are accrued as revenue.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenses. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues, if necessary.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for enterprise funds include source of supply, the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments: For the purposes of the Statement of Cash Flows, the District's cash and cash equivalents include restricted and unrestricted cash on hand or on deposit, and demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and equivalents include demand deposits, money market funds and California Local Agency Investment Funds (LAIF).

Inventories and Prepaid Items: Inventories are stated at the lower of cost, on a weighted average method or market. Inventories consist of materials and supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets: Capital assets are recorded at historical cost if purchased or constructed. Donated assets and capital assets received in a service concession arrangement are valued at estimated acquisition value on the date received. Depreciation is calculated using the straight line method over the following useful lives:

Buildings and structures	10-50 years
Land improvements	10-30 years
Machinery and equipment (including furniture)	5-33 years
Plant and pipelines	10-80 years
Pump stations/pressure control stations	15-30 years
Reservoirs and improvements	25-50 years
Vehicles	10 years
Software	10 years
Intangible assets	Varies based on asset

The cost of maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to operations when incurred. It is the District's policy to capitalize all capital assets with a cost of more than \$5,000. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Water lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection by the District and the estimated costs are capitalized as pipelines, reservoirs, pumping stations and buildings.

Deferred Outflows and Inflows of Resources: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until the earnings process is complete. Deferred amounts on refunding result from the difference in carrying amount of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are also reported related to the District's pension and OPEB plans as described in Notes I and J.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until the earnings process is complete. Deferred amounts on refunding may be reported as deferred inflows of resources. Deferred inflows of resources are reported related to the District's pension and OPEB plans as described in Note I and J.

Compensated Absences: It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits (up to a maximum). These benefits will be paid to employees upon separation from service from the District in accordance with the vesting policy. The cost of vacation and sick pay is accrued in the period earned with an offsetting liability in compensated absences. The current portion is calculated as the amount that is estimated to be used during the next year and the remaining portion is included in the long-term liabilities.

Long-Term Liabilities: Long-term liabilities and other long-term obligations are reported on the Statement of Net Position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Amortization of bond premiums or discounts and deferred amounts on refunding is included in interest expense.

Property Taxes: The District receives property taxes from both Sacramento and Placer Counties. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of March 1 of the preceding fiscal year. They become a lien on the first day of the levy year they are levied. Secured property tax is levied on January 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. At that time, delinquent accounts are assessed a penalty of 10%. Accounts that remain unpaid on June 30 are charged an additional 12 percent per month. Unsecured property tax is levied on July 1 and due on July 31, and becomes delinquent on August 31. The penalty percentage rates are the same as secured property tax.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The District elected to receive the property taxes from the Counties under the Teeter Bill. Under this program the District receives 100% of the levied property taxes in periodic payments with the Counties assuming responsibility for delinquencies.

Water Charge to the Retail Service Area: For accounting purposes a charge is made to the retail service area for water used at a wholesale rate. This amount is recorded as income to the wholesale unit and as expense to the retail area.

Net Position: The net position amount is the difference between assets and liabilities. Net investment in capital assets are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors or grantors.

Management Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Pronouncements: In November 2016, the GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's), which is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The timing and pattern of recognition of the liability and corresponding deferred outflow of resources recorded is defined in this Statement. This Statement is effective for periods beginning after June 15, 2018.

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying and disclosing fiduciary activities of state and local governments. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements of the government. Four fiduciary funds should be reported under this statement: Pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. This Statement is effective for periods beginning after December 15, 2018.

In March 2017, the GASB issued Statement No. 85, Omnibus 2017. This Statement addresses practice issues that have been identified during implementation and application of certain GASB statements, including issues related to blending component units, goodwill, fair value measurements and application, pensions and other postemployment benefits. This Statement is effective for periods beginning after June 15, 2017.

In May 2017, the GASB issued Statement No. 86, Certain Debt Extinguishment Issues. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for periods beginning after June 15, 2017.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

Cash and investments were comprised of the following at June 30, 2018:

Cash on hand	\$ 150
Deposits with financial institutions	1,308,116
Total cash	<u>1,308,266</u>
Local Agency Investment Fund	8,925,812
U.S. Treasury bond / note obligations	2,874,133
Negotiable certificates of deposit	1,972,358
U.S. Federal Agency securities	1,872,277
Medium-term corporate notes	1,088,631
Money market mutual funds	785,912
Supra-National agency bond / note	649,756
Federal Agency collateralized mortgage obligation	266,962
Commercial paper	179,831
Asset-backed Security/collateralized mortgage obligation	49,322
Total investments	<u>18,664,994</u>
Total cash and investments	<u>\$ 19,973,260</u>

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE B – CASH AND INVESTMENTS (Continued)

The table below identifies the investment types that are authorized by the District’s investment policy:

Authorized Investment Type	Maximum Maturity	Maximum Total of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Federal Agency Securities	5 years	None	None
U.S. Instrumentalities	5 years	30%	5%
Registered Warrants, Notes & Bonds of CA	5 years	None	5%
Registered Notes & Bonds of Other 49 States	5 years	None	5%
Local Agency Bonds, Notes & Warrants	5 years	None	5%
Banker's Acceptances	180 days	40%	5%
High Grade Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	None	None
Time Deposits	2 years	5%	5%
Medium-Term Corporate Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	5%
Collateralized Mortgage Obligations	5 years	20%	5%
Mortgage-Backed or Other Pay-Through	5 years	20%	5%
Equipment Lease-Backed Certificates	5 years	20%	5%
Consumer Receivable Pass-Through Certificates	5 years	20%	5%
Consumer Receivable-Backed Bonds	5 years	20%	5%
Local Government Investment Pools (LGIP)	N/A	None	None

Investments Authorized by Debt Agreements: Investments held by the bond/COP fiscal agents (trustees) are governed by the provisions of the various debt indenture agreements rather than the general provisions of the District's investments policy or the California Government Code.

Interest Rate Risk: Interest rate risk is the risk in the market rate changes that could adversely affect the fair values of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE B – CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the District's investments (including investments held by the bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity, as well as the credit ratings, as applicable from Standard & Poor's or Moody's as of June 30, 2018:

	Total	Remaining Investment Maturities		
		12 Months or Less	13 to 24 Months	25 to 60 Months
LAIF	\$ 8,925,812	\$ 8,925,812		
U.S. Treasury bond / note obligations	2,874,133	432,519		\$ 2,441,614
Negotiable certificates of deposit	1,972,358	906,941	\$ 697,262	368,155
U.S. Federal Agency securities	1,872,277	615,771	722,999	533,507
Medium-term corporate notes	1,088,631		128,357	960,274
Money market mutual funds	785,912	785,912		
Supra-National agency bond / note	649,756	123,378	99,154	427,224
Federal Agency collateralized mortgage obligation	266,962		65,509	201,453
Commercial paper	179,831	179,831		
Asset-backed security/collateralized mortgage obligation	49,322			49,322
	<u>\$ 18,664,994</u>	<u>\$ 11,970,164</u>	<u>\$ 1,713,281</u>	<u>\$ 4,981,549</u>

Disclosures Relating to Credit Risk: Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total as of June 30, 2018	Minimum Legal Rating	Minimum		
			AAA	A1 to Aa3	Not Rated
LAIF	\$ 8,925,812	N/A			\$ 8,925,812
U.S. Treasury bond / note obligations	2,874,133	N/A	\$ 2,874,133		
Negotiable certificates of deposit	1,972,358	N/A		\$ 1,972,358	
U.S. Federal Agency securities	1,872,277	N/A	1,872,277		
Medium-term corporate notes	1,088,631	A		1,088,631	
Money market mutual funds	785,912	AAA		785,912	
Supra-National agency bond / note	649,756	AA	649,756		
Federal Agency collateralized mortgage obligations	266,962	N/A	266,962		
Asset-backed security/collateralized mortgage obligations	49,322	AAA	49,322		
Commercial paper	179,831	A-1		179,831	
	<u>\$ 18,664,994</u>		<u>\$ 5,712,450</u>	<u>\$ 4,026,732</u>	<u>\$ 8,925,812</u>

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE B – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code of 5% of total investments, with the exception of U.S. Treasury obligations, U.S. Agency Securities and LAIF. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage	U.S. Agency Security	\$ 1,482,577

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure of custodial risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must be equal to at least 100% of the total amount deposited by public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2018, the carrying amount of the District's deposits were \$1,308,116 and the balances in financial institutions were \$2,150,259 and of this amount \$1,900,259 was not insured by federal depository insurance.

Investment in LAIF: The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investments in this pool is classified as a cash equivalent in the accompanying financial statements.

LAIF is stated at fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$88,798,232,977, managed by the State Treasurer. Of that amount, 2.67% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE B – CASH AND INVESTMENTS (Continued)

Fair Value Hierarchy: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2018:

Investment Type	Totals	Level		
		1	2	3
LAIF	\$ 8,925,812		\$ 8,925,812	
U.S. Treasury bond / note obligations	2,874,133		2,874,133	
Negotiable certificates of Deposit	1,972,358		1,972,358	
U.S. Federal Agency Securities	1,872,277		1,872,277	
Medium-term Corporate Notes	1,088,631		1,088,631	
Money market mutual funds	785,912		785,912	
Supra-National agency bond / note	649,756		649,756	
Federal Agency collateralized mortgage obligations	266,962		266,962	
Asset-backed security/collateralized mortgage obligations	49,322		49,322	
Commercial paper	179,831		179,831	
Total Investments	\$ 18,664,994	\$ -	\$ 18,664,994	\$ -

Local Agency Investment Funds, U.S. Agency Securities, Corporate Notes, Certificates of Deposit and Money Market Mutual Funds classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes or specified fair value factors. The fair values of certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on the certificates to a schedule of aggregated contractual maturities on such time deposits, which are level 2 inputs.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance at June 30, 2017	Transfers	Additions	Disposals	Balance at June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 264,484				\$ 264,484
Construction in progress	7,396,317	\$ (7,501,506)	\$ 1,432,182	\$ (6,767)	1,320,226
Total capital assets, not being depreciated	<u>7,660,801</u>	<u>(7,501,506)</u>	<u>1,432,182</u>	<u>(6,767)</u>	<u>1,584,710</u>
Capital assets, being depreciated:					
Pipelines	71,587,861	96,393		(298,925)	71,385,329
Water Treatment Plant	28,362,993	7,288,886	19,583	(126,221)	35,545,241
Land improvements	889,990		8,086		898,076
Reservoirs	5,355,023	14,330			5,369,353
Pumping stations	12,574,653				12,574,653
Buildings	1,351,902				1,351,902
Vehicles and equipment	15,446,308	9,000	103,507	(56,491)	15,502,324
Intangibles	1,649,593	92,897	19,225	(244,666)	1,517,049
Total capital assets being depreciated	<u>137,218,323</u>	<u>7,501,506</u>	<u>150,401</u>	<u>(726,303)</u>	<u>144,143,927</u>
Less: accumulated depreciation:					
Pipelines	(31,766,376)		(1,852,831)	298,925	(33,320,282)
Water Treatment Plant	(14,883,870)		(703,412)	124,387	(15,462,895)
Land improvements	(648,758)		(15,839)		(664,597)
Reservoirs	(3,897,281)		(36,076)		(3,933,357)
Pumping stations	(2,971,357)		(347,625)		(3,318,982)
Buildings	(1,143,223)		(19,787)		(1,163,010)
Vehicles and equipment	(3,990,553)		(594,965)	54,839	(4,530,679)
Intangibles	(959,196)		(82,091)	244,666	(796,621)
Total accumulated depreciation	<u>(60,260,614)</u>	<u>-</u>	<u>(3,652,626)</u>	<u>722,817</u>	<u>(63,190,423)</u>
Total capital assets being depreciated, net	<u>76,957,709</u>	<u>7,501,506</u>	<u>(3,502,225)</u>	<u>(3,486)</u>	<u>80,953,504</u>
CAPITAL ASSETS, NET	<u>\$ 84,618,510</u>	<u>\$ -</u>	<u>\$ (2,070,043)</u>	<u>\$ (10,253)</u>	<u>\$ 82,538,214</u>

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE D – INVESTMENT IN ELECTRICAL POWER

The District participates in the California-Oregon Transmission Project (Project), a Joint Powers Authority (JPA), which is a project of the Department of Energy, Western Area Power Administration. The Project is governed by a Management Committee, which is chaired by a representative of the Transmission Agency of Northern California with each participant in the project having representation on the Management Committee.

The District applied as a Community Services District and a Central Valley Project Contractor, and received allocation of 1MW (megawatt) of power (capacity and associated energy) in exchange for an investment as a participant in the construction of the transmission line. Subsequent to the original allocation from the Department of Energy, the District purchased one additional megawatt of power from Trinity County Public Utility District. The cost of the purchase was \$75,000, plus a prorated share in the construction of the transmission line. Through a partial assignment of the District's California-Oregon Transmission Project entitlement to the Department of Energy, Western Area Power Administration, the District receives preferential energy rates and a discount on the US Bureau of Reclamation pumping from Folsom Lake.

The District has a 0.1334 percent equity interest in the net position of the Project as defined in the Long-Term Participation Agreement. The District also has an obligation to finance 0.1334 percent of the net losses of the Project; it also has the right to receive 0.1334 percent of the operating results of the Project income. The District is billed monthly for its share of the operations and maintenance costs of the Project. The District's net investment and its share of the operating results of the Project are reported as Investment in Electrical Power. The Project unaudited interim financial statements for the year ended June 30, 2018 are available from the California-Oregon Transmission Project at P.O. Box 15140, Sacramento, CA, 95866.

The following is the summarized unaudited financial information for the Project as of and for the year ended June 30, 2018:

	Unaudited 2018
Balance Sheet:	
Assets	\$ 265,954,164
Liabilities	\$ 31,809,855
Net position	234,144,309
	<u>\$ 265,954,164</u>
Income Statement:	
Operating revenues	\$ 14,025,630
Operating expenses	20,562,890
Operating loss	(6,537,260)
Net non-operating revenue - interest and other	582,410
Adjustment to net position for capital improvements	1,851,731
Change in Net Position	<u>\$ (4,103,119)</u>
District's share of net position	\$ 312,349

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE E – LONG-TERM LIABILITIES

As of June 30, 2018, the District had two components of outstanding debt during the year described below.

2017 Revenue Refunding Bonds: On June 22, 2017, the District issued \$26,125,000 of Revenue Refunding Bonds with interest ranging from 3.0% to 5.0%. These 2017 Revenue Refunding Bonds were issued to refund the 2009 Certificates of Participation. Annual principal payments, ranging from \$565,000 to \$2,470,000 are due on February 1 through February 1, 2039 and semi-annual interest payments ranging from \$46,827 to \$1,004,996 are due on February 1 and August 1 through February 1, 2039.

2012 Refunding Bonds: On May 16, 2012, the District issued Refunding Bonds in the amount of \$13,625,000 for the purpose of refunding the 2003 Certificates of Participation. Principal payments are due on February 1 through 2033 and range from \$485,000 to \$925,000, with semi-annual interest payments due on February 1 and August 1 through February 1, 2033 that range from \$28,328 to \$481,012. Interest rates range from 1% to 5.25%.

The District’s long-term liability activity and outstanding balances for the year ended June 30, 2018 is as follows:

	Restated June 30, 2017	Additions	Reductions	June 30, 2018	Due Within One Year
2017 Revenue Refunding Bonds	\$ 26,125,000		\$ (945,000)	\$ 25,180,000	\$ 565,000
2012 Revenue Refunding Bonds	10,585,000		(465,000)	10,120,000	485,000
Add: Unamortized premiums	3,217,870		(204,302)	3,013,568	
Total Bonds and Notes Payable	39,927,870		(1,614,302)	38,313,568	1,050,000
Compensated absences	680,559	\$ 585,223	(481,726)	784,056	365,959
Net OPEB obligation	4,475,520	657,035	(829,131)	4,303,424	
Net pension obligation	7,968,028	1,742,520	(4,908,732)	4,801,816	
	<u>\$ 53,051,977</u>	<u>\$ 2,984,778</u>	<u>\$ (7,833,891)</u>	<u>\$ 48,202,864</u>	<u>\$1,415,959</u>

The following is a schedule of maturities from long-term debt at June 30, 2018:

2017 Revenue Refunding Bonds

Year Ended June 30	Principal	Interest	Totals
2019	\$ 565,000	\$ 1,004,996	\$ 1,569,996
2020	585,000	982,063	1,567,063
2021	605,000	958,329	1,563,329
2022	630,000	933,713	1,563,713
2023	655,000	909,460	1,564,460
2024-2028	3,745,000	4,046,167	7,791,167
2029-2033	4,795,000	2,997,083	7,792,083
2034-2038	11,130,000	1,440,503	12,570,503
2039	2,470,000	46,827	2,516,827
Total	<u>\$ 25,180,000</u>	<u>\$ 13,319,141</u>	<u>\$ 38,499,141</u>

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE E – LONG-TERM LIABILITIES (Continued)

2012 Revenue Refunding Bonds

Year Ended June 30	Principal	Interest	Totals
2019	\$ 485,000	\$ 481,013	\$ 966,013
2020	500,000	462,108	962,108
2021	530,000	436,483	966,483
2022	555,000	409,463	964,463
2023	580,000	381,192	961,192
2024-2028	3,285,000	1,527,291	4,812,291
2029-2033	4,185,000	590,166	4,775,166
Total	\$ 10,120,000	\$ 4,287,716	\$ 14,407,716

Pledged Revenue: The District is required by its 2017 and 2012 Revenue Refunding Bonds to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 115% of debt service payments on any future debt issued and deposit the net revenues in a revenue fund pledged for such future debt service payments. At June 30, 2018, the District’s net revenues were 325% of debt service payments.

