SAN JUAN WATER

ADOPTED BUDGET

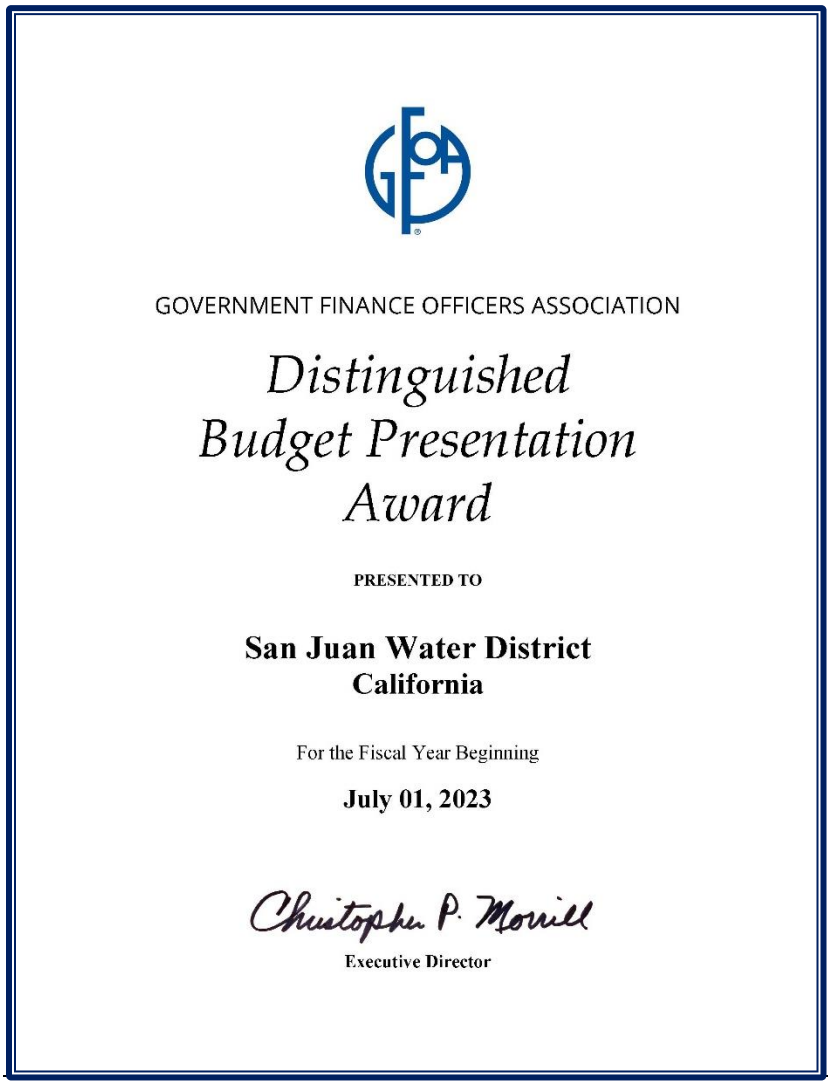
FISCAL YEAR 2024-2025

San Juan Water District
Granite Bay, California

Cover Photo: Scott DesJardin

Scott DesJardin (aka “Scotty”) has been employed with the San Juan Water District for over 20 years. He currently serves as a Field Services Distribution Operator IV. Scotty has a ready smile and is the first man in the hole when there is a leak to be repaired underground. He is a valuable resource in terms of his knowledge of the retail distribution system and in terms of training the District’s newer employees. If you run across him in the service area, give him a friendly wave and you will be rewarded with a warm and happy greeting. Thanks for years of hard work for the District Scotty!

GFOA Budget Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to San Juan Water District for its annual budget for the fiscal year beginning July 1, 2023. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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San Juan Water District

Fiscal Year 2024-25 Budget

Prepared by the Finance Department under Direction of
the General Manager

Mission Statement:

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

Vision Statement:

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

First Drink from
Newly Rehabilitated
Hinkle Reservoir

San Juan Water District
9935 Auburn Folsom Road
Granite Bay, California 95746
(916) 791-0115
www.sjwd.org

Elected Officials

Manuel Zamorano, President/Director

Edward J. “Ted” Costa, Vice-President/Director

Kenneth H. Miller, Director

Dan Rich, Director

Pamela Tobin, Director

Appointed Officials

Paul Helliker, General Manager

Teri Grant, Board Secretary

Donna Silva, Treasurer

Management Team

Tony Barela, Director of Operations

Andrew Pierson, Director of Engineering Services

Donna Silva, Director of Finance

Devon Barrett, Customer Services Manager

Adam Larsen, Field Services Manager

Greg Turner, Water Treatment Plant Manager

Chris von Collenberg, Information Technology Manager

Greg Zlotnick, Water Resources Manager

Table of Contents

June 26, 2024

Board of Directors
Citizens of the San Juan Water District

On behalf of the San Juan Water District and its staff, I am pleased to present the Budget for Fiscal Year 2024-25. The Budget has been developed to be fiscally responsible in support of the District's Mission Statement:

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

Adoption and implementation of this budget will allow the District to accomplish major priorities in Fiscal Year 2024-25, detailed throughout this document.