Refundings: In June 2017, the District issued the 2017 Revenue Refunding Bonds in the amount of \$26,125,000 with an average interest rate of 3.87%, to refund \$28,825,000 of the 2009 Revenue Certificates of Participation with an average interest rate of 5.84%. The District completed the advance refunding to reduce its total debt service payments through 2039 by \$11,210,000. The net economic gain (difference between the present value of the old and new debt service payments) of the 2017 Refunding Bonds is \$6,811,769. The advance refunding resulted in differences between the reacquisition price and the net carrying amount of the outstanding debt of \$1,672,597 at June 30, 2018, net of accumulated amortization. The deferred amount on refunding, reported in the accompanying financial statements as a deferred inflow, is being credited to operations over 22 years using the straight-line method.

Arbitrage Rebate Liability: Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all “Non-purpose Investments” allocable to “Gross Proceeds” of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at June 30, 2018.

NOTE F – NET INVESTMENT IN CAPITAL ASSETS

Capital assets, gross	\$ 145,728,637
Less: accumulated depreciation	(63,190,423)
Net capital assets	82,538,214
Add: Deferred Costs on Bond Refunding	1,895,771
Less: Debt used for capital purposes	(35,300,000)
Less: Unamortized premium	(3,013,568)
Net Investment in Capital Assets	\$ 46,120,417

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE G – CONSTRUCTION COMMITMENTS

The District has active construction projects as of June 30, 2018. At fiscal year end, the District’s commitment with contractors was as follows:

2017-2018 Water Main Replacement	\$ 1,570,317
Total commitment with contractors	\$ 1,570,317

NOTE H – NET POSITION

Designations: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designation may be modified, amended or removed by Board action. Designations included the following as of June 30, 2018:

	Wholesale	Retail	Total
Capital reserves	\$ 8,899,542	\$ 4,333,918	\$ 13,233,460
Operating reserve	1,924,240	2,292,740	4,216,980
Reserve for employees' vacation/sick leave	313,126	470,930	784,056
Delta/water rights	153,000		153,000
Developer deposits		55,069	55,069
Vehicles/equipment replacement	38,000		38,000
Total Unrestricted, Designated Net Position	\$ 11,327,908	\$ 7,152,657	\$ 18,480,565

NOTE I – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). The Public Employees’ Pension Reform Act of 2013 (PEPRA) created a new benefit and contribution level for new employees meeting certain criteria. PERS acts as a common investment and administrative agent for participating public employers within the State of California.

All permanent full and part-time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times the monthly average salary of their highest twelve (Tier 1) and thirty-six (Tier 2 and PEPRA) consecutive months full-time equivalent monthly pay. Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE I- PENSION PLANS (Continued)

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the year ended June 30, 2018, are summarized as follows:

Hire date	Miscellaneous Tier I Rate Plan (Prior to February 14, 2009)	Miscellaneous Tier II Rate Plan (On or after February 14, 2009)	Miscellaneous PEPRA Rate (On or after January 1, 2013)
Benefit formula (at full retirement)	3.0% @ 60	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Monthly benefits, as a % of eligible compensation	2.000% to 3.000%	2.000% to 3.000%	1.0% to 2.5%
Required employee contribution rates	8.0%	8.0%	6.250%
Required employer contribution rates	12.698%	12.036%	6.533%

In addition to the contribution rates above, the District was also required to make payments of \$100,464 toward its unfunded actuarial liability during the year ended June 30, 2018.

The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018 the employer contributions for the Plan (all rate plans combined) were \$3,359,478, including an additional payment toward the unfunded accrued liability of \$2,787,800.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2018, the District reported a net pension liability for its proportionate share of the net pension liability of \$4,801,816.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2018 is measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuations as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures as required by GASB Statement No.68.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE I – PENSION PLANS (Continued)

The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2018 was as follows:

Proportion - June 30, 2017	0.092083%
Proportion - June 30, 2018	0.048419%
Change - Increase (Decrease)	<u>-0.043664%</u>

For the year ended June 30, 2018, the District recognized pension expense of \$1,239,721. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,359,478	
Differences between actual and expected experience	12,663	\$ (181,414)
Changes in assumptions	1,571,124	(119,800)
Differences between the employer's contributions and the employer's proportionate share of contributions	2,701,124	(160,749)
Change in employer's proportion	108,432	(2,921,179)
Net differences between projected and actual earnings on plan investments	<u>355,323</u>	
Total	<u>\$ 8,108,144</u>	<u>\$ (3,383,142)</u>

The \$3,359,478 reported as deferred outflows of resources related to contributions subsequent to the measurement date at June 30, 2018 will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2018	\$ 234,417
2019	848,751
2020	493,319
2021	<u>(210,963)</u>
	<u>\$ 1,365,524</u>

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE I – PENSION PLANS (Continued)

Actuarial Assumptions: The total pension liabilities in the June 30, 2018 actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions used in the June 30, 2015 valuation were based on the results of a 2010 CalPERS experience study for the period from 1997 to 2007. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% for the June 30, 2016 valuation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PEF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

In fiscal year 2016-2017, the financial reporting discount rate for the plan was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represent the unamortized portion of this assumption change.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE I – PENSION PLANS (Continued)

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement date of June 30, 2017. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40)%	(0.90)%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	<u>\$ 9,980,690</u>	<u>\$ 4,801,816</u>	<u>\$ 512,578</u>

Pension Plan Fiduciary Net Position: Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2018 the District reported payables for the outstanding amount of contributions to the pension plan of \$9,914.

NOTE J – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Description of the Plan: The District provides health care benefits to eligible retired District employees and survivor dependents as defined by their participating tier (first or second) and coverage level (basic or Medicare supplement) with a choice of several plans through an agent single-employer defined benefit plan established July 28, 2012. This is contracted with the California Public Employees’ Retirement System (CalPERS) through the Public Employees’ Medical and Hospital Care Act (PEMHCA). State statutes assign the authority to establish and amend the benefit provisions of the agent multiple-employer health care plans administered by CalPERS to the respective employer entities.

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE J – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The District does not issue a separate stand-alone financial report for its OPEB plan.

Funding Policy: The District pays a percentage of the post-employment health care benefits for retirees, their spouses, and their dependents based on the retirees’ tier. Surviving spouses and eligible dependents of retirees may elect to continue health care benefits with the same District contribution towards the expense. Substantially all of the District’s employees may become eligible for these benefits if they reach normal retirement age while working for the District. No contributions are required for plan members or the District. Pre-funding contributions made by the District are at the discretion of the Board of Directors.

The contribution requirements of the District are established and may be amended by the District’s Board of Directors. Plan members are currently not required to contribute.

Employees Covered by Benefit Terms: At June 30, 2018, the following employees were covered by the benefit terms:

Active employees	46
Inactive employees or beneficiaries currently receiving benefit payments	39

Contributions: The Board of Directors grants the authority to establish and amend the contribution requirements of the District. During the year ended June 30, 2018, the District’s cash contributions to the trust were \$224,554 and the benefit payments were \$441,109, resulting in total payments of \$665,663.

Net OPEB Liability: The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	7.00%
Inflation	2.75%
Aggregate salary increases	2.75% per year
Investment rate of return	7.00%
Healthcare cost trend rates	4.00% annually
Mortality rates	Derived using CalPERS membership data

Mortality information for active and retired employees was based on 2009 CalPERS tables. The pre-retirement turnover information was developed based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE J – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Asset Class	Percentage of Portfolio	Assumed Gross Return
US Large Cap	43.00%	7.80%
US Small Cap	23.00%	7.80%
Long-Term Corporate Bonds	12.00%	5.30%
Long-Term Government Bonds	6.00%	4.50%
Treasury Inflation Protected Securities (TIPS)	5.00%	7.80%
US Real Estate	8.00%	7.80%
All Commodities	3.00%	7.80%
	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that District contributions will continue based upon the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	\$ 6,996,993	\$ 2,521,475	\$ 4,475,518
Changes in the year:			
Service cost	155,387		155,387
Interest on the total OPEB liability	479,077		479,077
Contribution - employer		536,331	(536,331)
Net investment income		271,614	(271,614)
Benefit payments	(457,172)	(457,172)	-
Administrative expense		(1,387)	1,387
Net changes	<u>177,292</u>	<u>349,386</u>	<u>(172,094)</u>
Balance at June 30, 2018 (measurement date June 30, 2017)	<u>\$ 7,174,285</u>	<u>\$ 2,870,861</u>	<u>\$ 4,303,424</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	6%	7%	8%
Net OPEB liability	\$ 5,096,660	\$ 4,303,424	\$ 3,639,111

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE J – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease to 3.00%	Current Healthcare Cost Trend Rates 4.00%	1% Increase to 5.00%
Net OPEB liability	\$ 3,627,236	\$ 4,303,424	\$ 5,091,127

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the District recognized OPEB expense of \$364,236. At June 30, 2018, the District reported deferred outflows of resources totaling \$665,663 for contributions subsequent to the measurement date. This amount will be recognized as a reduction of the OPEB liability in the following year.

Age-adjusted Premiums Not Used: As a general rule, Actuarial Standard of Practice 6 (ASOP 6) indicates retiree costs should be based on actual claim costs or age-adjusted premiums. However, the Plan's net OPEB liability was not computed using age-adjusted premiums because the District's actuary did not consider the use of age-adjusted premiums to be appropriate under the circumstances. This is due to the District participating in the CalPERS health insurance plan, PEMHCA. PEMHCA uses blended premiums for active and retired participants and is expected to continue this practice into the future. Contributions based on age-adjusted premiums would be larger than contributions based on actual premiums charged by PEMHCA. The actuary believes this would overstate contributions to the CERBT that would not be able to be recovered by the District. Many other actuaries believe it is appropriate to use age-adjusted premiums when computing net OPEB liabilities under GASB Statement No. 75. The District's net OPEB liability would have been significantly larger had it been computed using age-adjusted premiums.

NOTE K – RISK MANAGEMENT

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. ACWA/JPIA may be terminated at any time by written consent of three-fourths of voting members at which time the members may be required to pay their share of any additional amount of premium in accordance with loss allocation formulas for final disposition of all claims and losses covered by the joint powers agreement. The ACWA/JPIA's financial statements are available at 5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610-7632. The District's deductibles and maximum coverage are as follows:

SAN JUAN WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2018

NOTE K – RISK MANAGEMENT (Continued)

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and Auto Liability (Includes public officials liability)	\$ 5,000,000	\$ 55,000,000	None
Property Damage	100,000	500,000,000	\$ 1,000 to 50,000
Crime	100,000		1,000
Workers' Compensation Liability	2,000,000	Statutory	None
Employers Liability	2,000,000		
Cyber Liability	5,000,000		

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE L – CHANGES IN ACCOUNTING PRINCIPLES

During the year ended June 30, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement required the District to recognize in its financial statements the net OPEB liability, deferred outflows of resources and deferred inflows of resources for the District's OPEB plan. Due to implementation of this Statement, the OPEB liability increased by \$4,182,721, deferred outflows of resources increased by \$536,331 and net position decreased by \$3,646,390 as of July 1, 2017.

NOTE M – COMMITMENT

The District has a contract with Placer County Water Agency (PCWA) to take or pay for an annual entitlement of 12,500 acre-feet. In any year during the term of this agreement, the District may request (PCWA) make available 25,000 acre-feet of water. The District has a contract with the City of Roseville whereby the City would reimburse the District for 4,000 acre-feet out of the 12,500 acre-feet annual entitlement, beginning no later than July 1, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

SAN JUAN WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - (UNAUDITED)**

Last 10 Years

	2018	2017	2016	2015
Proportion of the net pension liability	0.04842%	0.09208%	0.08829%	0.08447%
Proportionate share of the net pension liability	\$ 4,801,816	\$ 7,968,028	\$ 6,059,953	\$ 5,255,811
Covered payroll - measurement period	\$ 4,171,684	\$ 4,292,723	\$ 3,836,968	\$ 3,785,664
Proportionate share of the net pension liability as a percentage of covered payroll	115.10%	185.62%	157.94%	138.83%
Plan fiduciary net position as a percentage of the total pension liability	87.20%	76.19%	78.40%	79.82%
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Notes to Schedule:

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: The June 30, 2015 Actuarial Valuation changed the discount rate from 7.50% (net of administrative expense) to 7.65% to correct for an adjustment to exclude administrative expense. The discount rate was changed from 7.65% to 7.15% in 2018.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)

Last 10 Years

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 569,048	\$ 795,103	\$ 730,360	\$ 591,634
Contributions in relation to the actuarially determined contributions	(3,359,478)	(4,908,731)	(730,360)	(591,634)
Contribution deficiency (excess)	<u>\$ (2,790,430)</u>	<u>\$ (4,113,628)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - fiscal year	\$ 4,254,297	\$ 4,171,684	\$ 4,292,723	\$ 3,836,968
Contributions as a percentage of covered payroll	13.38%	19.06%	17.01%	15.42%
Valuation date:	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:				

Amortization method		Entry age normal		
Remaining amortization period	12 years	Level percentage of payroll, closed		
Asset valuation method		13 years	14 years	15 years
Inflation	2.75%	5-year smoothed market		
Salary increases		2.75%	2.75%	2.75%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation	Varies by entry age and service		
Retirement age		50 years		

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015, so no information was available prior to this date. Ten years of information will be presented as it becomes available.

SAN JUAN WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

Measurement Period	2017
Total OPEB liability:	
Service cost	\$ 155,387
Interest	479,077
Benefit payments	(457,172)
Net change in total OPEB liability	<u>177,292</u>
Total OPEB liability - beginning	<u>6,996,993</u>
Total OPEB liability - ending (a)	<u><u>\$ 7,174,285</u></u>
Plan fiduciary net position:	
Contributions - employer	\$ 536,331
Net investment income	271,614
Benefit payments	(457,172)
Administrative expenses	(1,387)
Net change in plan fiduciary net position	<u>349,386</u>
Plan fiduciary net position - beginning	<u>2,521,475</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,870,861</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 4,303,424</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>40.02%</u></u>
Covered-employee payroll - measurement period	<u><u>\$ 4,171,684</u></u>
Net OPEB liability as percentage of covered-employee payroll	<u><u>103.16%</u></u>
Notes to schedule:	
Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017

Benefit changes. None.

Changes in assumptions. During 2018, the discount rate was changed from 7.5% to 7.0%.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SAN JUAN WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2018

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	<u>2018</u>
Statutorily required contribution - employer fiscal year	\$ 449,109
Contributions in relation to the actuarially determined contributions	<u>(449,109)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll - employer fiscal year	\$ 4,254,297
Contributions as a percentage of covered-employee payroll	10.56%

Notes to Schedule:

Valuation date	June 30, 2017
Measurement period - fiscal year ended	June 30, 2017

An actuarially determined contribution rate was not calculated. The required contributions reported represent retiree premium payments.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

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SAN JUAN WATER DISTRICT
STATEMENT OF NET POSITION
WHOLESALE OPERATING

June 30, 2018

ASSETS

CURRENT ASSETS

Cash and investments	\$ 2,325,403
Receivables:	
Accounts	1,181,907
Accrued interest	7,984
Prepaid expenses	30,810
TOTAL CURRENT ASSETS	3,546,104

NONCURRENT ASSETS

Capital assets, not being depreciated	217,932
Capital assets, net of accumulated depreciation	56,282,336
TOTAL CAPITAL ASSETS	56,500,268

Investment in electrical power	312,349
TOTAL NONCURRENT ASSETS	56,812,617

TOTAL ASSETS 60,358,721

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts on refunding	1,215,100
Deferred pension related outflows	3,422,580
Deferred other postemployment benefits related outflows	286,820
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,924,500

LIABILITIES

CURRENT LIABILITIES

Accounts payable	106,706
Accrued liabilities	129,214
Accrued interest	402,040
Due within one year:	
Accrued compensated absences	156,052
Bonds, notes and capital leases	675,929
TOTAL CURRENT LIABILITIES	1,469,941

NONCURRENT LIABILITIES

Accrued compensated absences	157,074
Bonds, notes and capital leases	23,933,634
Net other postemployment benefit liability	1,868,078
Net pension liability	1,985,101
TOTAL NONCURRENT LIABILITIES	27,943,887

TOTAL LIABILITIES 29,413,828

DEFERRED INFLOWS OF RESOURCES

Deferred pension related inflows	1,448,541
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NET POSITION

Net investment in capital assets	33,105,805
Unrestricted	1,315,047

TOTAL NET POSITION \$ 34,420,852

SAN JUAN WATER DISTRICT
STATEMENT OF NET POSITION
WHOLESALE CAPITAL

June 30, 2018

ASSETS

CURRENT ASSETS

Cash and investments	\$ 9,756,252
Receivables:	
Accounts	249,255
Accrued interest	16,425
Taxes	<u>41,961</u>

TOTAL ASSETS 10,063,893

LIABILITIES

CURRENT LIABILITIES

Accounts payable	<u>51,032</u>
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TOTAL LIABILITIES 51,032

NET POSITION

Unrestricted	<u>10,012,861</u>
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TOTAL NET POSITION \$ 10,012,861

SAN JUAN WATER DISTRICT
STATEMENT OF NET POSITION
RETAIL OPERATING

June 30, 2018

ASSETS

CURRENT ASSETS

Cash and investments	\$	835,194
Receivables:		
Accounts		2,534,565
Accrued interest		2,535
Prepaid expenses		29,920
Inventories		125,979
TOTAL CURRENT ASSETS		3,528,193

NONCURRENT ASSETS

Capital assets, not being depreciated		1,366,778
Capital assets, net of accumulated depreciation		24,671,168
TOTAL CAPITAL ASSETS		26,037,946
TOTAL NONCURRENT ASSETS		26,037,946

TOTAL ASSETS 29,566,139

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts on refunding		680,671
Deferred pension related outflows		4,685,564
Deferred other postemployment benefits related outflows		378,843
TOTAL DEFERRED OUTFLOWS OF RESOURCES		5,745,078

LIABILITIES

CURRENT LIABILITIES

Accounts payable		167,659
Accrued liabilities		173,441
Accrued interest		223,579
Unearned revenues		84,529
Deposits payable		55,069
Due within one year:		
Accrued compensated absences		209,907
Bonds, notes and capital leases		374,071
TOTAL CURRENT LIABILITIES		1,288,255

NONCURRENT LIABILITIES

Accrued compensated absences		261,023
Bonds, notes and capital leases		13,329,934
Net other postemployment benefit liability		2,435,346
Net pension liability		2,816,715
TOTAL NONCURRENT LIABILITIES		18,843,018

TOTAL LIABILITIES 20,131,273

DEFERRED INFLOWS OF RESOURCES

Deferred pension related inflows		1,934,601
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NET POSITION

Net investment in capital assets		13,014,612
Unrestricted		230,731
TOTAL NET POSITION		13,245,343

TOTAL NET POSITION \$ 13,245,343

SAN JUAN WATER DISTRICT
STATEMENT OF NET POSITION
RETAIL CAPITAL

June 30, 2018

ASSETS

CURRENT ASSETS

Cash and investments	\$ 7,056,411
Receivables:	
Accrued interest	13,399
Taxes	41,960

TOTAL ASSETS 7,111,770

LIABILITIES

CURRENT LIABILITIES

Accounts payable	<u>189,844</u>
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TOTAL LIABILITIES 189,844

NET POSITION

Unrestricted	<u>6,921,926</u>
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TOTAL NET POSITION \$ 6,921,926

SAN JUAN WATER DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 BUDGET TO ACTUAL - WHOLESALE OPERATING

For the year ended June 30, 2018

	Actual	Final Budget	Variance with Final Budget
OPERATING REVENUE			
Wholesale revenue by entity			
San Juan Water District - retail	\$ 2,785,683	\$ 2,849,955	\$ (64,272)
Citrus Heights Water District	2,841,659	2,833,130	8,529
Fair Oaks Water District	1,912,584	2,092,580	(179,996)
Orange Vale Water Company	950,017	974,375	(24,358)
City of Folsom	274,445	267,755	6,690
Granite Bay Golf Course	12,402	24,340	(11,938)
Sacramento Suburban Water District	1,715,682	1,342,965	372,717
Other revenue	421,966	1,100	420,866
TOTAL OPERATING REVENUES	<u>10,914,438</u>	<u>10,386,200</u>	<u>528,238</u>
OPERATING EXPENSES			
Source of supply			
Water charged to retail service area			
Placer County Water Agency	380,125	500,300	(120,175)
Wheeling	71,073	140,000	(68,927)
Bureau pumping	92,266	119,700	(27,434)
Other public agencies	540,369	540,600	(231)
Administration and general	1,711,529	1,976,300	(264,771)
Water treatment	2,536,337	2,763,800	(227,463)
Engineering	324,874	333,300	(8,426)
Conservation	15,556	56,000	(40,444)
Depreciation	2,262,463	-	2,262,463
Retirement benefits (OPEB)	156,621	260,000	(103,379)
Pension expense	509,101	1,441,900	(932,799)
TOTAL OPERATING EXPENSES	<u>8,600,314</u>	<u>8,131,900</u>	<u>468,414</u>
NET INCOME (LOSS) FROM OPERATIONS	2,314,124	2,254,300	59,824
NON-OPERATING REVENUES (EXPENSES)			
Investment income	27,767	40,000	(12,233)
Other revenue	117,310	109,400	7,910
Interest expense	(917,950)	(939,800)	21,850
Other expenses	(7,377)	(2,800)	(4,577)
Capital outlay offsets	317,697		317,697
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(462,553)</u>	<u>(793,200)</u>	<u>330,647</u>
INCOME (LOSS) BEFORE TRANSFERS	1,851,571	1,461,100	390,471
TRANSFERS			
Transfers out	(1,633,841)	(169,300)	(1,464,541)
TOTAL TRANSFERS	<u>(1,633,841)</u>	<u>(169,300)</u>	<u>(1,464,541)</u>
CHANGE IN NET POSITION	217,730	1,291,800	(1,074,070)
Net position at beginning of year, as previously reported	35,794,674	35,794,674	
Restatement for change in accounting principle	(1,591,552)	(1,591,552)	
Net position at beginning of year, as restated	<u>34,203,122</u>	<u>34,203,122</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 34,420,852</u>	<u>\$ 35,494,922</u>	<u>\$ (1,074,070)</u>

SAN JUAN WATER DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 BUDGET TO ACTUAL - WHOLESALE CAPITAL

For the year ended June 30, 2018

	Actual	Final Budget	Variance with Final Budget
OPERATING EXPENSES			
Water treatment	\$ 245,132	\$ 2,253,500	\$ (2,008,368)
TOTAL OPERATING EXPENSES	<u>245,132</u>	<u>2,253,500</u>	<u>(2,008,368)</u>
NET INCOME (LOSS) FROM OPERATIONS	(245,132)	(2,253,500)	2,008,368
NON-OPERATING REVENUES (EXPENSES)			
Tax assessments	1,061,598	1,090,000	(28,402)
Investment income	34,613	60,000	(25,387)
Connections and annexations	152,351	35,000	117,351
Other revenue	34,885	-	34,885
Capital outlay	(317,697)	(1,018,600)	700,903
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>965,750</u>	<u>166,400</u>	<u>799,350</u>
Capital contributions	<u>950,048</u>	<u>2,172,400</u>	<u>(1,222,352)</u>
INCOME (LOSS) BEFORE TRANSFERS	1,670,666	85,300	1,585,366
TRANSFERS			
Transfers in	1,633,841	169,300	1,464,541
TOTAL TRANSFERS	<u>1,633,841</u>	<u>169,300</u>	<u>1,464,541</u>
CHANGE IN NET POSITION	3,304,507	254,600	3,049,907
Net position at beginning of year	<u>6,708,354</u>	<u>6,708,354</u>	-
NET POSITION AT END OF YEAR	<u>\$ 10,012,861</u>	<u>\$ 6,962,954</u>	<u>\$ 3,049,907</u>

SAN JUAN WATER DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
BUDGET TO ACTUAL - RETAIL OPERATING

For the year ended June 30, 2018

	Actual	Final Budget	Variance with Final Budget
OPERATING REVENUE			
Water sales - retail	\$ 10,922,285	\$ 10,716,800	\$ 205,485
Other revenue	310,718	427,100	(116,382)
TOTAL OPERATING REVENUES	<u>11,233,003</u>	<u>11,143,900</u>	<u>89,103</u>
OPERATING EXPENSES			
Source of supply			
Water charged to retail service area	3,336,366	3,080,600	255,766
Administration and general	1,007,628	1,265,800	(258,172)
Transmission and distribution	3,089,091	3,166,400	(77,309)
Customer service	648,714	633,600	15,114
Engineering	337,938	443,700	(105,762)
Conservation	353,775	422,400	(68,625)
Depreciation	1,390,163	-	1,390,163
Retirement benefits (OPEB)	207,615	330,000	(122,385)
Pension expense	730,620	1,964,600	(1,233,980)
TOTAL OPERATING EXPENSES	<u>11,101,910</u>	<u>11,307,100</u>	<u>(205,190)</u>
NET INCOME (LOSS) FROM OPERATIONS	131,093	(163,200)	294,293
NON-OPERATING REVENUES (EXPENSES)			
Investment income	9,109	25,000	(15,891)
Other revenue	101,047	87,300	13,747
Interest expense	(510,956)	(522,300)	11,344
Other expenses	(1,735)	(3,400)	1,665
Capital outlay offsets	1,258,121	-	1,258,121
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>855,586</u>	<u>(413,400)</u>	<u>1,268,986</u>
INCOME (LOSS) BEFORE TRANSFERS	986,679	(576,600)	1,563,279
TRANSFERS			
Transfers in	-	1,394,700	(1,394,700)
Transfers out	(422,628)	-	(422,628)
TOTAL TRANSFERS	<u>(422,628)</u>	<u>1,394,700</u>	<u>(1,817,328)</u>
CHANGE IN NET POSITION	564,051	818,100	(254,049)
Net position at beginning of year, as previously reported	14,736,130	14,736,130	
Restatement for change in accounting principle	(2,054,838)	(2,054,838)	
Net position at beginning of year, as restated	<u>12,681,292</u>	<u>12,681,292</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 13,245,343</u>	<u>\$ 13,499,392</u>	<u>\$ (254,049)</u>

SAN JUAN WATER DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
BUDGET TO ACTUAL - RETAIL CAPITAL

For the year ended June 30, 2018

	Actual	Final Budget	Variance with Final Budget
OPERATING REVENUE			
Other revenue	\$ 7,500	\$ -	\$ 7,500
TOTAL OPERATING REVENUES	7,500		7,500
OPERATING EXPENSES			
Transmission and distribution	44,399	221,000	(176,601)
TOTAL OPERATING EXPENSES	44,399	221,000	(176,601)
NET INCOME (LOSS) FROM OPERATIONS	(36,899)	(221,000)	184,101
NON-OPERATING REVENUES (EXPENSES)			
Tax assessments	1,061,598	1,090,000	(28,402)
Investment income	35,615	60,000	(24,385)
Connections and annexations	245,317	450,000	(204,683)
Other revenue	11,285	-	11,285
Capital outlay	(1,258,121)	(5,428,000)	4,169,879
TOTAL NON-OPERATING REVENUES (EXPENSES)	95,694	(3,828,000)	3,923,694
Capital contributions	(3,750)	-	(3,750)
INCOME (LOSS) BEFORE TRANSFERS	55,045	(4,049,000)	4,104,045
TRANSFERS			
Transfers in	422,628	-	422,628
Transfers out	-	(1,394,700)	1,394,700
TOTAL TRANSFERS	422,628	(1,394,700)	1,817,328
CHANGE IN NET POSITION	477,673	(5,443,700)	5,921,373
Net position at beginning of year	6,444,253	6,444,253	-
NET POSITION AT END OF YEAR	\$ 6,921,926	\$ 1,000,553	\$ 5,921,373

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS
WHOLESALE OPERATING

For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 11,023,938
Cash paid to suppliers for goods and services	(3,136,737)
Cash paid to employees for services	<u>(4,269,408)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,617,793
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital recovery from wholesale capital	317,697
Acquisition and construction of capital assets	(317,697)
Proceeds from the sale of capital assets	3,285
Principal paid on capital debt	(906,167)
Interest paid on capital debt	(730,633)
Payments for miscellaneous expenses	(7,377)
Transfers to wholesale capital	<u>(1,633,841)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,274,733)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>25,276</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>25,276</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	368,336
Cash and cash equivalents at beginning of year	<u>1,957,067</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 2,325,403</u></u>

(Continued)

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS (Continued)
WHOLESALE OPERATING

For the year ended June 30, 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)	\$ 2,314,124
Nonoperating income received	122,984
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	2,262,463
(Increase) decrease in accounts receivable	(13,484)
(Increase) decrease in prepaid expenses	(890)
(Increase) decrease in deferred pension related outflows	(737,849)
(Increase) decrease in deferred other postemployment benefits related outflows	(73,803)
Increase (decrease) in accounts payable	(105,803)
Increase (decrease) in accrued liabilities	28,853
Increase (decrease) in compensated absences	51,398
Increase (decrease) in deferred pension related inflows	1,187,667
Increase (decrease) in other postemployment benefits liability	(56,396)
Increase (decrease) in net pension liability	<u>(1,361,471)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 3,617,793

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Gain/(loss) on investment in joint venture	\$ 5,473
Amortization of bond premiums	(131,558)
Amortization of deferred charge on refunding	68,852

The notes to the financial statements are an integral part of this statement.

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS
RETAIL OPERATING

For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 10,840,024
Cash paid to suppliers for goods and services	(5,296,965)
Cash paid to employees for services	(5,787,930)
NET CASH USED BY OPERATING ACTIVITIES	<u>(244,871)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital recovery from retail capital	1,258,121
Acquisition and construction of capital assets	(1,264,886)
Proceeds from the sale of capital assets	9,227
Principal paid on capital debt	(503,833)
Interest paid on capital debt	(404,552)
Payments for miscellaneous expenses	5,031
Transfers to retail capital	(422,628)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,323,520)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	8,691
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>8,691</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,559,700)
Cash and cash equivalents at beginning of year	<u>2,394,894</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 835,194</u>

(Continued)

SAN JUAN WATER DISTRICT

STATEMENT OF CASH FLOWS (Continued)
RETAIL OPERATING

For the year ended June 30, 2018

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)	\$ 131,093
Nonoperating income received	91,820
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,390,163
(Increase) decrease in accounts receivable	(577,062)
(Increase) decrease in prepaid expenses	
(Increase) decrease in inventories	(29,824)
(Increase) decrease in deferred pension related outflows	(978,079)
(Increase) decrease in deferred other postemployment benefits related outflows	(55,529)
Increase (decrease) in accounts payable	(53,835)
Increase (decrease) in accrued liabilities	38,111
Increase (decrease) in unearned revenues	84,529
Increase (decrease) in deposits payable	7,734
Increase (decrease) in compensated absences	52,099
Increase (decrease) in deferred pension related inflows	1,574,349
Increase (decrease) in other postemployment benefits liability	(115,699)
Increase (decrease) in net pension liability	<u>(1,804,741)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (244,871)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Amortization of bond premiums	\$ (72,745)
Amortization of deferred charge on refunding	38,401

The notes to the financial statements are an integral part of this statement.

SAN JUAN WATER DISTRICT

CAPITAL ASSET ROLLFORWARD
WHOLESALE

For the year ended June 30, 2018

	Balance at June 30, 2017	Transfers	Additions	Disposals	Balance at June 30, 2018
CAPITAL ASSETS, NOT BEING DEPRECIATED					
Land	\$ 98,212				\$ 98,212
Construction in progress	7,215,473	\$ (7,373,604)	\$ 277,851		119,720
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	7,313,685	(7,373,604)	277,851	-	217,932
CAPITAL ASSETS, BEING DEPRECIATED					
Pipelines	29,233,856	54,160			29,288,016
Water treatment plant	28,346,993	7,288,885	19,585	\$ (126,222)	35,529,241
Land improvements	814,105				814,105
Reservoirs	2,862,601	14,330			2,876,931
Pumping stations	7,047,178				7,047,178
Buildings	1,296,461				1,296,461
Vehicles and equipment	13,943,602	9,000	14,034	(27,006)	13,939,630
Intangibles	1,100,393	7,229	6,227		1,113,849
TOTAL CAPITAL ASSETS BEING DEPRECIATED	84,645,189	7,373,604	39,846	(153,228)	91,905,411
LESS ACCUMULATED DEPRECIATION					
Pipelines	(7,811,936)		(744,689)		(8,556,625)
Water treatment plant	(14,874,455)		(702,928)	124,388	(15,452,995)
Land improvements	(606,276)		(13,372)		(619,648)
Reservoirs	(2,778,969)		(3,544)		(2,782,513)
Pumping stations	(2,746,787)		(208,152)		(2,954,939)
Buildings	(1,128,776)		(17,150)		(1,145,926)
Vehicles and equipment	(3,089,809)		(507,166)	25,354	(3,571,621)
Intangibles	(473,346)		(65,462)		(538,808)
TOTAL ACCUMULATED DEPRECIATION	(33,510,354)	-	(2,262,463)	149,742	(35,623,075)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	51,134,835	7,373,604	(2,222,617)	(3,486)	56,282,336
CAPITAL ASSETS, NET	\$ 58,448,520	\$ -	\$ (1,944,766)	\$ (3,486)	\$ 56,500,268

SAN JUAN WATER DISTRICT

CAPITAL ASSET ROLLFORWARD
RETAIL

For the year ended June 30, 2018

	Balance at June 30, 2017	Transfers	Additions	Disposals	Balance at June 30, 2018
CAPITAL ASSETS, NOT BEING DEPRECIATED					
Land	\$ 166,272				\$ 166,272
Construction in progress	180,844	\$ (127,902)	\$ 1,154,331	\$ (6,767)	1,200,506
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	347,116	(127,902)	1,154,331	(6,767)	1,366,778
CAPITAL ASSETS, BEING DEPRECIATED					
Pipelines	42,354,005	42,233		(298,925)	42,097,313
Water treatment plant	16,000				16,000
Land improvements	75,885		8,086		83,971
Reservoirs	2,492,422				2,492,422
Pumping stations	5,527,475				5,527,475
Buildings	55,441				55,441
Vehicles and equipment	1,502,706		89,472	(29,484)	1,562,694
Intangibles	549,200	85,669	12,997	(244,666)	403,200
TOTAL CAPITAL ASSETS BEING DEPRECIATED	52,573,134	127,902	110,555	(573,075)	52,238,516
LESS ACCUMULATED DEPRECIATION					
Pipelines	(23,954,440)		(1,108,143)	298,925	(24,763,658)
Water treatment plant	(9,415)		(485)		(9,900)
Land improvements	(42,482)		(2,467)		(44,949)
Reservoirs	(1,118,312)		(32,532)		(1,150,844)
Pumping stations	(224,570)		(139,472)		(364,042)
Buildings	(14,447)		(2,636)		(17,083)
Vehicles and equipment	(900,744)		(87,799)	29,484	(959,059)
Intangibles	(485,850)		(16,629)	244,666	(257,813)
TOTAL ACCUMULATED DEPRECIATION	(26,750,260)	-	(1,390,163)	573,075	(27,567,348)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	25,822,874	127,902	(1,279,608)	-	24,671,168
CAPITAL ASSETS, NET	\$ 26,169,990	\$ -	\$ (125,277)	\$ (6,767)	\$ 26,037,946

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the San Juan Water District’s comprehensive annual financial report presents all detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information of the District’s overall financial health.