The District just updated its Strategic Plan this year, and we have used that document to as an part of the foundation for this budget. The plan can be found at the following link on the District's website:

https://www.sjwd.org/files/a3420933e/Strategic+Plan+Adopted+042424.pdf

The District's strategic goals are:

- Ensure Water Supply Reliability
- Optimize Operations, Maintenance and Delivery for High Quality and Reliable Water
- Provide Excellent Customer Service
- Operate the District Sustainably and in a Financially Sound Manner while Maintaining a Fair Rate Structure
- Provide a Capable High Quality Work Force and Ensure a Safe Work Environment
- Foster Collaborative Relationships with Regional and Statewide Partners

These strategic goals will guide our actions to respond to the following significant issues and priorities that we will face during fiscal year 2024-25, including, but not limited to the following:

- Addressing ongoing challenges to water supply reliability
- Development and adoption by the State of a new regulatory structure to implement water efficiency targets, pursuant to SB 606 and AB 1668

- Development of an update to the Water Quality Control Plan for the Sacramento/San Joaquin Delta, and implementation of the Healthy Rivers and Landscapes Program by the District and neighboring agencies in the American River Basin
- Further deliberations on a Delta Conveyance project
- Implementation of the Groundwater Sustainability Plan and expansion of the Sacramento regional groundwater bank
- Updating the District's retail financial plan
- Planning and executing significant infrastructure repair and replacement projects, including planning for the replacement of the cover and liner of Kokila Reservoir
- Successfully achieving distribution system maintenance goals, identifying and prioritizing repairs and replacements, and implementing the top priority projects
- Meeting current and evolving regulatory requirements for water quality, system operations, health and safety, human resources management, etc.

The District works hard to ensure that ratepayer dollars are used in the most cost-effective manner to provide reliable, clean water supplies to its customers. The District is implementing the new wholesale financial plan that it adopted in 2023 and will be updating the retail financial plan that it last adopted in early 2022. In preparing this budget, staff have reviewed the projections in the financial plans and have proposed a budget that is consistent with those plans.