Financial Trends 56-57

These schedules contain trend information to help the reader understand how the District’s financial performance changed over time.

Revenue Capacity..... 58-63

These schedules contain information to help the reader assess the District’s most significant local revenue sources: wholesale water rates, retail water rates and property taxes.

Debt Capacity 64-67

These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.

Demographic and Economic Information 68-69

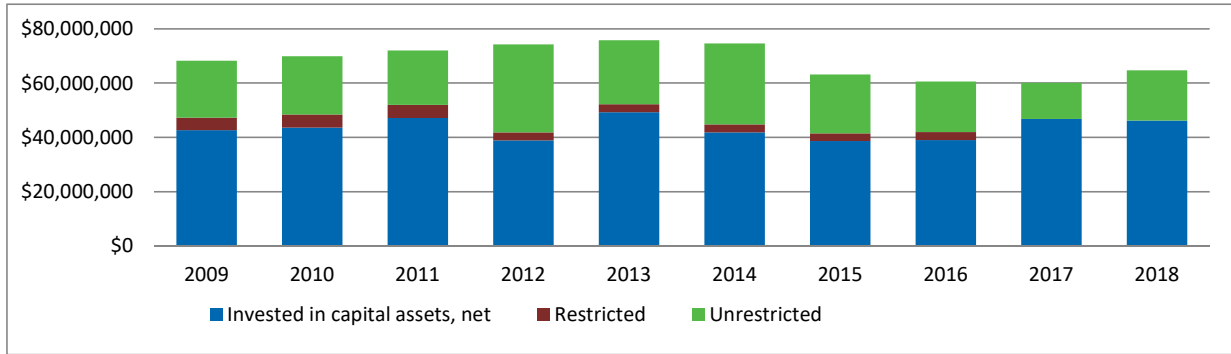
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place and to help make comparisons over time and with other governments.

Operating Information 70-74

These schedules contain service and infrastructure data to help the reader understand how the District’s financial report relates to the services the District provides and the activities it performs. Government Code Section 66013(d) and (e) Report is included in this section.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

San Juan Water District
Table 1: Net Position by Component
 (Accrual Basis of Accounting)



	2009	2010	2011	2012 ¹	2013 ¹	2014 ²	2015 ³	2016 ⁴	2017 ⁵	2018
Net Position:										
Invested in capital assets, net	\$42,545,198	\$43,492,739	\$47,026,193	\$38,861,678	\$49,186,800	\$41,785,998	\$38,531,907	\$38,997,463	\$46,693,664	\$46,120,417
Restricted	4,704,111	4,931,780	4,835,676	2,911,170	2,911,170	2,911,170	2,911,577	2,912,921	-	-
Unrestricted	20,886,799	21,465,447	20,112,276	32,444,787	23,665,458	29,880,325	21,709,884	18,554,154	13,343,357	18,480,565
Total net position	\$68,136,108	\$69,889,966	\$71,974,145	\$74,217,635	\$75,763,428	\$74,577,493	\$63,153,368	\$60,464,538	\$60,037,021	\$64,600,982

Notes:

¹ Restated to reflect implementation of GASB Statements 63 and 65, and other prior-year adjustments.

² Restated to reflect implementation of GASB Statement 68 and capital asset prior year adjustments.

³ Restated to reflect capital asset and compensated absences prior year adjustments.

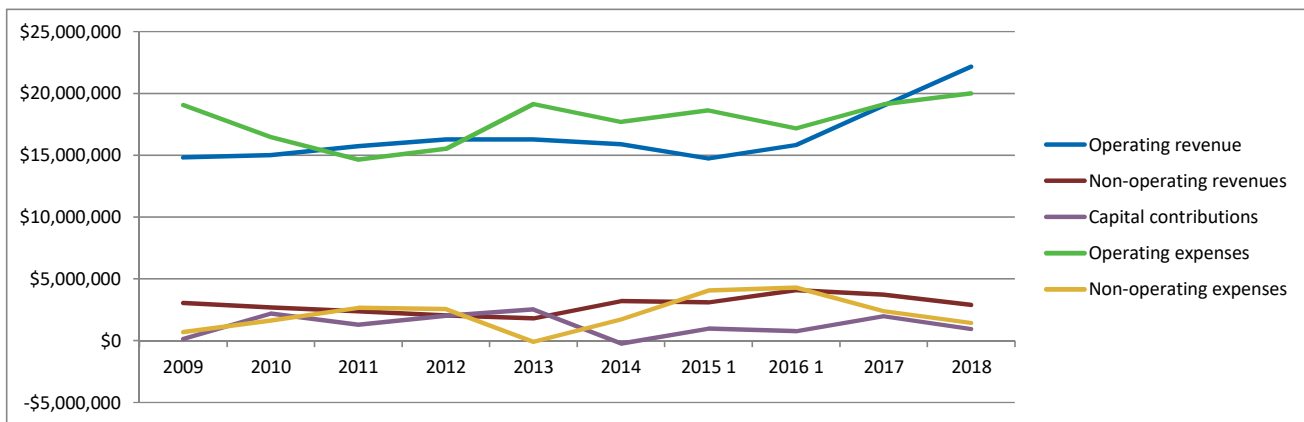
⁴ Restated capital asset prior year adjustment.

⁵ Restated to reflect the implementation of GASB Statement No. 75 for Postemployment Benefits Other Than Pensions (OPEB) during Fiscal Year 2017-2018. See Financial Notes for additional information.

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 2: Changes in Net Position
 (Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015 ¹	2016 ¹	2017	2018
Operating Revenues										
Wholesale revenue	\$ 7,111,207	\$ 7,554,791	\$ 7,764,982	\$ 7,364,002	\$ 7,013,144	\$ 6,614,718	\$ 6,220,759	\$ 7,067,960	\$ 9,477,539	\$ 10,492,472
Retail revenue	7,542,865	7,299,989	7,834,917	8,090,259	8,544,267	8,481,583	7,846,437	8,255,437	9,114,487	10,922,285
Other revenue	147,769	144,086	123,714	803,986	700,236	766,591	666,965	499,150	421,579	740,184
Total operating revenue	14,801,841	14,998,866	15,723,613	16,258,247	16,257,647	15,862,892	14,734,161	15,822,547	19,013,605	22,154,941
Operating Expenses	19,062,904	16,465,647	14,640,270	15,522,579	19,124,440	17,673,564	18,617,237	17,174,304	19,111,183	19,991,755
Net loss from operations	(4,261,063)	(1,466,781)	1,083,343	735,668	(2,866,793)	(1,810,672)	(3,883,076)	(1,351,757)	(97,578)	2,163,186
Non-operating revenues	3,036,346	2,665,689	2,367,655	2,033,319	1,796,677	3,187,986	3,091,137	4,084,136	3,715,929	2,892,495
Non-operating expenses	690,024	1,617,298	2,650,494	2,534,731	(93,601)	1,725,227	4,035,641	4,299,268	2,387,144	1,438,018
Net income before capital contributions	(1,914,741)	(418,390)	800,504	234,256	(976,515)	(347,912)	(4,827,580)	(1,566,889)	1,231,207	3,617,663
Capital contributions	131,801	2,172,250	1,283,677	2,009,234	2,522,308	(225,068)	959,849	762,439	1,987,666	946,298
Change in net position	\$ (1,782,940)	\$ 1,753,860	\$ 2,084,181	\$ 2,243,490	\$ 1,545,793	\$ (572,980)	\$ (3,867,731)	\$ (804,450)	\$ 3,218,873	\$ 4,563,961



Note:
¹ Restated to reflect prior year adjustments.

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 3: Wholesale Water Rates and Connection Fees
 Last Ten Years Effective January 1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Uniform Commodity Rate (UCR) ¹:										
San Juan Water District Retail	\$ 115.19	\$ 127.86	\$ 90.60	\$ 90.60	\$ 90.60	\$ 93.32	\$ 89.17	\$ 102.02	\$ 81.14	\$ 81.14
Citrus Heights Water District	77.71	86.25	90.60	90.60	90.60	93.32	89.17	102.02	81.14	81.14
Fair Oaks Water Company	77.71	86.25	90.60	90.60	90.60	93.32	89.17	102.02	81.14	81.14
Orange Vale Water Company	77.71	86.25	90.60	90.60	90.60	93.32	89.17	102.02	81.14	81.14
City of Folsom	146.28	162.37	90.60	90.60	90.60	93.32	89.17	102.02	81.14	81.14
Annual Service Charge:										
San Juan Water District Retail	\$ 266,271	\$ 295,561	\$ 311,080	\$ 311,080	\$ 311,080	\$ 320,412	\$ 440,965	\$ 505,258	\$ 1,114,644	\$ 1,359,660
Citrus Heights Water District	333,024	369,657	367,450	367,450	367,450	378,474	462,858	530,343	1,142,268	1,393,352
Fair Oaks Water Company	228,915	254,095	208,340	208,340	208,340	214,590	356,683	408,687	855,824	1,043,948
Orange Vale Water Company	74,911	83,151	80,300	80,300	80,300	82,709	156,402	179,205	394,248	480,908
City of Folsom	26,360	32,771	35,160	35,160	35,160	36,215	44,925	51,475	113,664	138,652
Annual Debt Service Charge ²:										
San Juan Water District Retail	\$ 618,403	\$ 563,089	\$ 563,594	\$ 585,863	\$ 570,181	\$ 613,611	\$ 447,679	\$ 613,811	\$ 613,752	\$ 613,804
Citrus Heights Water District	738,294	621,614	627,938	621,477	648,443	672,537	673,415	672,833	672,804	672,752
Fair Oaks Water Company	444,071	415,185	385,416	434,744	405,722	443,222	443,957	443,513	443,452	443,404
Orange Vale Water Company	143,636	173,021	166,458	179,008	180,570	191,913	192,041	191,922	191,952	191,952
City of Folsom	48,972	50,104	59,659	51,581	53,653	56,430	142,591	142,283	142,156	141,952
Capital Facilities Charge (implemented in 2015) ³:										
San Juan Water District Retail							\$ 458,635	\$ 493,158	\$ 426,660	\$ 34,524
Citrus Heights Water District							-	-	-	-
Fair Oaks Water Company							-	-	-	-
Orange Vale Water Company							210,270	219,447	219,448	9,176
City of Folsom							71,595	71,595	71,596	-
Connection Fees:										
Up to 1" Meter	\$ 319	\$ 337	\$ 344	\$ 354	\$ 364	\$ 372	\$ 381	\$ 391	\$ 400	\$ 412
1" Meter	531	560	572	588	605	619	633	650	665	686
1 1/2" Meter	1,062	1,121	1,145	1,178	1,212	1,240	1,269	1,303	1,333	1,374
2" Meter	1,699	1,793	1,832	1,884	1,938	1,983	2,029	2,083	2,131	2,197
3" Meter	3,398	3,585	3,663	3,767	3,874	3,964	4,055	4,164	4,260	4,392
4" Meter	5,309	5,602	5,724	5,887	6,055	6,196	6,339	6,509	6,659	6,865
6" Meter	13,273	14,004	14,309	14,717	15,136	15,489	15,845	16,270	16,644	17,160
8" Meter	19,113	20,166	20,606	21,193	21,797	22,305	22,818	23,430	23,969	24,712
10" Meter	30,793	32,490	33,199	34,145	35,118	35,936	36,763	37,748	38,616	39,813
12" Meter	45,659	48,175	49,226	50,629	52,072	53,285	54,511	55,972	57,259	59,034

Notes:

¹ Effective 2011, the UCR for SJWD Retail and Folsom no longer include pumping costs. SJWD Retail are now direct costs in the budget and Folsom pays a pumping surcharge to SJWD Retail.

² 2012 Annual Debt Service Charges were revised during the calendar year.

³ The Capital Facilities Charge was implemented in 2015.

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 4: Retail Water Rates and Connection Fees
 Last Ten Years Effective January 1 ¹

	2009	2010	2011	2012	2013	2014	2015 ²	2016	2017	2018
Commodity Rate per 100 CCF:										
Uniform Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.80	\$ 0.92	\$ 0.92	\$ 0.92
Residential										
0 to 20 ccf	0.40	0.43	0.44	0.44	0.45	0.46	-	-	-	-
21 to 200 ccf	0.68	0.73	0.74	0.74	0.75	0.77	-	-	-	-
201+ ccf	0.48	0.51	0.52	0.52	0.53	0.54	-	-	-	-
Commercial	0.53	0.62	0.63	0.63	0.64	0.66	-	-	-	-
Daily Base Charge (fixed based on meter size):										
Up to 1"	\$ 1.06	\$ 1.13	\$ 1.15	\$ 1.15	\$ 1.17	\$ 1.20	\$ 1.08	\$ 1.24	\$ 1.42	\$ 1.63
1 1/2"	2.81	3.01	3.07	3.07	3.13	3.19	2.88	3.31	3.68	4.22
2"	4.49	4.80	4.90	4.90	5.00	5.10	4.59	5.28	5.58	6.72
3"	8.93	9.56	9.75	9.75	9.95	10.14	9.13	10.50	10.90	12.51
4"	13.92	14.89	15.19	15.19	15.49	15.80	14.23	16.36	18.12	20.80
6"	27.81	29.76	30.36	30.36	30.97	31.59	28.46	32.73	36.18	41.54
8"	50.01	53.51	54.58	54.58	55.67	56.79	51.16	58.83	57.85	66.42
10"	80.54	86.18	87.90	87.90	89.66	91.45	82.39	94.75	N/A	N/A
12"	119.41	127.77	130.32	130.32	132.93	135.60	122.16	140.48	N/A	N/A
Fire District	5.41	5.79	5.90	5.90	6.02	6.15	5.53	6.36	7.28	8.36
Daily Base Charge for Private Fire Lines (fixed based on meter size):										
4"	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44	\$ 0.45	\$ 0.46	\$ 0.47	\$ 0.53	\$ 0.57	\$ 0.62
6"	0.60	0.64	0.65	0.65	0.66	0.68	0.70	0.78	0.84	0.92
8"	0.80	0.86	0.88	0.88	0.90	0.92	0.95	1.05	1.14	1.24
10"	0.97	1.04	1.05	1.05	1.07	1.09	1.12	1.26	1.36	1.48
Connection Fees (in addition, new connections also pay a Wholesale Connection fee listed in Wholesale Rates):										
Up to 1" Meter	\$ 12,164	\$ 12,834	\$ 13,114	\$ 13,488	\$ 13,872	\$ 14,195	\$ 14,521	\$ 14,910	\$ 15,253	\$ 15,726
1 1/2" Meter	24,327	25,667	26,227	26,974	27,743	28,389	29,042	29,820	30,506	31,452
2" Meter	38,923	41,068	41,963	43,159	44,389	45,423	46,468	47,713	48,810	50,323
3" Meter	77,846	82,135	83,926	86,318	88,778	90,847	92,936	95,427	97,622	100,648
4" Meter	120,806	127,462	130,241	133,953	137,771	140,981	144,224	148,089	151,495	156,191
6" Meter	243,270	256,674	262,269	269,744	277,432	283,896	290,426	298,209	305,068	314,525
8" Meter	437,895	462,023	472,095	485,550	499,388	511,024	522,778	536,788	549,134	566,157
10" Meter	705,498	744,371	760,598	782,275	804,570	823,316	842,252	864,824	884,715	912,141
12" Meter	1,046,082	1,103,721	1,127,782	1,159,924	1,192,982	1,220,778	1,248,856	1,282,325	1,311,819	1,352,485

Notes:

¹ The 2015 rates were amended February 1, 2015.

² Beginning February 1, 2015 the tiered rate structure was replaced with a uniform rate.

³ A 10% drought surcharge on the volumetric rate was implemented on June 1, 2015 and removed April 1, 2016.

Source: San Juan Water District Finance & Administrative Services Department
 San Juan Water District Customer Service Department

San Juan Water District
Table 5: Retail Metered Water Sales by Type
 Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Total Water Sales	Total Water Deliveries (CCF)
2009	\$ 6,580,530	\$ 946,169	\$ 7,526,699	5,821,462
2010	\$ 6,372,458	\$ 919,104	\$ 7,291,562	5,078,489
2011	\$ 6,821,008	\$ 1,000,370	\$ 7,821,378	5,038,636
2012	\$ 7,058,136	\$ 1,025,042	\$ 8,083,178	5,229,292
2013	\$ 7,432,485	\$ 1,110,112	\$ 8,542,597	5,823,065
2014	\$ 7,388,798	\$ 1,119,919	\$ 8,508,716	5,430,370
2015	\$ 6,661,233	\$ 1,185,368	\$ 7,846,601	4,414,012
2016	\$ 7,196,801	\$ 1,058,636	\$ 8,255,437	4,717,454
2017	\$ 7,952,605	\$ 1,161,882	\$ 9,114,487	4,663,318
2018	\$ 9,533,095	\$ 1,389,190	\$ 10,922,285	4,990,170

Note: Starting in FY 2015 Total Water Deliveries are reported from August through July to match accrual adjustments at fiscal year end.

Sources: *San Juan Water District Customer Service Department (revenue)*
San Juan Water District Water Treatment Department (water deliveries)

San Juan Water District
Table 6: Ten Largest Retail Customers
 Current Year and Ten Years Ago

Customers	Fiscal Year					
	2018			2008 ²		
	Total Revenue	Rank	% of Revenue ¹	Total Revenue	Rank	% of Revenue
Roseville Joint Union High School	\$ 29,740	1	0.27%	\$ 18,424	1	0.27%
Eureka Union School District/Cavitt Jr. High	23,862	2	0.22%	8,861	7	0.13%
Placer County Dept. of Facility Svcs - R.L. Feist Park	16,312	3	0.15%			
Placer County Dept. of Facility Svcs - Granite Bay Park	15,671	4	0.14%			
Eureka Union School District/Ridgeview Elementary	15,341	5	0.14%			
Granite Bay Business Park	14,549	6	0.13%	10,581	4	0.16%
West Silverwood Owners Association	14,372	7	0.13%			
Bushnells Landscape Creations	14,256	8	0.13%	11,407	3	0.17%
City of Folsom	13,452	9	0.12%			
Granite Bay Estates MHC LLC	12,733	10	0.12%			
Rolling Greens Estates LLC				14,732	2	0.22%
Bayside Covenant Church				10,228	5	0.15%
Sierra Valley Real Estate				9,569	6	0.14%
Otow Revocable Living Trust				8,728	8	0.13%
San Juan Unified School District - Lake Natoma				8,715	9	0.13%
Maison Chapeaux				7,624	10	0.11%
Total	\$ 170,286		1.56%	\$ 108,869		1.61%
Total Customer Revenue	\$ 10,922,285			\$ 6,747,808		

Note:

¹ "% of Revenue" is expressed as a percentage of the District's total commercial and residential customer retail revenue.

² 2009 Data is not available.

Source: San Juan Water District Customer Service Department

San Juan Water District
Table 7: Principal Property Taxpayers
 Current Year and Nine Years Ago

Taxpayer	Primary Land Use	2018		2009	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Birdcage CRF2 LLC	Shopping Center	\$ 77,937,995	0.41%	\$ -	
Montage Apartments Prop Owner LLC	Apartments	75,480,000	0.40%		
Sunrise Mall Property LLC	Commercial	56,319,387	0.30%		
Rollingwood Commons Apartments LLC	Apartments	45,709,752	0.24%	41,132,421	0.34%
The Realty Associates Fund VIII LP	Shopping Center	44,846,817	0.24%	53,091,000	0.44%
Mitchell/Sippola LP	Shopping Center	43,155,222	0.23%		
Wal Mart Real Estate Business Trust	Commercial	32,322,497	0.17%	27,073,102	0.22%
Fairfield Sunrise LLC	Apartments	27,959,983	0.15%		
Sacto Fair Oaks Blvd. Apartments LP	Apartments	27,708,048	0.15%	32,278,852	0.27%
MGP XI US Properties LLC	Shopping Center	27,400,000	0.14%		
PWRP Orangevale LP	Shopping Center	27,237,563	0.14%		
Fair Oaks Fountains LLC	Apartments	25,513,439	0.13%	22,888,800	0.19%
Marshall Field Stores Inc	Commercial	24,927,953	0.13%	23,555,522	0.19%
Wedgewood Commons Apartments LLC	Apartments	24,742,702	0.13%		
SW Spring Creek LP	Apartments	23,164,151	0.12%		
Costco Wholesale Corporation	Commercial	22,890,503	0.12%	21,366,938	0.18%
Madison & Sunrise Associates LLC	Commercial	22,114,698	0.12%	20,792,772	0.17%
Lowes HIW Inc.	Commercial	22,056,968	0.12%	25,835,588	0.21%
Canyon Terrace Folsom LLC	Apartments	21,275,394	0.11%		
Salishan Apartments LP	Apartments	21,147,204	0.11%		
Steadfast Sunrise I LLC	Commercial			114,174,050	0.94%
VIF & Lyon Oak Creek LLC	Apartments			62,002,929	0.51%
MP Birdcage Marketplace LLC	Shopping Center			57,216,905	0.47%
Grove at Sunrise LLC	Apartments			28,390,066	0.23%
PK I Cable Park LP	Commercial			27,646,400	0.23%
Sacto Winding Way Apartments LLC	Apartments			23,960,010	0.20%
Woo Family Investment Properties	Commercial			22,732,521	0.19%
Sears Roebuck & Company	Commercial			22,571,754	0.19%
Ronald P & Maureen A Ashley	Miscellaneous			21,529,565	0.18%
1158 Page State LLC	Apartments			19,500,000	0.16%
Demmon Family Partnership	Apartments			19,154,814	0.16%
Total		\$ 693,910,276	3.67%	\$ 686,894,009	4.73%

2017-2018 Total Secured Assessed Valuation:

\$18,906,931,137

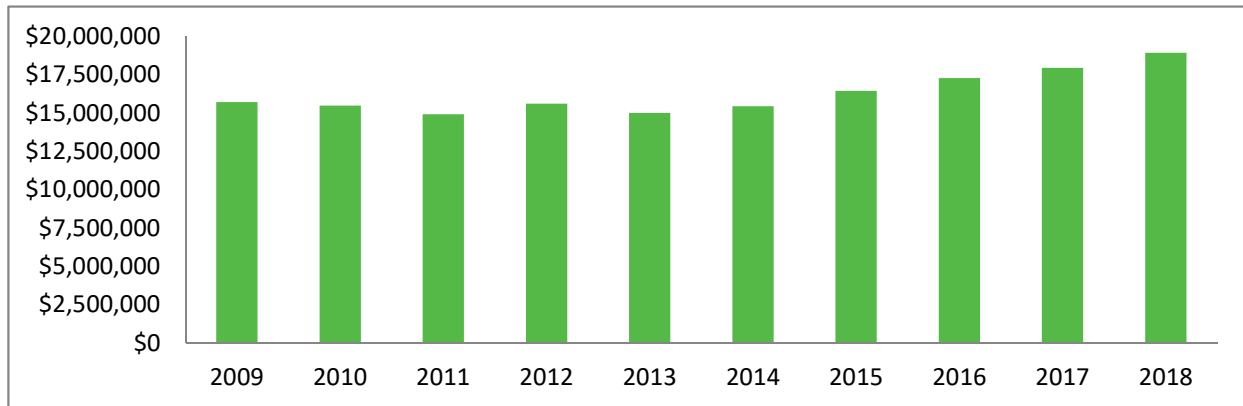
2008-2009 Total Secured Assessed Valuation:

\$14,522,072,072

Source: California Municipal Statistics, Inc

San Juan Water District
Table 8: Assessed Actual Value of Taxable Property
 (Accrual Basis of Accounting)
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value	Total Property Tax Revenue	Total Direct Tax Rate
2009	15,701,866	74,471	15,776,337	1,822	0.012%
2010	15,454,819	67,677	15,522,496	1,687	0.011%
2011	14,900,077	63,928	14,964,005	1,565	0.010%
2012	15,579,095	32,499	15,611,594	1,561	0.010%
2013	14,980,101	242,107	15,222,208	1,606	0.011%
2014	15,425,919	232,223	15,658,142	1,678	0.011%
2015	16,414,070	223,352	16,637,422	1,798	0.011%
2016	17,262,244	216,199	17,478,443	1,908	0.011%
2017	17,928,033	216,351	18,144,384	2,037	0.011%
2018	18,906,931	211,559	19,118,490	2,123	0.011%



Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Sources: *County of Sacramento and County of Placer (Fiscal Years 2007-08 through 2014-15)*
California Municipal Statistics, Inc (Fiscal Year 2015-16 and 2016-17)

San Juan Water District
Table 9: Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Economic Development Admin Loan	California Energy Commission Loan	Unamortized Premiums	Total Debt	Percentage of Personal Income	Debt Per Capita
2009	-	-	49,345,000	193,826	16,787	759,105	50,314,718	96.10%	256.59
2010	-	-	47,980,000	173,430	11,513	720,159	48,885,102	91.18%	271.58
2011	-	-	46,985,000	152,013	5,924	669,717	47,812,654	62.97%	264.82
2012	-	13,625,000	30,085,000	129,527	-	1,818,156	45,657,683	74.35%	253.65
2013	-	12,145,000	30,075,000	105,916	-	1,686,792	44,012,708	68.90%	242.18
2014	-	11,895,000	29,670,000	81,190	-	1,560,211	43,206,401	65.97%	228.53
2015	-	11,475,000	29,255,000	55,159	-	1,435,162	42,220,321	48.24%	269.15
2016	-	11,035,000	28,825,000	27,826	-	1,312,829	41,200,655	45.52%	269.97
2017	-	36,710,000	-	-	-	3,217,870	39,927,870	41.58%	259.78
2018	-	35,300,000	-	-	-	3,013,568	38,313,568	N/A	247.53

Note: Details regarding the District's debt can be found in the notes to the financial statements.

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 10: Computation of Direct and Overlapping Bonded Debt
June 30, 2018

2017-18 Assessed Valuation: \$ 19,118,489,783

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt 6/30/2018	Percent Applicable ¹	District's Share of Debt 6/30/2018
Los Rios Community College District	\$ 413,020,000	7.653%	\$ 31,608,421
Folsom-Cordova Unified School District School Facilities Improvement District No. 2	20,316,422	10.604%	2,154,353
Folsom-Cordova Unified School District School Facilities Improvement District No. 5	183,370,000	10.658%	19,543,575
San Juan Unified School District	441,659,706	37.130%	163,988,249
Placer Union High School District	24,411,873	4.384%	1,070,217
Roseville Joint Union High School District	111,408,296	16.141%	17,982,413
Eureka Union School District	1,481,206	73.330%	1,086,168
Loomis Union School District	4,165,000	16.485%	686,600
Roseville City School District	15,563,924	63.000%	98,053
City of Folsom Assessment District No. 90-1	485,000	100.000%	485,000
California Statewide Community Development Authority Obligations	1,501,968	100.000%	1,501,968
San Juan Water District	38,313,568	100.000%	38,313,568
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 1,255,696,963		\$ 278,518,585
OVERLAPPING GENERAL FUND DEBT			
Sacramento County General Fund Obligations	\$ 213,680,900	9.310%	\$ 19,885,145
Sacramento County Pension Obligation Bonds	925,700,052	9.306%	86,145,647
Sacramento County Board of Education Certificates of Participation	4,840,000	9.306%	450,410
Placer County General Fund Obligations	28,395,000	7.145%	2,028,823
Placer County Office of Education Certificates of Participation	1,110,000	7.145%	79,310
Los Rios Community College District Certificates of Participation	440,000	7.653%	33,673
Sierra Joint Community College District Certificates of Participation	4,770,000	5.406%	257,866
Folsom-Cordova Unified School District Certificates of Participation	9,450,000	6.735%	636,458
San Juan Unified School District Certificates of Participation	251,352	37.130%	93,327
Eureka Union School District Certificates of Participation	3,380,000	73.330%	2,478,554
Other School District Certificates of Participation	10,560,000	Various	387,764
City of Folsom Certificates of Participation	2,221,445	12.101%	268,817
City of Roseville Certificates of Participation	24,044,438	2.425%	583,078
Sacramento Metropolitan Fire District Certificates of Participation	9,090,000	19.890%	1,808,001
Sacramento Metropolitan Fire District Pension Obligation Bonds	49,423,975	19.890%	9,830,429
South Placer Fire Protection District Certificates of Participation	5,145,000	79.369%	4,083,535
Sunrise Recreation and Park District Certificates of Participation	5,875,000	37.898%	2,226,508
Placer Mosquito and Vector Control District Certificates of Participation	3,270,000	7.145%	233,642
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT	\$ 1,301,647,162		\$ 131,510,987
Less: Sacramento County supported obligations			1,674,233
City of Roseville supported obligations			67,275
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$ 129,769,479
TOTAL DIRECT DEBT			\$ 38,313,568
TOTAL GROSS OVERLAPPING DEBT			\$ 371,716,004
TOTAL NET OVERLAPPING DEBT			\$ 369,974,496
GROSS COMBINED TOTAL DEBT ²			\$ 410,029,572
NET COMBINED TOTAL DEBT			\$ 408,288,064
RATIOS TO 2017-18 ASSESSED VALUATION			
Direct Debt		0.20%	
Total Direct and Overlapping Tax and Assessment Debt		1.26%	
Gross Combined Total Debt		1.94%	
Net Combined Total Debt		1.94%	

Notes:

¹ The percentage of overlapping debt applicable to the water district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the water district divided by the overlapping district's total taxable assessed value.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc
San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 11: Ratio of Annual Debt Service Expenses for All Debt to Total General Expenses
 Last Ten Fiscal Years

Fiscal Year	Principal	Interest²	Total Debt Service	Total General Expenses¹	Ratio of Debt Service to Total General Expenses
2008	918,191	863,197	1,781,388	14,738,945	12.09%
2009	954,401	826,187	1,780,588	18,906,512	9.42%
2010	1,390,670	1,810,145	3,200,815	15,715,490	20.37%
2011	1,024,924	2,465,408	3,490,332	14,143,017	24.68%
2012	1,053,410	2,448,654	3,502,064	15,838,223	22.11%
2013	1,516,616	2,117,353	3,633,969	16,544,003	21.97%
2014	679,726	2,265,829	2,945,555	17,641,917	16.70%
2015	861,031	2,246,935	3,107,966	15,709,068	20.67%
2016	897,333	2,214,358	3,111,691	19,367,331	16.07%
2017	927,826	2,150,429	3,078,255	19,440,126	15.83%
2018	1,410,000	1,525,956	2,935,956	20,000,867	14.68%

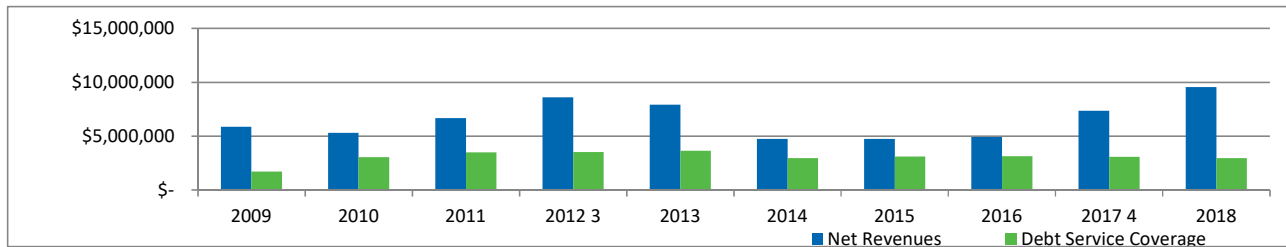
Notes:

¹ Total general expenses are total expenses excluding interest expense. Details regarding the District's outstanding debt can be found in the notes to the financial statements.

² Interest is based on Fiscal Year interest expense, excluding amortization expense.

Source: *San Juan Water District Finance & Administrative Services Department*

San Juan Water District
Table 12: Debt Service Coverage
 Last Ten Fiscal Years



	2009	2010	2011	2012 ³	2013	2014	2015	2016	2017 ⁴	2018
Revenues										
Retail Water Sales	\$ 7,542,865	\$ 7,299,989	\$ 7,834,917	\$ 8,090,259	\$ 8,544,267	\$ 8,481,583	\$ 7,846,437	\$ 8,255,437	\$ 9,114,487	\$ 10,922,285
Wholesale Water Sales	7,111,208	7,865,283	7,764,982	7,364,002	7,013,144	6,614,719	6,379,883	7,067,960	9,477,539	10,492,472
Capital Contributions ⁵				2,009,234	2,522,308	(225,068)	959,849	762,439	600,311	946,298
Connections/Annexations	45,699	163,266	163,541	176,362	34,741	1,134,335	1,020,687	657,865	399,703	397,668
Property Tax Revenue	1,822,166	1,687,204	1,597,524	1,561,130	1,606,175	1,677,842	1,799,464	1,908,134	2,036,972	2,123,196
Investment Income	847,510	468,099	271,233	187,780	52,954	271,721	147,684	217,332	123,079	107,104
Other	327,374	484,166	335,357	912,033	803,044	870,679	790,267	1,799,955	1,577,754	1,004,711
Total	\$ 17,696,822	\$ 17,968,007	\$ 17,967,554	\$ 20,300,800	\$ 20,576,633	\$ 18,825,811	\$ 18,944,271	\$ 20,669,122	\$ 23,329,845	\$ 25,993,734
Operation & Maintenance Costs										
Source of Supply	\$ 3,221,008	\$ 3,284,931	\$ 2,820,910	\$ 3,186,686	\$ 3,506,604	\$ 2,912,322	\$ 3,082,424	\$ 2,861,628	\$ 3,960,004	\$ 4,420,199
Pumping and Telemetry ¹	663,975	542,837	590,217	621,783	609,304	759,067	-	-	-	-
Water Treatment	2,211,536	2,171,923	2,119,426	1,701,918	1,932,517	1,888,549	2,147,336	2,004,076	2,384,261	2,781,469
Transmission/Distribution	1,639,125	1,767,690	1,657,517	1,764,998	1,926,664	2,240,966	2,671,982	2,530,756	2,827,356	3,133,490
Administration/General	2,161,541	3,199,146	2,450,651	2,455,196	2,661,692	3,822,770	3,301,971	3,727,237	3,738,168	2,719,157
Customer Service	689,023	666,916	658,999	681,163	697,301	597,624	540,731	572,400	552,993	648,714
Conservation	636,509	637,461	617,917	662,589	614,749	649,832	682,311	726,091	512,520	369,331
Engineering	359,576	317,451	342,523	325,113	264,583	633,783	432,701	603,427	603,841	662,812
Retirement ⁵				252,332	307,509	398,851	586,942	443,149	976,780	1,603,957
Other	249,251	76,552	59,022	53,233	149,947	198,473	765,647	2,299,092	421,171	106,159
Total	\$ 11,831,544	\$ 12,664,907	\$ 11,317,182	\$ 11,705,011	\$ 12,670,870	\$ 14,102,237	\$ 14,212,045	\$ 15,767,856	\$ 15,977,094	\$ 16,445,288
Net Revenues	\$ 5,865,278	\$ 5,303,100	\$ 6,650,372	\$ 8,595,789	\$ 7,905,763	\$ 4,723,574	\$ 4,732,226	\$ 4,901,266	\$ 7,352,751	\$ 9,548,446
Debt Service										
2017 Bonds ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,181	\$ 1,971,722
2012 Bonds	-	-	-	-	1,883,113	804,300	971,800	979,200	968,500	964,234
2009 COPs ²	-	1,272,129	1,718,275	1,718,075	1,717,675	2,112,275	2,106,075	2,102,400	2,057,650	-
2003 COPs	1,648,383	1,733,552	1,732,488	1,747,713	-	-	-	-	-	-
EDA Loan	30,088	30,088	30,088	30,088	30,088	30,091	30,091	30,091	28,924	-
CEC Advance	6,188	6,188	6,188	6,188	3,094	-	-	-	-	-
Total	\$ 1,684,659	\$ 3,041,957	\$ 3,487,039	\$ 3,502,064	\$ 3,633,970	\$ 2,946,666	\$ 3,107,966	\$ 3,111,691	\$ 3,078,255	\$ 2,935,956
Debt Service Coverage	3.48	1.74	1.91	2.45	2.18	1.60	1.52	1.58	2.39	3.25

Notes:

¹ Beginning in Fiscal Year 2014-2015, Pumping and Telemetry is split between Water Treatment and Transmission and Distribution.