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

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

Respectfully submitted,

Paul Helliker
General Manager

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SAN JUAN WATER
SINCE
1854

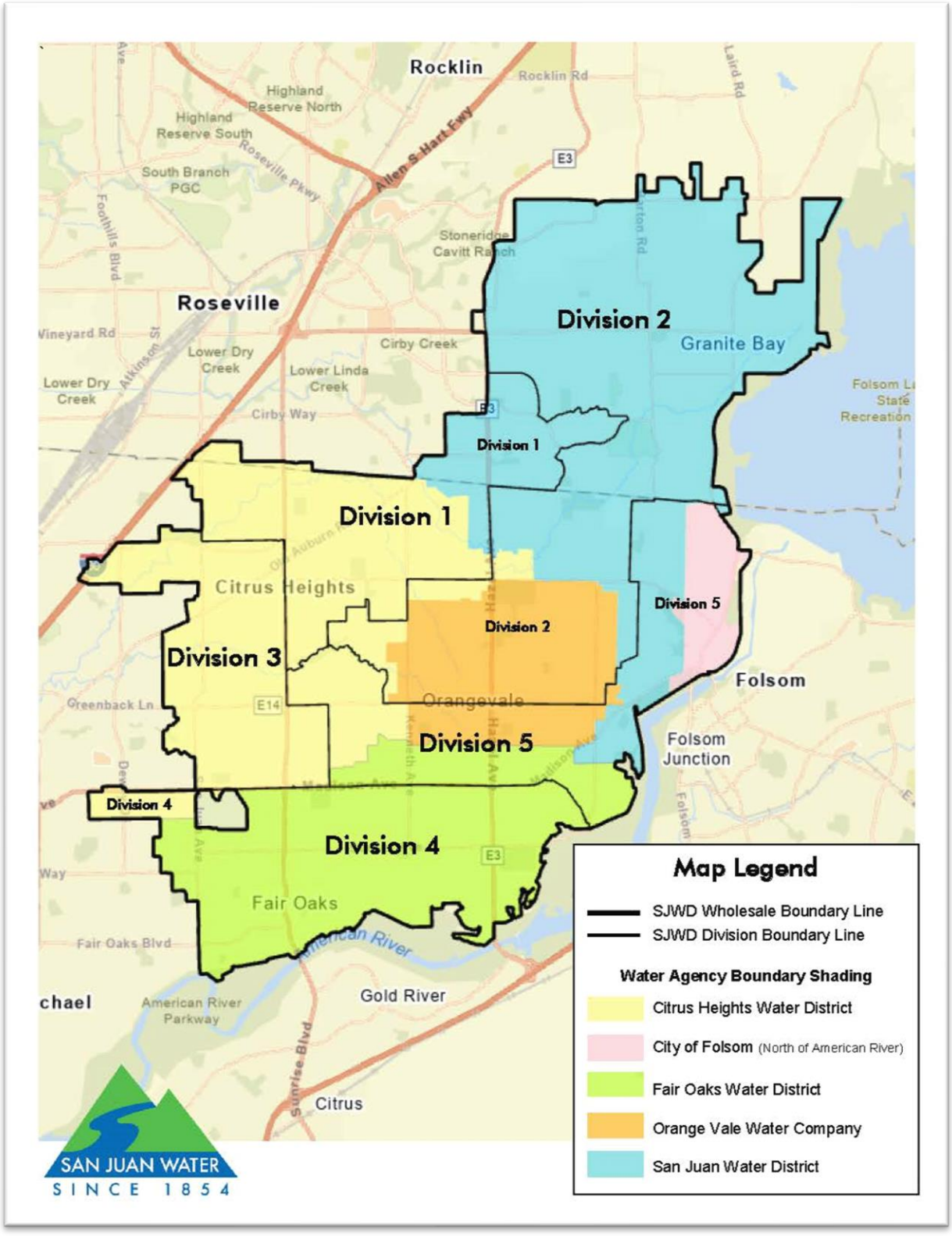
DISTRICT PROFILE

By The Numbers – Summary of District Information

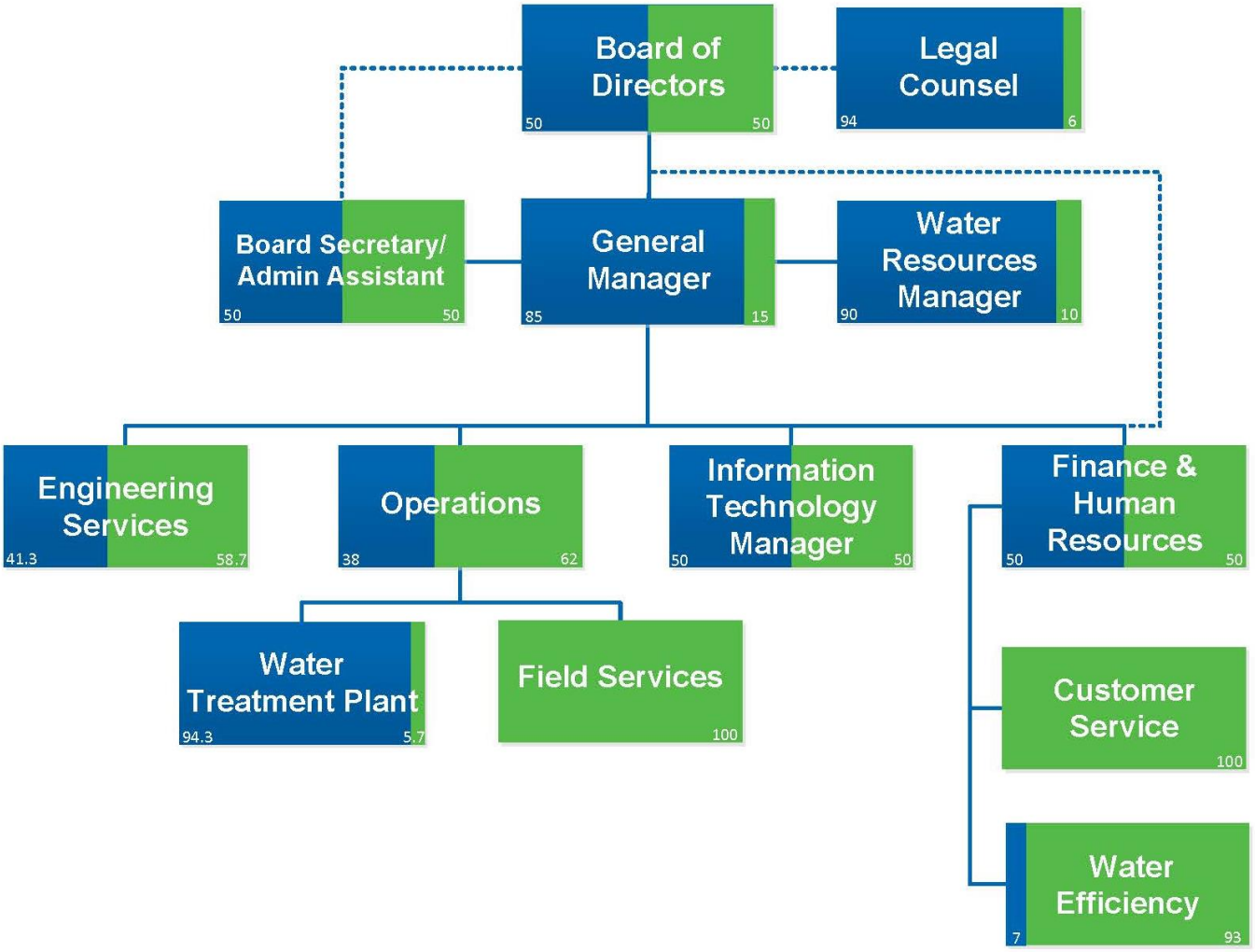
Water System	
Total Water Supply Available	82,200 acre-feet
Treatment Plants	1
Treatment Plant Capacity	150 MGD
Reservoirs	2
Miles of Water Main	227
Storage Tanks	2
Booster Stations	9
Number of Booster Pumps	38
Number of Control Valve Stations	15
Number of Solar Facilities	1
Number of Pressure Zones – Retail Service Area	8
Number of Active Service Connections – Retail Service Area	10,900