² The 2009 COP Bonds were refunded in June 2017 by the 2017 Bonds.

³ Beginning in Fiscal Year 2011-2012, Debt Service Coverage calculation methodology was changed.

⁴ Capital Contributions now excludes capital asset contributions.

⁵ Data not available until Fiscal Year 2011-2012.

Source: San Juan Water District Finance & Administrative Services Department

San Juan Water District
Table 13: Principal Employers for Counties Served
 Current Year and Eight Years Ago

Employer	Fiscal Year					
	2018			2010		
	Number of Employees	Rank	% of Total Employed	Number of Employees	Rank	% of Total Employed
<u>County of Sacramento</u>						
State of California	75,801	1	11.28%	73,243	1	12.26%
UC Davis Health	12,840	2	1.91%	8,500	4	1.42%
Sacramento County	12,208	3	1.82%	11,260	2	1.89%
Kaiser Permanente	11,005	4	1.64%	6,414	6	1.07%
U.S. Government	10,325	5	1.54%			
Sutter Health	8,177	6	1.22%	8,702	3	1.46%
Dignity Health	7,000	7	1.04%			
Elk Grove Unified School District	6,210	8	0.92%	6,391	7	1.07%
Intel Corporation	6,000	9	0.89%	6,000	8	1.00%
Apple Inc.	5,000	10	0.74%			
Sacramento City Unified School District				6,976	5	1.17%
Sacramento Municipal Utility District				5,057	9	0.85%
San Juan Unified School District				4,900	10	0.82%
Total	154,566		23.01%	137,443		23.01%
Total Employed in Sacramento County	671,700			597,258		

Employer	Fiscal Year					
	2018			2010		
	Number of Employees	Rank	% of Total Employed	Number of Employees	Rank	% of Total Employed
<u>County of Placer</u>						
Kaiser Permanente	5,835	1	3.32%	3,064	1	1.94%
Sutter Health	3,386	2	1.93%	1,983	5	1.26%
Squaw Valley Alpine Meadows	2,600	3	1.48%			
Thunder Valley Casino Resort	2,114	4	1.20%	1,412	7	0.90%
Hewlett-Packard Co.	2,000	5	1.14%	2,500	2	1.59%
PRIDE Industries, Inc.	1,747	6	1.00%	1,135	9	0.72%
Roseville City School District	1,486	7	0.85%			
City of Roseville	1,148	8	0.65%	1,282	8	0.81%
Safeway, Inc	1,137	9	0.65%			
Adventist Health	1,008	10	0.57%			
Placer County				2,400	3	1.52%
Union Pacific Railroad Co. Inc.				2,000	4	1.27%
Northstar-At-Tahoe				1,500	6	0.95%
Raley's				1,006	10	0.64%
Total	22,461		12.79%	18,282		11.60%
Total Employed in Placer County	175,500			157,540		

Note: Information is not available specific to San Juan Water District service area, so counties served are shown.
 The District began including the employer statistics in the Fiscal Year Ending June 30, 2011 for 2010.

Sources: *Sacramento Business Journal* May 11, 2018 (Placer) and June 1, 2018 (Sacramento) issues
Sacramento Business Journal 2010
 California State Employment Development Department - Unemployment Rate and Labor Force statistics

San Juan Water District
Table 14: Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Wholesale Population¹	Retail Population²	Total Personal Income	Per Capita Personal Income³	Unemployment Rate³
2009	196,089	30,578	52,356,182	23,098	11.30%
2010	180,000	30,641	53,612,730	25,452	12.40%
2011	180,548	30,615	75,928,511	35,957	12.30%
2012	180,000	30,722	61,406,829	29,141	10.80%
2013	181,739	30,831	63,877,648	30,050	8.48%
2014	182,239	31,009	65,495,913	30,713	7.37%
2015	151,531	29,452	87,513,638	48,355	5.78%
2016	152,614	29,578	90,506,232	49,676	5.61%
2017	153,697	29,704	96,017,779	52,354	4.62%
2018	154,781	29,830	Not yet available		4.08%

Note:

¹ Wholesale population for 2009 through 2014 includes estimates of Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, San Juan Water District Retail and City of Folsom (served by San Juan Water District Wholesale) based on the 2010 Urban Water Management Plan. 2015 population estimates are based on the draft 2015 Urban Water Management Plan, which includes a new calculation methodology from the Department of Water Resources.

Beginning in 2015, the population is based on the 2015 Urban Water Management Plan, which includes a new calculation methodology from the Department of Water Resources.

² Retail Population is included in the Wholesale Population.

³ Per Capita Personal Income and the Unemployment Rate are not available for the District's specific area, so it includes totals for both Sacramento and Placer Counties.

San Juan Water District
Table 15: Staffing - Certificates - Licenses by Function/Program
 Last Ten Fiscal Years

Comparison by Function/Program	Full-Time Equivalent Employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Executive	3	3	3	3	3	3	3	3	4	4
Conservation	3.5	5	5	4	4	4	4	4	3	3.5
Customer Service	3	3	3	4	4	4	4	4	4	3.5
Engineering Services	3.5	4	4	4	4	4	4	4	4	4
Field Services	17	15	15	15	15	15	15	15	14.6	14.6
Finance/Administrative Services	5	5	5	5	5	5	5	5	5	6
Water Treatment Operations	10	10	10	10	10	10	10	10	10.4	11.4
Total	45	45	45	45	45	45	45	45	45	47

Actual Versus Budgeted	FY 2009		FY 2018	
	Filled as of		Filled as of	
	June 30	Budgeted	June 30	Budgeted
Executive	3	3	3	4
Conservation	3.5	3.5	3.5	3.5
Customer Service	3	3	3.5	3.5
Engineering Services	3	3.5	4	4
Field Services	17	17	15.1	14.6
Finance/Administrative Services	5	5	6	6
Water Treatment Operations	10	10	11.9	11.4
Total	44.5	45	47	47

Certificates and Licenses	December 4, 2018
American Water Works Association - Water Use Practitioner Grade 1	1
American Water Works Association - Water Use Efficiency Grade 1	1
American Water Works Association - Water Quality Laboratory Analyst	1
Backflow Prevention Assembly General Tester	11
California Department of Health Services Water Distribution Operator	
Grade 1	0
Grade 2	7
Grade 3	7
Grade 4	10
Grade 5	2
California Department of Health Services Water Treatment Operator	
Grade 1	1
Grade 2	12
Grade 3	1
Grade 4	2
Grade 5	3
California Professional Engineer - Civil	4
California Water Environment Association Grade 2	1
Certified Erosion, Sediment and Stormwater Inspector	1
Certified Public Accountant	1
Department of Industrial Relations - Certified General Electrician	1
Irrigation Association Certified Irrigation Landscape Auditor	1
Qualified Storm Water Pollution Prevention Plan Practitioner	1
The State Bar of California - Attorney	1

Source: San Juan Water District Finance & Administrative Services Department
 San Juan Water District Field Services Department

San Juan Water District
Table 16: Wholesale Water System Capital Asset and Operating Indicators
 Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Facilities:										
# of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Plant Capacity (MGD) ¹	120	120	120	120	150	150	150	150	150	150
Miles of Pipeline ⁵								16	16	16
# of ARVs ⁶			71	71	86	86	89	90	90	92
# of Blow-offs ⁶			52	52	59	59	60	59	59	61
# of Fire Hydrants ⁶			13	13	14	14	14	14	14	14
# of Valves ⁶			21	21	45	45	48	48	48	51
# of Pumping Stations ²	3	3	-	-	-	-	-	1	1	1
# of Storage Tanks/Reservoirs	1	1	1	1	1	1	1	1	1	1
Water Supply Available:										
Pre-1914 Water Rights	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
USBR/CVP Water Contract	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
PCWA Contract	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total Water Supply	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200
Water Supply Delivered:										
Pre-1914 Water Rights	28,999	30,364	32,732	34,912	34,961	30,952	29,372	26,219	27,126	33,996
USBR/CVP Water Contract	7,022	418	1,211	555	3,048	-	-	1,230	-	-
PCWA Contract	11,301	9,075	8,574	8,841	11,326	10,374	-	3,594	6,330	2,228
Total Water Supply Delivered	47,322	39,857	42,517	44,308	49,335	41,326	29,372	31,043	33,456	36,225
Production (average in acre-feet):										
Five Year	64,669	61,047	59,005	56,159	54,169	50,834	48,106	43,309	41,262	40,707
Ten Year	67,248	65,683	64,455	62,845	61,166	57,751	54,577	51,157	48,710	47,486
Fifteen Year	63,263	63,363	63,880	63,667	63,419	61,777	59,824	57,406	55,660	54,372
Twenty Year	60,140	59,945	60,385	60,690	60,753	60,156	59,548	58,737	58,066	57,760
Number of Retail Connections by Wholesale Customer:										
San Juan Water District	10,348	10,373	10,361	10,410	10,441	10,500	10,559	10,601	10,617	10,641
Citrus Heights Water District ³	19,547	19,568	19,576	19,547	19,547	19,557	19,600	19,600	19,900	19,900
Fair Oaks Water District ³	14,450	14,129	14,135	14,133	14,221	14,225	14,278	13,894	13,996	13,986
Orange Vale Water Company ³	5,572	5,543	5,545	5,545	5,600	5,600	5,600	5,600	5,600	5,673
City of Folsom		981	981	981	981	981	981	981	981	981
Total Connections	49,917	50,594	50,598	50,616	50,790	50,863	51,018	50,676	51,094	51,181
Population ⁴	196,089	180,000	180,548	181,048	181,739	182,239	151,531	152,614	153,697	154,781

Notes:

¹ Treatment plant is rated for 150; normal permitted operation is 120 and permit conditions allow for up to 150 flows between May 15th and September 30th with State DPH conditional approval.

² Pump stations were assigned directly to Retail beginning January 1, 2011. Prior to that, costs were recovered through the Wholesale Rate charged to SJWD Retail.

³ Connections are projections because the agency's fiscal year ends on December 31.

⁴ The District updated population statistics in its 2015 Urban Water Management Plan based on a new calculation methodology from the Department of Water Resources.

⁵ Wholesale pipeline numbers were calculated and removed from Retail's total miles of pipeline as of 2016.

⁶ Data not available until Fiscal Year 2010-2011.

Sources: San Juan Water District Finance & Administrative Services Department
 San Juan Water District Engineering Services Department
 San Juan Water District Wholesale Operations Department

San Juan Water District
Table 17: Wholesale Water Production by Month
 Last Ten Fiscal Years
 (in million gallons)

Month	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
July	2,937	2,292	3,240	2,866	2,152	2,226	1,634	1,296	2,157	2,312
August	2,917	2,095	3,126	2,714	2,325	2,071	1,620	1,290	2,290	2,281
September	2,427	1,844	2,607	2,345	2,497	1,621	1,389	1,193	1,920	1,853
October	1,646	1,413	1,873	1,525	1,294	1,350	1,110	970	996	1,566
November	857	1,059	786	965	596	931	631	536	769	856
December	764	679	780	930	661	688	454	453	649	539
January	728	722	719	922	637	563	488	410	630	385
February	631	673	619	651	534	196	439	491	546	458
March	620	538	617	549	854	350	726	630	676	446
April	1,405	577	1,186	835	1,106	629	773	928	754	730
May	1,854	1,285	1,793	1,788	1,745	1,227	885	1,444	1,490	1,652
June	2,112	2,544	2,042	1,936	1,816	1,613	1,129	1,929	1,871	2,177
Annual Total	18,898	15,721	19,388	18,026	16,219	13,466	11,279	11,571	14,748	15,256
Average Monthly Water Production	1,575	1,310	1,616	1,502	1,352	1,122	940	964	1,229	1,271
Average Daily Water Production	51.8	43.1	53.1	49.4	44.4	36.9	30.9	31.7	40.4	41.8

Source: San Juan Water District Wholesale Operations Department

San Juan Water District
Table 18: Retail Water System Capital Asset and Operating Indicators
 Last Ten Calendar Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Facilities:										
Miles of Main Line ¹	214.0	214	214	214	214	214	216	201	206	206
# of ARVs ²			768	768	807	804	673	769	769	775
# of Blow-offs ²			788	788	861	861	739	798	798	807
# of Fire Hydrants ²			1,412	1,412	1,423	1,443	1,432	1,454	1,454	1,462
# of Valves ²			2,761	2,761	2,766	2,810	2,675	2,849	2,849	2,852
# of Pumping Stations	5	5	6	6	6	6	6	9	9	9
# of Storage Tanks/Reservoirs	1	1	1	1	1	1	1	3	3	3
Active Connections:										
Single-Family Residential	9,761	9,778	9,771	9,811	9,851	9,908	9,964	10,003	10,011	10,030
Multi-Family Residential	121	119	119	119	119	119	119	119	119	119
Commercial	215	239	238	239	242	242	241	243	249	250
Institutional	11	11	11	11	11	11	11	11	11	11
Landscape Irrigation	228	214	210	209	205	207	211	212	212	215
Agricultural Irrigation	4	4	4	4	5	5	5	5	7	8
Other	8	8	8	8	8	8	8	8	8	8
Total Connections	10,348	10,373	10,361	10,401	10,441	10,500	10,559	10,601	10,617	10,641
Total New Connections	3	25	-12	40	40	59	59	42	16	24
Consumption (units of ccf):										
Single-Family Residential	5,020,192	4,369,153	4,327,393	4,500,448	5,008,334	4,645,129	3,022,810	2,951,662	3,508,844	4,028,167
Multi-Family Residential	96,145	87,162	80,391	83,539	80,962	76,392	57,293	54,675	58,822	60,879
Commercial	149,209	171,923	197,402	199,458	175,946	195,122	129,490	122,397	145,857	163,192
Institutional	93,052	81,364	68,920	74,877	116,328	97,881	85,287	78,787	56,236	84,318
Landscape Irrigation	453,918	358,816	355,991	360,465	426,595	402,151	252,183	244,749	235,248	357,005
Agricultural Irrigation	8,144	9,282	7,612	9,634	13,195	12,787	10,745	9,864	84,530	20,337
Other	802	789	927	871	1,705	908	827	791	245	442
Total Consumption	5,821,462	5,078,489	5,038,636	5,229,292	5,823,065	5,430,370	3,558,634	3,462,925	4,089,781	4,714,338
Average Daily Consumption	15,949	13,914	13,804	14,327	15,954	14,878	9,750	9,487	11,205	12,916
Population	30,578	30,641	30,615	30,722	30,831	31,009	29,452	29,578	29,704	29,830

Note:

¹ Wholesale pipeline numbers were calculated and removed from Retail's total miles of pipeline as of 2016.

² Data not available until Fiscal Year 2010-2011.

Sources: San Juan Water District Customer Services Department
 San Juan Water District Engineering Services Department

San Juan Water District
Table 19: Retail Water Connection Fee Report
Per Government Code Section 66013(d) and (e)
 Fiscal Year Ended June 30, 2018

Connection Fees, beginning balance		\$	-
Connection Fees Collected	\$		245,317
Interest Earned			-
Fees Available		<u> </u>	<u>245,317</u>
Applied to:			
Capital Costs Funded	\$		245,317
Refunds			-
Total Funds Applied		<u> </u>	<u>245,317</u>
Net Changes for the Year			<u> </u> -
Connection Fees, ending balance		<u> </u> \$	<u> </u> -

California Government Code (CGC) Section 66013 (c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Retail Water Connection Fee Report meets this requirement.

Capacity fees are imposed for initiating water connection service by the District at the request of the customer. No fees are imposed upon real property or upon person as an incident of property ownership, but rather as a condition of service.