Miscellaneous Statistical Information	
Size of Service Area	46 square miles
Size of Retail Service Area Only	17 square miles
Population of Service Area (per FY 2022-23 ACFR)	153,034
Population of Retail Service Area Only (per FY 2022-23 ACFR)	29,776
Number of Active Employees	49
Number of Debt Issues Outstanding	4
Wholesale Operating Budget	$ 11,530,500
Wholesale Capital Budget	$ 3,654,900
Retail Operating Budget	$ 15,499,100
Retail Capital Budget	$ 24,490,600

Wholesale Service Area Map



Organization Chart by Functional Area



Allocation of Costs	
Wholesale	%
Retail	%

SAN JUAN WATER
SINCE
1854

ABOUT THE DISTRICT

ABOUT THE DISTRICT

The San Juan Water District (District) initially began as the North Fork Ditch Company dating back to 1854 providing water to the area. The District, as in existence today, was formed as the result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District (CHWD), Fair Oaks Water District (FOWD), Orange Vale Water Company (OVWC) and a group of homeowners in South Placer County. An election was then held within the boundaries of the sponsoring districts including the District's current Placer County service area on February 10, 1954. At this election, voters approved the formation of the San Juan Water District by nearly a two-thirds majority and elected five Directors. The District is a Community Services District formed under Section 61000 et seq., Title 6, Division 3 of the California Government Code.

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

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

In addition, the District has a contract with the Sacramento Suburban Water District (SSWD) to treat and wheel water that they purchase from the Placer County Water Agency (PCWA) and/or the United States Bureau of Reclamation (215 Water). SSWD's ability to purchase water from PCWA, diverted from Folsom Reservoir, is restricted to years when the unimpaired inflow to Folsom Lake exceeds a certain level. SSWD also at times accesses excess flows into Folsom made available by the United States Bureau of Reclamation. Additionally, in 2020 the District began selling a portion of its water supplies to SSWD with such supplies generally available in all water year types. These agreements are negotiated on an annual basis.

The District's retail operations consist of operating and maintaining storage, pumping, transmission and distribution facilities, which deliver water to approximately 10,900 retail service connections located in a portion of Northeast Sacramento County and the Granite Bay area of South Placer County, and providing the administrative, customer service, water efficiency, and engineering support necessary to successfully carry out those functions.

The District's existing water supply consists of three separate raw water contracts. The first source of water comes from a settlement contract with the U.S. Bureau of Reclamation (Reclamation) whereby it is required to deliver the District's pre-1914 and post-1914 water rights water from the American River, totaling 33,000 acre-feet, in perpetuity. The second source is a water repayment contract with Reclamation for 24,200

acre-feet of Central Valley Project water, also in perpetuity, subject to standard shortage policies. The third water source is a contract with PCWA for up to 25,000 acre-feet of water.

All sources of surface water are either stored or flow through Folsom Lake with delivery taken from Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant. Total raw water delivery to the plant for the 2022-2023 fiscal year was 36,941 acre-feet and is anticipated to be 43,974 acre-feet for fiscal year (FY) 2023-24, and 40,662 for FY 2024-25.

In response to the last drought and in preparation of future drought conditions, the District partnered with two nearby water districts, PCWA and SSWD, to construct inter-ties to allow water supplies to be shared and transferred if normally available supplies are reduced and/or inadequate to meet immediate demands for either district.

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

The District's water efficiency programs include:

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

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

The District's water treatment facility, the Sidney N. Peterson Water Treatment Plant (Plant), was constructed in three phases beginning in 1975 and completed in 1983. The Plant includes two flocculation-sedimentation basins, two filter basins, an operations building and a covered 62-million-gallon storage reservoir. Major upgrades and improvements to the Plant have been made over the years, including increasing its maximum seasonal capacity (May 15th to September 30th) to 150 million gallons a day (mgd) from its original 100 mgd. The 62-million-gallon Hinkle Reservoir was rehabilitated in FY 2023-24. Those past upgrades, and ongoing efforts to identify and implement projects and process improvements to increase efficiency, cost effectiveness, and productivity, all contribute to the District's success in reliably satisfying customer demands while continuing to meet or exceed all Federal and State regulatory requirements.

The Plant receives delivery of raw water directly from Folsom Dam outlets. The raw water undergoes an extensive water treatment process to ensure the highest quality of water for all customers. From the Plant, the water flows into the District's 62-million-gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 227 miles of transmission and distribution pipelines, which transport the high-quality treated water to wholesale and retail customers.

Budget Purpose, Process and Control

The District operates on a fiscal year that runs from July 1 through June 30. The District adopts an annual operating budget and an annual capital improvement budget to ensure the adequacy of resources to meet District needs and to accomplish the District's mission. California Government Code section 61110(c)(2)(f) requires the adoption of the final budget on or before September 1st of each year, however, the District strives to have an adopted budget by June 30th. As required by certain debt covenants, the annual operating budget is evaluated to ensure that net revenues, as defined by the various debt covenants, are equal to or exceed a minimum of 115 percent of the anticipated debt service for the budget year.

In March of 2018, the Board of Directors adopted a Strategic Plan which staff now uses as the guiding light in preparing an operations plan and annual budget. The Strategic Plan was updated in April 2024. Using the goals in the Strategic Plan, as well as direction received throughout the year from the Board of Directors, the Department Managers prepare and submit draft budgets to the Finance Department. The Finance Department prepares the revenue budget and reviews and compiles the various department budgets. A budget workshop is generally held in May of each year to present and discuss the draft budget with the Board of Directors and interested members of the public. Feedback from that meeting is used to adjust the draft budget, if necessary. A public hearing is then generally held in June after which the Board of Directors votes on budget adoption. The budget calendar, specific to the preparation of the FY 2024-25 budget, is presented below:

Important Dates for Adoption and Review of FY 2023-24 Budget

DATE	FORUM	TOPIC/ACTION
April 26, 2023	Board Meeting	Discussion of assumptions to use in budget preparation.
May 24, 2023	Board Meeting	Review and discuss Draft FY 2023-24 Operating and Capital Budgets
June 28, 2023	Public Hearing	Receive public input on proposed budget
June 28, 2023	Board Meeting	Consider adoption of proposed budget.
March 27, 2024	Board Meeting	FY 2023-24 Mid-Year Budget Review

Important Dates for Adoption and Review of FY 2024-25 Budget (preliminary)

DATE	FORUM	TOPIC/ACTION
April 24, 2024	Board Meeting	Discussion of assumptions to use in budget preparation
May 22, 2024	Board Meeting	Review and discuss Draft FY 2024-25 Operating and Capital Budgets
June 26, 2024	Public Hearing	Receive public input on proposed budget
June 26, 2024	Board Meeting	Consider adoption of proposed budget
March 19, 2025	Board Meeting	FY 2024-25 Mid-Year Budget Review

Budget to actual financial data is monitored continuously throughout the year by management and is reported on a monthly and annual basis to the Board of Directors. Beginning in February of each year, staff performs a mid-year budget review. The mid-year budget review process is an in-depth analysis of year-to-date budget to actual data, combined with a projection of financial activity through the end of the year. That is then compared to the adopted budget. If expenses, in total, are projected to be greater than the adopted budget, the board considers a budget amendment, or staff recommends budget cuts to ensure adherence to the adopted budget. The mid-year budget review is usually presented at the March Board meeting. The General Manager has the authority to move budget between specific lines within a fund, or between funds to correct posting errors. Transfers between funds, for purposes other than error correction, or to maintain required reserve levels, require approval from the Board of Directors.

Budget Format

The budget is prepared on a modified accrual basis wherein revenues and expenses are reported when earned and incurred, respectively. The budget does not include amounts for depreciation, pension expense in accordance with GASB 68, retiree medical expenses in accordance with GASB 74/75, lease revenue/expense in accordance with GASB 87, compensated absences expense accrual and the amortization of premium or discount on debt issuances but does include an expenditure for debt principal and a revenue for any new debt issued. Therefore, the budget is not prepared in the same manner as the Annual Comprehensive Financial Report (ACFR). The program budget format is used versus a line-item detail format to provide the most valuable information to the reader on all of the District's major areas of service (Administration, Customer Service, Distribution, Engineering, Water Efficiency, and Water Treatment Plant). Expenditure data is also presented in a functional format (Salaries & Benefits, Materials & Supplies, etc.) to provide readers with an alternate view.

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

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 the 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 updated its Wholesale Financial Plan and Rate study in 2023. The update resulted in a five-year rate plan, with the first rate increase effective January 2024. The rate schedule brings the fixed and variable components of the rate into alignment with the District's fixed and variable rates, thus ensuring long term fiscal stability and rate certainty for the wholesale customers. The Wholesale Financial Plan recommends annual rate increases of approximately 4-5%, primarily due to expected inflation rates. The wholesale rate structure is currently being litigated by the Citrus Heights and Fair Oaks Water Districts. The District is confident that its rate schedule is fair, reasonable, responsible and prepared in accordance with the law.