Source: San Juan Water District Finance & Administrative Services Department

OTHER REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Board of Directors
San Juan Water District
Granite Bay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Juan Water District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
San Juan Water District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance.

Richardson & Company, LLP

December 12, 2018



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

To the Board of Directors and Management
San Juan Water District
Granite Bay, California

In planning and performing our audit of the financial statements of the San Juan Water District (the District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

However, during our prior year audit, we became aware of the following matters that have been included in this letter for your consideration:

Cash Receipts/Billings

In an optimal internal control environment, certain processes should be adequately segregated to prevent a misstatement of financial information. This is accomplished when no single person can initiate, record and control distribution of a single transaction. In some instances, the personnel constraints of the organization does not always allow for ideal segregation of duties. During the course of our prior year audit, we noted the following areas where retail water billing and cash receipts processes can be improved. The District updated its billing and payment system and processes during fiscal year 2017/18, but not until late in the fiscal year or after the end of the fiscal year. As a result, most of these items have been addressed, but after the period under audit.

- Among the duties that should be segregated are the processing of payment and making adjustments or changes to customer bills or customer accounts. During the year under audit, the Customer Service Manager was able to process payments and make adjustments to customer accounts, but the Customer Service Manager duties were subsequently changed to only review adjustments.
- The Customer Service Manager should not make adjustments to cash receipt batches without approval by someone that does not have access to make changes to customer accounts. Procedures were changed after the fiscal year-end whereby the Finance Director now approves the cash receipt batches.
- During the year under audit, billing adjustments and adjustments to customer accounts performed by the Customer Service Manager were not being reviewed. Billing adjustments are now being performed by the customer service representatives and are reviewed by the Customer Service Manager, who does not have access to input adjustments.
- Customer service representatives should have sole access to the cash drawer and should be reconciled each day by a non-customer service employee.
- The Finance Department should be involved in the review process related to retail water sales, such as reviewing the billing registers for reasonableness to ensure they are complete. The Finance Department should also be reviewing the delinquency reports to ensure timely follow-up is being made on delinquent accounts. This item has been subsequently resolved since the Customer Service Manager now reports to the Finance Director and performs more of a review function.

Capacity Fees

Currently the capacity fees collected under Government Code Section 66013(d) and (e) are assumed to be applied against capital costs incurred in prior years. However, this approach is based on a 2007 study. The District is in the process of re-evaluating this approach and update the study to determine whether the capacity fees collected need to be held in a restricted account for future facility expansion.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the examination. This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than the specified parties.

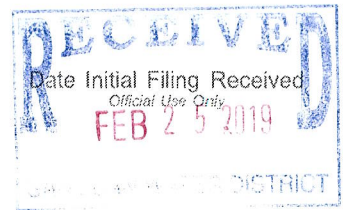
Richardson & Company, LLP

December 12, 2018

Other Policies – have current policies addressing the following areas:

- **Conflict of Interest** (*policy is included in Board Policy BOD 2.1 - Board Rules for Proceedings previously provided*)
- **Form 700 for Board members and General Manager**
- **Code of Ethics/Values/Norms or Board Conduct**
- **Financial Reserves Policy**

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE
A PUBLIC DOCUMENT



Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
Costa Edward (Ted) J.

1. Office, Agency, or Court

Agency Name (Do not use acronyms)

San Juan Water District

Division, Board, Department, District, if applicable

Your Position

Board member

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

- State
- Multi-County Sacramento, Placer
- City of _____
- Judge or Court Commissioner (Statewide Jurisdiction)
- County of _____
- Other _____

3. Type of Statement (Check at least one box)

- Annual:** The period covered is January 1, 2018, through December 31, 2018.
-or-
The period covered is _____/_____/_____, through December 31, 2018.
- Assuming Office:** Date assumed _____/_____/_____
- Candidate:** Date of Election _____ and office sought, if different than Part 1: _____
- Leaving Office:** Date Left _____/_____/_____
(Check one circle.)
 - The period covered is January 1, 2018, through the date of leaving office.
 - The period covered is _____/_____/_____, through the date of leaving office.

4. Schedule Summary (must complete) ► Total number of pages including this cover page: 5

Schedules attached

- Schedule A-1 - Investments** – schedule attached
- Schedule A-2 - Investments** – schedule attached
- Schedule B - Real Property** – schedule attached
- Schedule C - Income, Loans, & Business Positions** – schedule attached
- Schedule D - Income – Gifts** – schedule attached
- Schedule E - Income – Gifts – Travel Payments** – schedule attached

-or- **None - No reportable interests on any schedule**

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)
6929 Larkspur Avenue Citrus Heights CA 95610
DAYTIME TELEPHONE NUMBER EMAIL ADDRESS
(916) 599-2986 tedcosta@tedcosta.com

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 2-22-19
(month, day, year)

Signature 
(File the originally signed paper statement with your filing official.)



Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
Hanneman Martin Walter

1. Office, Agency, or Court

Agency Name (Do not use acronyms)
San Juan Water District
Division, Board, Department, District, if applicable Your Position
District Director

▶ If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: Regional Water Authority & SGA Position: Alternate Director

2. Jurisdiction of Office (Check at least one box)

State Judge or Court Commissioner (Statewide Jurisdiction)
 Multi-County Placer/Sacramento County of _____
 City of _____ Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2018, through December 31, 2018.
-or- The period covered is _____, through December 31, 2018.
 Assuming Office: Date assumed _____
 Candidate: Date of Election _____ and office sought, if different than Part 1: _____
 Leaving Office: Date Left _____ (Check one circle.)
 The period covered is January 1, 2018, through the date of leaving office.
 The period covered is _____, through the date of leaving office.

4. Schedule Summary (must complete) ▶ Total number of pages including this cover page: 1

Schedules attached

Schedule A-1 - Investments – schedule attached **Schedule C - Income, Loans, & Business Positions** – schedule attached
 Schedule A-2 - Investments – schedule attached **Schedule D - Income – Gifts** – schedule attached
 Schedule B - Real Property – schedule attached **Schedule E - Income – Gifts – Travel Payments** – schedule attached

-or- **None - No reportable interests on any schedule**

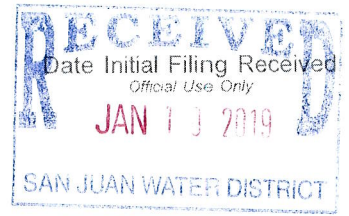
5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)
9935 Auburn Folsom Road Granite Bay CA 95746
DAYTIME TELEPHONE NUMBER EMAIL ADDRESS
(916) 791-0115

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 1/23/19 Signature [Signature]
(month, day, year) (File the originally signed paper statement with your filing official.)



Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
Miller Kenneth H

1. Office, Agency, or Court

Agency Name (Do not use acronyms)
San Juan Water District
Division, Board, Department, District, if applicable Your Position
District Director

▶ If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

State Judge or Court Commissioner (Statewide Jurisdiction)
 Multi-County Placer/Sacramento County of _____
 City of _____ Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2018, through December 31, 2018.
-or- The period covered is _____, through December 31, 2018.
 Assuming Office: Date assumed _____
 Candidate: Date of Election _____ and office sought, if different than Part 1: _____
 Leaving Office: Date Left _____/_____/_____
(Check one circle.)
 The period covered is January 1, 2018, through the date of leaving office.
-or-
 The period covered is _____, through the date of leaving office.

4. Schedule Summary (must complete) ▶ Total number of pages including this cover page: 1

Schedules attached

Schedule A-1 - Investments – schedule attached Schedule C - Income, Loans, & Business Positions – schedule attached
 Schedule A-2 - Investments – schedule attached Schedule D - Income – Gifts – schedule attached
 Schedule B - Real Property – schedule attached Schedule E - Income – Gifts – Travel Payments – schedule attached

-or- **None - No reportable interests on any schedule**

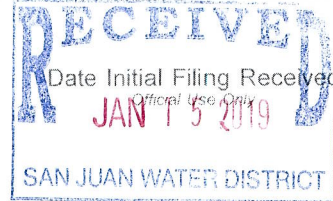
5. Verification

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(Business or Agency Address Recommended - Public Document)
9935 Auburn Folsom Road Granite Bay CA 95746
DAYTIME TELEPHONE NUMBER EMAIL ADDRESS
(916) 791-0115

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 1-10-19 Signature Kenneth Miller
(month, day, year) (File the originally signed paper statement with your filing official.)



Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
 Rich Dan Thomas

1. Office, Agency, or Court

Agency Name (Do not use acronyms)
 San Juan Water District
 Division, Board, Department, District, if applicable Your Position
 District Director

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____ Position: _____

2. Jurisdiction of Office (Check at least one box)

- State Judge or Court Commissioner (Statewide Jurisdiction)
- Multi-County Sacramento/Placer County of _____
- City of _____ Other _____

3. Type of Statement (Check at least one box)

- Annual:** The period covered is January 1, 2018, through December 31, 2018.
 -or- The period covered is ____/____/____, through December 31, 2018.
- Assuming Office:** Date assumed ____/____/____
- Candidate:** Date of Election _____ and office sought, if different than Part 1: _____
- Leaving Office:** Date Left ____/____/____ (Check one circle.)
 ○ The period covered is January 1, 2018, through the date of leaving office.
 -or- ○ The period covered is ____/____/____, through the date of leaving office.

4. Schedule Summary (must complete) ► Total number of pages including this cover page: 3

Schedules attached

- Schedule A-1 - Investments - schedule attached
- Schedule A-2 - Investments - schedule attached
- Schedule B - Real Property - schedule attached
- Schedule C - Income, Loans, & Business Positions - schedule attached
- Schedule D - Income - Gifts - schedule attached
- Schedule E - Income - Gifts - Travel Payments - schedule attached

-or- **None - No reportable interests on any schedule**

5. Verification

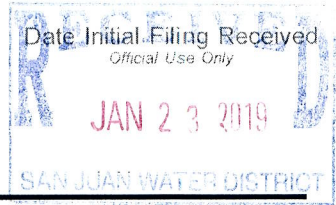
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 (916) 791-0115

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 1-15-19
 (month, day, year)

Signature
 (File the originally signed paper statement with your filing official.)



COVER PAGE

A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
Tobin Pamela E

1. Office, Agency, or Court

Agency Name (Do not use acronyms)
San Juan Water District
Division, Board, Department, District, if applicable Your Position
District Director

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: RWA, SGA and ACWA JPIA Position: Director

2. Jurisdiction of Office (Check at least one box)

State Judge or Court Commissioner (Statewide Jurisdiction)
 Multi-County Placer/Sacramento County of _____
 City of _____ Other _____

3. Type of Statement (Check at least one box)

Annual: The period covered is January 1, 2018, through December 31, 2018.
-or- The period covered is ____/____/____, through December 31, 2018.
 Assuming Office: Date assumed ____/____/____
 Candidate: Date of Election _____ and office sought, if different than Part 1: _____
 Leaving Office: Date Left ____/____/____ (Check one circle.)
 The period covered is January 1, 2018, through the date of leaving office.
-or- The period covered is ____/____/____, through the date of leaving office.

4. Schedule Summary (must complete) ► Total number of pages including this cover page: 2

Schedules attached

Schedule A-1 - Investments – schedule attached
 Schedule A-2 - Investments – schedule attached
 Schedule B - Real Property – schedule attached
 Schedule C - Income, Loans, & Business Positions – schedule attached
 Schedule D - Income – Gifts – schedule attached
 Schedule E - Income – Gifts – Travel Payments – schedule attached

-or- **None - No reportable interests on any schedule**

5. Verification

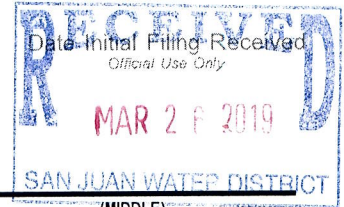
MAILING ADDRESS STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)
9935 Auburn Folsom Road Granite Bay CA 95746
DAYTIME TELEPHONE NUMBER EMAIL ADDRESS
(916) 791-0115

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 1/23/19 Signature [Handwritten Signature]
(month, day, year) (File the originally signed paper statement with your filing official.)

STATEMENT OF ECONOMIC INTERESTS
COVER PAGE
A PUBLIC DOCUMENT



Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)
Helliker Paul Edgar

1. Office, Agency, or Court

Agency Name (Do not use acronyms)
San Juan Water District
Division, Board, Department, District, if applicable Your Position
District General Manager

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: Regional Water Authority Position: Representative

2. Jurisdiction of Office (Check at least one box)

- State Judge or Court Commissioner (Statewide Jurisdiction)
- Multi-County Sacramento/Placer County of _____
- City of _____ Other _____

3. Type of Statement (Check at least one box)

- Annual: The period covered is January 1, 2018, through December 31, 2018. Leaving Office: Date Left ____/____/____ (Check one circle.)
- or- The period covered is ____/____/____, through December 31, 2018. The period covered is January 1, 2018, through the date of leaving office.
- Assuming Office: Date assumed ____/____/____ The period covered is ____/____/____, through the date of leaving office.
- Candidate: Date of Election _____ and office sought, if different than Part 1: _____

4. Schedule Summary (must complete) ► Total number of pages including this cover page: 3

Schedules attached

- Schedule A-1 - Investments - schedule attached Schedule C - Income, Loans, & Business Positions - schedule attached
- Schedule A-2 - Investments - schedule attached Schedule D - Income - Gifts - schedule attached
- Schedule B - Real Property - schedule attached Schedule E - Income - Gifts - Travel Payments - schedule attached

-or- None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)
9935 Auburn Folsom Road Granite Bay CA 95746
DAYTIME TELEPHONE NUMBER EMAIL ADDRESS
(916) 791-0115 phelliker@sjwd.org

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed March 26, 2019
(month, day, year)

Signature Paul Helliker
(File the originally signed paper statement with your filing official.)

Section	BOD-2 Board of Directors	Approval Date	10/23/03
Policy	BOD-2.4 Ethics Policy	Latest Revision	

BOD-2.4 Ethics Policy

The policy of the District is to maintain the highest standards of ethics from its Board members and its employees. The proper operation of the District requires decisions and policy to be made in the proper channels of governmental structure, that public office not be used for personal gain, and that all individuals associated with the District remain impartial and responsible towards the public. Accordingly, it is the policy of the District that Board members and District employees will maintain the highest standard of personal honesty and fairness in carrying out their duties. This policy sets forth the minimal ethical standards to be followed by the Board of Directors. The ethics policy for District employees is set forth in the District's Personnel Manual.

2.4.1 Responsibility of Holding Public Office

Board members are obligated to uphold the Constitution of the United States and the Constitution of the State of California. Board members will comply with applicable laws regulating their conduct, including conflict of interest and financial disclosure laws. Board members will work in cooperation, to the best interest of the District, with other public officials unless prohibited from so doing by law or officially-recognized confidentiality of their work.

2.4.2 Fair and Equal Treatment

Board members will not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition or disability. A Board member will not grant any special consideration, treatment or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

2.4.3 Proper Use and Safeguarding of District Property and Resources

Except as specifically authorized, a Board member will not use or permit the use of District-owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board member will not ask or require a District employee to perform services for the personal convenience or profit of a Board member or employee. Each Board member must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. The Board has adopted policies requiring that written records, including expense accounts, be kept in sufficient detail to reflect accurately and completely all transactions and expenditures made on the District's behalf, in accordance with the District's policy for reimbursement of expenses of Board members.

2.4.4 Use of Confidential Information

A Director is not authorized, without approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, or (2) is protected from disclosure under the attorney/client or other evidentiary privilege.

This section does not prohibit any of the following: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the alleged illegality of an action taken by the District, (2) expressing an opinion concerning the propriety or legality of actions taken by the District in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code section 1098.

2.4.5 Soliciting Political Contributions

Board members are prohibited from soliciting political funds or contributions at District facilities. A Board member will not accept, solicit or direct a political contribution from any person or entity who has a financial interest in a contract or other matter while that contract or other matter is existing or pending before the District. A Director will not use the District's seal, trademark, stationary or other indicia of the District's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law.

2.4.6 Revolving Door

For a period of one year after leaving office, Directors will not represent for compensation non-governmental entities before the District with regard to any issues over which the Board of Directors of which that person was a member had decision-making authority during the three years prior to leaving office.

For purposes of this section, "represent" will mean for compensation to actively support or oppose a particular decision in a proceeding by lobbying in person the officers or employees of the District or otherwise acting to influence the officers of the District.

These restrictions will not apply to representation of not-for-profit charitable entities before the District.

These restrictions may be waived in specific cases by a two-thirds vote of the District's Board of Directors.

Nothing in this section is intended or will be applied to prevent a former Director from participating in meetings of the Board in the same manner as other members of the public.

2.4.7 Improper Activities and the Protection of “Whistle Blowers”

The General Manager has primary responsibility for (1) ensuring compliance with the District’s Personnel Manual, and ensuring that District employees do not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The General Manager is obligated to operate the District according to law and the policies approved by the Board. Board members are encouraged to disclose to the General Manager to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the General Manager’s responsibilities in identifying, investigating and correcting improper activities, unless the Board determines that the General Manager is not properly carrying out these responsibilities. Nothing in this section affects the responsibility of the Board to oversee the performance of the General Manager.

A Board member will not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the General Manager or the Board any information that, if true, would constitute: a work-related violation by a Board member or District employee of any law or regulation, gross waste of District funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position or of District resources for personal gain, or a conflict of interest of a District Board member or District employee.

A Board member will not use or threaten to use any official authority or influence to effect any action as a reprisal against a District Board member or District employee who reports or otherwise brings to the attention of the General Manager any information regarding the subjects described in this section.

Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with (1) the General Manager, or (2) a member of the Board of Directors if the complaint involves the conduct of the General Manager, who will thereupon refer the matter to the full Board to investigate the complaint. Upon the conclusion of the investigation, the General Manager (or the Board in the case of a complaint against the General Manager) will take appropriate action consistent with the District’s Personnel Manual and applicable law.

A perceived violation of this policy by a Board member should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy, (b) injunctive relief, or (c) referral of the violation to the District Attorney and/or the grand jury.

Revision History:

Revision Date	Description of Changes	Requested By

Section	FIN-5 Finance	Approval Date	9/25/2018
Policy	FIN-5.9 Reserve Policy	Latest Revision	

FIN-5.9 Reserve Policy

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

5.9.1 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.

5.9.2 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

5.9.3 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.

5.9.4 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.

Revision History:

Revision Date	Description of Changes	Requested By

Website Requirements

Website Requirements

Maintain a district website with the following items required. *(provide website link)*
Required items available to the public:

- Names of board members and their full terms of office to include start and end date
<http://www.sjwd.org/board-members>
- Name of general manager and key staff along with contact information
<http://www.sjwd.org/staff>
- Election/appointment procedure and deadlines
<http://www.sjwd.org/election-information>
- Board meeting schedule (Regular meeting agendas must be posted 72 hours in advance pursuant to *Government Code Section 54954.2 (a)(1)* and *Government Code Section 54956 (a)*)
<http://www.sjwd.org/board-meetings>
- District's mission statement
<http://www.sjwd.org/our-mission>
- Description of district's services/functions and service area
<http://www.sjwd.org/about-san-juan-water-district>
- Authorizing statute/Enabling Act (Principle Act or Special Act)
<http://www.sjwd.org/about-san-juan-water-district> and <http://www.sjwd.org/community-services-district-principal-enabling-act>
- Current District budget
<http://www.sjwd.org/district-budget>
- Most recent financial audit
<http://www.sjwd.org/financial-audits>
- Archive of Board meeting minutes for at least the last 6 months
<http://www.sjwd.org/board-meeting-archives>
- Link to State Controller's webpages for district's reported board member and staff compensation (*Government Code Section 53908*)
<http://www.sjwd.org/state-controller-s-website>
- Link to State Controller's webpages for district's reported Financial Transaction Report (*Government Code Section 53891 (a)*)
<http://www.sjwd.org/state-controller-s-website> and <http://www.sjwd.org/finance>
- Reimbursement and Compensation Policy
<https://www.sjwd.org/board-policies>
- Home page link to agendas/board packets (*Government Code Section 54957.5*)
<http://www.sjwd.org/>
- SB 272 compliance-enterprise catalogs (*Government Code Section 6270.5*)
<https://sjwd.systemcatalog.net/>

Additional items – website also must include at least 4 of the following items:

- Post Board Member ethics training certificates
<http://www.sjwd.org/board-members> (Click on each Board Member to see each certificate link)
- Picture, biography and e-mail address of board members
<http://www.sjwd.org/board-members> (Click on each Board Member to see contact info)
- Last (3) years of audits
<http://www.sjwd.org/financial-audits>
- Financial Reserves Policy
<https://www.sjwd.org/board-policies>
- Online/downloadable public records act request form
<http://www.sjwd.org/public-records-requests>
- Audio or video recordings of board meetings
N/A
- Map of district boundaries/service area
<http://www.sjwd.org/service-area-map>
- Link to California Special Districts Association mapping program
<https://www.sjwd.org/service-area-map>
- Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)
<http://www.sjwd.org/municipal-service-review>
- Link to www.districtsmakethedifference.org site or a general description of what a special district is
N/A
- Link most recently filed to FPPC forms
N/A
- Machine readable/searchable agendas (required in 2019)
<https://www.sjwd.org/board-meetings>

Outreach/Best Practices Requirements

**Regular District newsletter or communication
(printed and/or electronic) that keeps the
public, constituents and elected officials up-to-
date on district activities
(at least twice annually)**

*WaterGram is included in customer's bi-monthly bill and on
the SJWD website*

Be Water Efficient This Fall

The weather is changing which means cooler weather is around the corner. Here are three easy tips to help be water efficient.



Dial It Back

Cooler weather brings less need to irrigate. Reduce your irrigation run times. Better yet, install a weather-based irrigation controller and it will automatically adjust based on weather conditions.



Mulch

Use mulch to prevent weeds and lock in moisture.



Check for Leaks

Fix leaks to avoid losing water while saving money. Check your irrigation system and hose bibs where sneaky leaks are present.

New Video About American River Water Supplies

The Sacramento region's Water Forum has developed a new video and webpage about San Juan Water District and other regional partner's efforts to protect the American River and our water supplies. The State Water Board is considering new rules for water uses in the Sacramento and San Joaquin Valleys.

San Juan and its partners are proposing a comprehensive alternative to the State Board proposal that increases fish habitat and provides better water temperatures, flows and water supply reliability.

Watch the video at waterforum.org/delta-plan-update

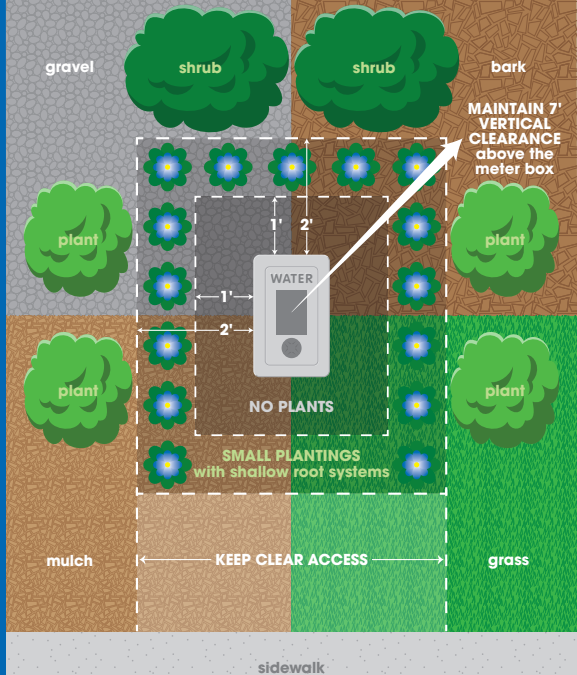


The Meter Box Clearance Reminders

Landscapes can easily encroach upon the water meter box over time but it is important that clear access be maintained at all times to prevent root intrusion, allow for meter reading and perform emergency service.

If you receive a notice from District staff that clearance is requested, please refer to the meter box clearance requirements for guidance and prune appropriately.

Learn more at sjwd.org/meter-box-clearance-requirements



Check Out Our Upcoming Landscape Workshops!



This September and October, we have two exciting landscape workshops coming your way.

Workshop #1: Landscaping for Wildlife on September 21 from 9:30-11 a.m. Join Rudy Darling with Sierra Foothills Audubon Society to learn how to attract birds to your landscape.

Workshop #2: Design Landscapes Like a Professional on October 19 from 9:30-11 a.m. Get tips on what to do and what not to do when making changes to your yard.

Learn more about these workshops at sjwd.org/calendar



Outreach/Best Practices Requirements

Hold annual informational public budget hearings that engage the public (outreach, workshops, etc.) prior to adopting the budget

**SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
May 22, 2019
6:00 p.m.
9935 Auburn Folsom Road
Granite Bay, CA 95746**

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

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

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

In compliance with the American's with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Board Secretary at 916-791-0115. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

I. ROLL CALL

II. PRESENTATION

1. Poster Contest Winners – President Dan Rich

III. PUBLIC FORUM

During the Public Forum, the Board may briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations to add the matter to the agenda.

IV. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, April 24, 2019 (W & R)
Recommendation: Approve draft minutes
2. Treasurers Report - Quarter Ending March 31, 2019 (W & R)
Recommendation: Receive & File
3. FO-40 Construction Inspection Contract Amendment (W)
Recommendation: Approve a contract amendment to increase the construction management and inspection contract with Inferred Construction Management Group, Inc. (ICM) by \$50,000 for the completion of construction of the Fair Oaks 40" Pipeline Relining Project

4. Bacon HVAC Contract (R)
Recommendation: Award a construction contract to Aria Electric & Construction (AEC) for the amount of \$79,000 for the Bacon Pump Station HVAC Project and authorizing a total budget of \$87,000 (includes a 10% contingency)
5. Amendment to GM Construction & Development Inc.'s On-Call Contract (R)
Recommendation: Approve a contract amendment to GM Construction & Development Inc.'s On-Call Contract for additional construction services for FY18/19 in the amount of \$62,500; bringing the total contract to approximately \$772,614
6. Lower Granite Bay Pump Station Generator Engine Repair (R)
Recommendation: Approve a contract amendment for the service contract with Cummins Sales and Service for the amount of \$45,554.24 for the additional materials and work to repair the failed standby generator engine at the Lower Granite Bay Booster Pump Station

V. OLD BUSINESS

1. Compensation Study Update (R)
Discuss and potentially modify District compensation levels
2. GM Contract (W & R)
Action: Consider motion to approve amendments to GM Contract
3. SB 998 Requirements Update (R)
Discussion of new requirements for terminating water service to take effect on February 1, 2020

VI. NEW BUSINESS

1. First Reading of Ordinance 9100 – An Ordinance of the Board of Directors of the San Juan Water District Amending Section 9000.5.A of Ordinance No. 9000 of the District Code of Ordinances Respecting Meter Box Clearance Requirements (W & R)
Introduce Ordinance 9100 and read the full text of the proposed ordinance or waive such reading by motion of the Board

VII. BUDGET WORKSHOP

1. Review FY 2019-20 Draft Wholesale and Retail Budget (W & R)

VIII. INFORMATION ITEMS

1. General Manager's Report
 - 1.1 General Manager's Monthly Report (W & R)
Staff Report on District Operations
 - 1.2 Miscellaneous District Issues and Correspondence
2. Director of Finance's Report
 - 2.1 Miscellaneous District Issues and Correspondence
3. Operation Manager's Report
 - 3.1 Miscellaneous District Issues and Correspondence

4. Legal Counsel's Report
 - 4.1 Legal Matters

IX. DIRECTORS' REPORTS

1. SGA
2. RWA
3. ACWA
 - 3.1 Local Government/Federal Affairs/Region 4 - Pam Tobin
 - 3.2 JPIA – Pam Tobin
 - 3.3 Energy Committee - Ted Costa
4. CVP Water Users Association
5. Other Reports, Correspondence, and Comments

X. COMMITTEE MEETINGS

1. Engineering Committee – May 13, 2019
2. Personnel Committee – May 20, 2019
3. Finance Committee – May 21, 2019

XI. UPCOMING EVENTS

1. NWRA – Western Water Seminar
August 7-9, 2019
Portland, OR

XII. CLOSED SESSION

1. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(d)(4); potential for litigation involving the State Water Resources Control Board's proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update; and pending litigation; Government Code sections 54954.5(c) and 54956.9(a); *CDWR Environmental Impact Cases*, Case No. JCCP No. 4942.

XIII. ADJOURN

UPCOMING MEETING DATES

June 26, 2019
July 24, 2019

I declare under penalty of perjury that the foregoing agenda for the May 22, 2019 regular meeting of the Board of Directors of San Juan Water District was posted by May 17, 2019, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public.

Teri Grant, Board Secretary

Legal Ad in Sacramento Bee on June 12, 2019

NOTICE OF PUBLIC HEARING: NOTICE IS HEREBY GIVEN that the Board of Directors for the SAN JUAN WATER DISTRICT (District) will conduct a public hearing on Wednesday, June 26, 2019, at 6:00 p.m., or as soon thereafter as the matter may be heard, in the District office boardroom located at 9936 Auburn Folsom Road, Granite Bay, California. The purpose of the public hearing will be to consider approving Ordinance No. 9100, and the proposed Fiscal Year 2019-2020 Budget.

Ordinance No. 9100 amends the District Water Systems provisions contained in the District's Code of Ordinances to provide additional clarification on what type of planting material and where that material can be located around District equipment. It also provides the District the authority to gain reimbursement for any costs incurred while clearing any equipment on the customer's behalf.

You may appear at the hearing and address the Board regarding any item in the budget or to propose any changes or additions to it. Copies of the proposed budget are available for review at the District's offices at the above address between 9:00 a.m. and 5 p.m. on weekdays or by calling Teri Grant at 916-791-0115.

All interested persons are invited to attend and provide testimony at the time and place noted above. San Juan Water District, By Teri Grant, Board Secretary 6/12/19

**SAN JUAN WATER DISTRICT
BOARD MEETING AGENDA
June 26, 2019
6:00 p.m.
9935 Auburn Folsom Road
Granite Bay, CA 95746**

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

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

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

In compliance with the American's with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Board Secretary at 916-791-0115. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

I. ROLL CALL

II. PUBLIC FORUM

During the Public Forum, the Board may briefly respond to statements made or questions posed by the public, or ask District staff for clarification, refer the matter to District staff or ask District staff to report back at a future meeting. The Board will not take action on any matter raised during the Public Forum, unless the Board first makes the determinations to add the matter to the agenda.

III. CONSENT CALENDAR

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

1. Minutes of the Board of Directors Meeting, May 22, 2019 (W & R)
Recommendation: Approve draft minutes
2. Annual Paving Contract Renewal (W & R)
Recommendation: Authorization and approval to exercise the second year contract renewal with Sierra National Asphalt (SNA) for the annual paving services agreement in the amount of \$51,717.64
3. Annual Installation Services Contract (R)
Recommendation: Authorization and approval to award the Annual Installation Services agreement for FY 2019/20 to Rawles Engineering Inc. in the amount of \$217,940
4. Accessibility Transition Plan (W & R)
Recommendation: Accept the Accessibility Transition Plan

5. Regional Water Meter Replacement Program MOU – Amendment #1 (W & R)
Recommendation: **Authorization of the General Manager to execute Amendment #1 to the Water Meter Consortium Memorandum of Understanding for the Regional Water Meter Replacement Planning Study for the amount of \$95,869 and authorizing a total budget of \$106,000 (includes 10% contingency)**
6. 48-in Bypass Pipeline Rehabilitation Project (W)
Recommendation: **Consider a motion to approve entering into an agreement with J. Fletcher Creamer & Son, Inc. for construction of the improvements**
7. Hinkle Reservoir Outage Operations Planning Project (W)
Recommendation: **Consider a motion to approve entering into a professional services agreement with HDR Engineering, Inc. for the amount of \$196,800 and authorizing a total budget of \$216,480 (includes 10% contingency)**

IV. PUBLIC HEARING

1. 2019 Public Health Goal (PHG) Report – George Machado
Accept and respond to public comment on the report in accordance with Health & Safety Code section 116470(c).
2. Adoption of Ordinance 9100 – An Ordinance of the Board of Directors of the San Juan Water District Amending Section 9000.5.A of Ordinance No. 9000 of the District Code of Ordinances Respecting Meter Box Clearance Requirements (W & R)
Action: **Consider second reading of Ordinance No. 9100 or waiving second reading**
Action: **Consider adoption of Ordinance 9100 which amends the District Water Systems provisions contained in the District's Code of Ordinances to provide additional clarification on what type of planting material and where that material can be located around District equipment. It also provides the District the authority to gain reimbursement for any costs incurred while clearing any equipment on the customer's behalf.**
3. FY 2019-20 Wholesale and Retail Budget (W & R)
Action: **Consider motion to adopt Resolution No. 19-02 adopting the FY 2019-2020 Budget**

V. OLD BUSINESS

1. Compensation Study Update (R)
Action: **Consider a motion to select the market position for the District salary ranges**
2. Multi-Agency Collaboration/Integration Project Draft Request for Proposals (W & R)
Discussion

VI. NEW BUSINESS

1. Wholesale Water Rate Schedule (W)
Action: **Consider a motion to approve Revised Wholesale Rate Schedule Reducing Debt Service Charge**

2. ACWA Elections and Participation (W & R)
 - Action:** *Consider Resolution 19-03 nominating Pam Tobin for ACWA Vice President*
 - Action:** *Consider Resolution 19-04 nominating Paul Helliker for Region 4 Board*
3. Approve Accrual of GM Vacation Time (W & R)
 - Action:** *Consider a motion to approve accrual of GM vacation time*
4. Approve Amendment to Reserve Policy (W & R)
 - Action:** *Consider a motion to approve amending the Board of Directors' Reserve Policy to change the allocation of Property Tax Revenues between the Wholesale and Retail Capital Funds*

VII. INFORMATION ITEMS

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

VIII. DIRECTORS' REPORTS

1. SGA
2. RWA
3. ACWA
 - 3.1 Local Government/Federal Affairs/Region 4 - Pam Tobin
 - 3.2 JPIA – Pam Tobin
 - 3.3 Energy Committee - Ted Costa
4. CVP Water Users Association
5. Other Reports, Correspondence, and Comments

IX. COMMITTEE MEETINGS

1. Engineering Committee – June 25, 2019
2. Finance Committee – June 25, 2019

X. UPCOMING EVENTS

1. NWRA – Western Water Seminar
August 7-9, 2019
Portland, OR

XI. ADJOURN

UPCOMING MEETING DATES

July 24, 2019
August 28, 2019

I declare under penalty of perjury that the foregoing agenda for the June 26, 2019 regular meeting of the Board of Directors of San Juan Water District was posted by June 21, 2019, on the outdoor bulletin boards at the District Office Building, 9935 Auburn Folsom Road, Granite Bay, California, and was freely accessible to the public.

Teri Grant, Board Secretary