The District completed a Retail Financial Plan and Rate Study in FY 2021-22, resulting in a 3-Year Rate Schedule. The new Retail Rate Schedule went into effect on February 1, 2022, and resulted in three successive 8% effective rate increases. In the previous five-year rate schedule, all rate increases were applied to the fixed base rate only, to bring stability to the rate structure and provide reliable funding to cover fixed operating costs. In the new rate schedule, this approach is taken for the first rate increase but the final two rate increases will apply to both the fixed and the volumetric rate as the District feels it has achieved equilibrium between rates and costs, to the greatest extent possible. The last rate increase under than plan was implemented in January 2024. The District expects to begin an update to the Retail Financial Plan and Rate Schedule in calendar year 2025.

Financial Policies

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

Reserve Policy

In accordance with Board Resolutions, Board Motions, District Ordinances, loan agreements and applicable laws, certain reserve funds have been established and maintained as follows:

WHOLESALE RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	Established in 1998 to provide working capital for operations and unexpected needs	20% of operating expenses
Hinkle Reservoir Loan Debt Service	Required by the loan agreement with the State Water Resources Control Board	1-year Debt Service
Capital Improvement Program	Established in 1998 to fund capital replacements, rehabilitation, upgrades and improvements	Determined annually by Board of Directors

RETAIL RESERVES:

NAME	PURPOSE	AMOUNT/LEVEL
Operating	To provide working capital for retail operations, as wells as readily available capital for unexpected needs and modest variations between expected and actual water demands	20% of annual operating expenditures
Eureka Road Transmission Pipeline Replacement Loan Debt Service	Required by the loan agreement with the State Water Resources Control Board	1-year Debt Service*
Capital Facility Fees	Government Code Section 66013(c) requires capital facility fees collected for specific future projects be held in reserve and spent only on the projects for which the fee was established and collected	Amounts received, plus interest, not yet spent on the projects that formed the basis for the fee
Capital Improvement Program	To fund capital replacements, rehabilitation, upgrades and improvements	Determined annually by Board of Directors. Budget includes revenues and transfers in at least equal to annual depreciation

Debt Policy

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

Investment Policy

In accordance with the Board's Investment Policy, the Director of Finance has been designated as the "Investment Officer" in charge of operational management.

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

Procurement Policy

The District's procurement policy creates uniform procedures for acquiring equipment, and goods and services for its operations. The primary purpose of this policy is to provide for the purchase of materials and trade services with the objective that they will be available at the proper time, in the proper place, in the proper quantity, in the proper quality, and at the best available price, consistent with the needs of the District.

Accounting System and Controls

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

Fund Structure and Descriptions

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

Enterprise Funds:

- Wholesale Operating Fund
- Retail Operating Fund

Capital Outlay Funds:

- Wholesale Capital Outlay Fund
- Retail Capital Outlay Fund

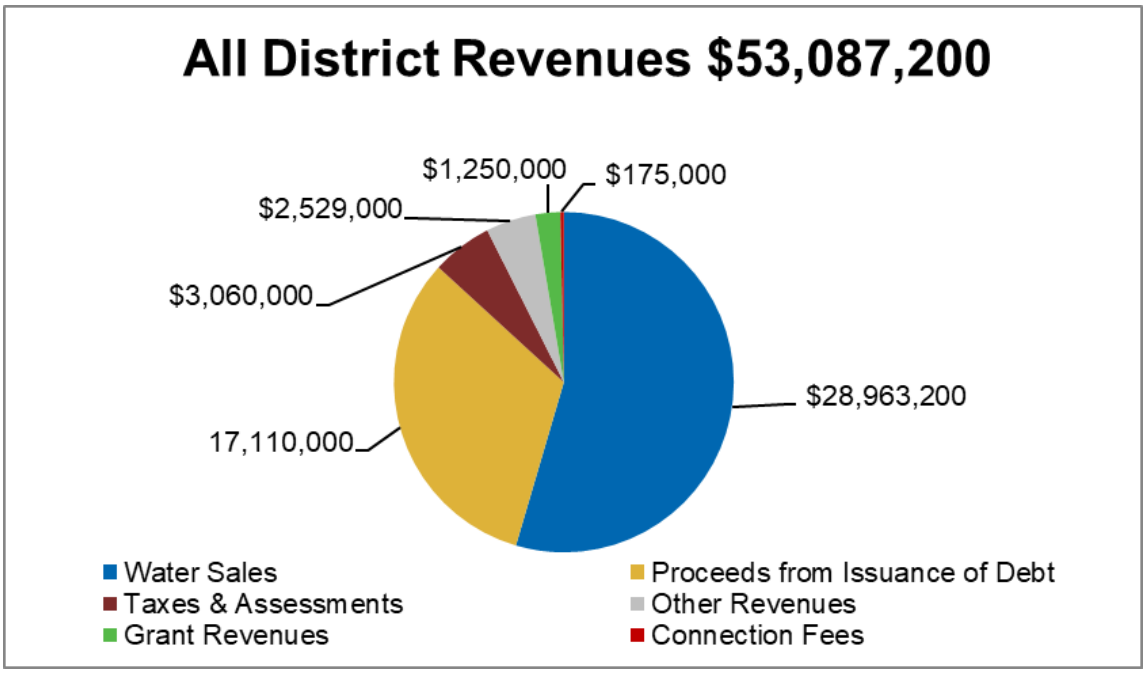
The funds are combined for the purpose of formal financial reporting (audited financial statements). Budgets and descriptions for these funds can be found starting on page 51.

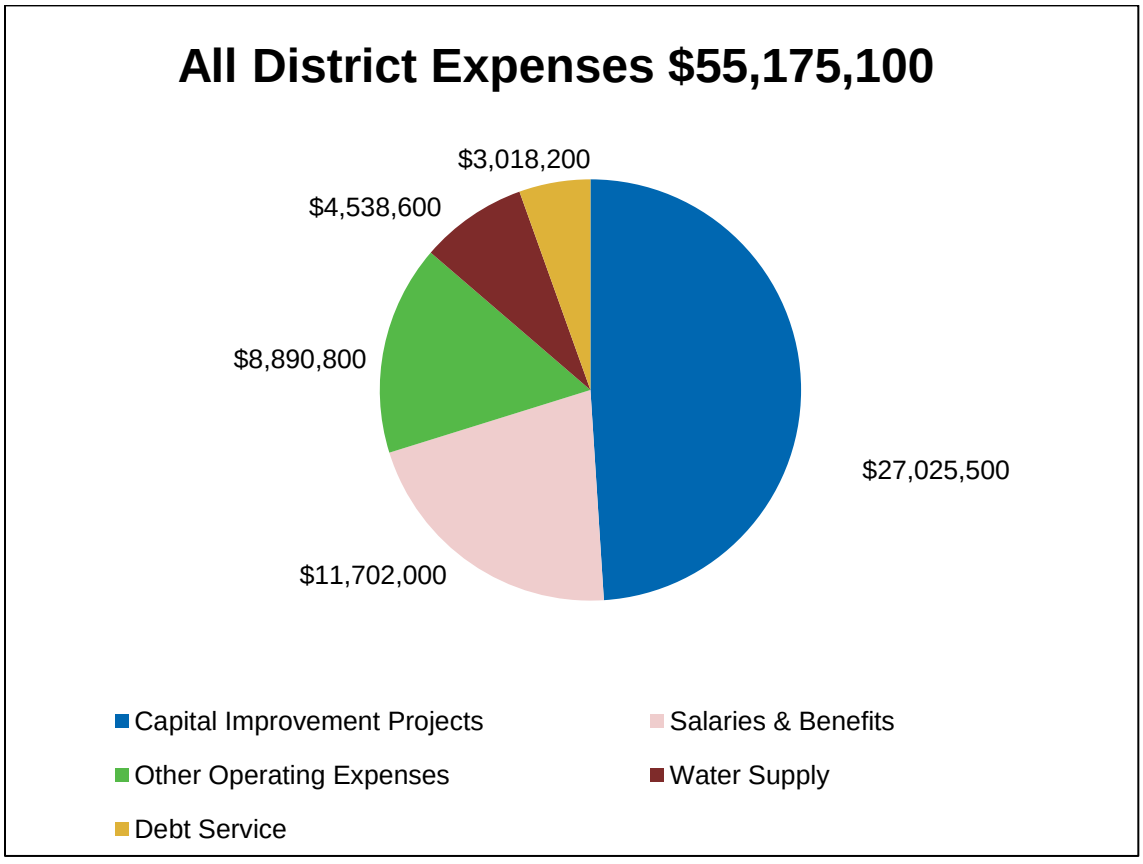
Budget Assumptions

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

- Wholesale rates increase in January 2024 and January 2025 in accordance with the Board approved Wholesale Rate Schedule.
- Retail rates increase effective January 1, 2024 (8.1% increase on both the volumetric and base rate). No retail rate increases for January 2025.
- Wholesale water demand:
    - No change in demand from regular wholesale water customers.
    - No water transfers.
    - 6,263 acre-feet of water being treated and delivered to the SSWD.
- No significant change in retail water demand.
- Property taxes increase 2%.
- Salaries prepared in accordance with Board Compensation Policy, utilizing CalPERS estimated wage growth.
- 11% increase in health care insurance costs.
- $200,000 supplemental payment to CalPERS towards unfunded pension liability.
- Property Insurance increase of 20% due to California wildfires.
- Liability insurance expected to increase by 10% due to claims experience and general industry cost increases.
- 28.99% increase in PG&E energy costs due to three rate increases from PG&E in 2024 thus far, and two more anticipated. 5% increase in SMUD energy costs.
- Absent costs from defending the District against the April 2024 lawsuit filed by the CHWD and FOWD, staff is projecting wholesale legal expenses to decline by 17.4% due to no anticipated activity on General American River issues and the winding up of the initial CHWD/FOWD litigation. Wholesale legal expenses will incorporate additional expenses due to the April 2024 lawsuit filed by CHWD and FOWD.

Estimated Revenues and Expenditures of Funds – Summary





Estimated Revenues and Expenditures of Funds – Summary

	Wholesale Operations	Wholesale Capital Outlay	Retail Operations	Retail Capital Outlay	Total
Estimated Beginning Reserves July 1, 2024	$ 2,914,091	$25,281,827	$ 2,809,710	$ 21,762,736	$ 52,768,363
Revenues					
Proceeds from Issuance of Debt	$ -	$ -	$ -	$ 17,110,000	$ 17,110,000
Water Sales	11,508,200	-	17,455,000	-	28,963,200
Taxes & Assessments	-	1,530,000	-	1,530,000	3,060,000
Grant Revenues	-	-	-	1,250,000	1,250,000
Other Revenues	244,300	850,000	754,700	680,000	2,529,000
Connection Fees	-	75,000	-	100,000	175,000
Total Revenues	$11,752,500	$ 2,455,000	$ 18,209,700	$ 20,670,000	$ 53,087,200
Expenses					
Capital Improvement Projects	$ -	$ 2,934,900	-	$ 24,090,600	$ 27,025,500
Salaries & Benefits	4,727,800	-	6,974,200.00	-	11,702,000
Water Supply	1,170,800	-	3,367,800.00	-	4,538,600
Debt Service - Principal	944,100	-	662,000.00	-	1,606,100
Debt Service - Interest	853,300	-	558,800.00	-	1,412,100
Other Expenses	3,834,500	720,000	3,936,300.00	400,000	8,890,800
Total Expenses	$11,530,500	$ 3,654,900	$ 15,499,100	$ 24,490,600	$ 55,175,100
Net Income	$ 222,000	$(1,199,900)	$ 2,710,600	$ (3,820,600)	$ (2,087,900)
Transfer In/(Out)	82,300	(82,300)	(2,284,100)	2,284,100	-
Estimated Ending Reserves	3,218,391	23,999,627	3,236,210	20,226,236	50,680,463
Restricted for Debt Service	912,200	-	136,300	-	1,048,500
Restricted for Expansionary Projects	-	-	-	5,211,966	5,211,966
Estimated Ending Available Reserves	$ 2,306,191	$23,999,627	$ 3,099,910	$ 15,014,270	$ 44,419,997

MAJOR REVENUES AND EXPENDITURES

MAJOR REVENUES AND EXPENDITURES

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

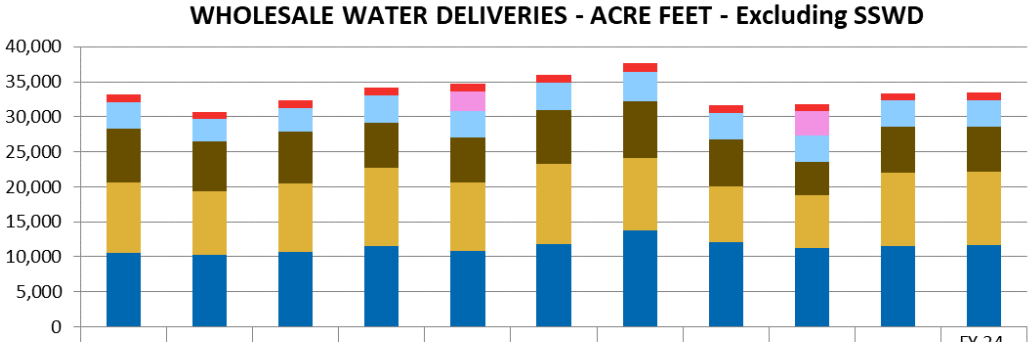
Water Sales

Revenue from the sale of water accounts for 81% of all District revenues, excluding the proceeds from the issuance of debt. Water revenues are driven by two primary factors, the amount of water sold and the rate per unit. The Board of Directors considers and adopts rates through separate processes for wholesale and retail. Wholesale customers are presented with a rate study and are given 150 days to provide comments to the Board of Directors on proposed rate changes. After the 150-day comment period, the Board of Directors review the comments and decide on rates for the upcoming calendar year.

Retail rate setting is subject to the provision of Proposition 218 wherein customers are provided with information on proposed rate changes and are invited to attend a public hearing on the proposed changes. Proposed rate changes can be denied if a majority of ratepayers submit letters of protest. If a majority of rate payers do not protest, the Board of Directors will vote on the proposed rate increase and set the effective date for any proposed and approved changes.

The District completed a Retail Financial Plan and adopted a 3-Year Schedule for retail water rates in January 2022. A Wholesale Financial Plan and 5-year Rate Schedule was approved in December 2023.

The four charts below depict wholesale and retail water deliveries and revenues over time.

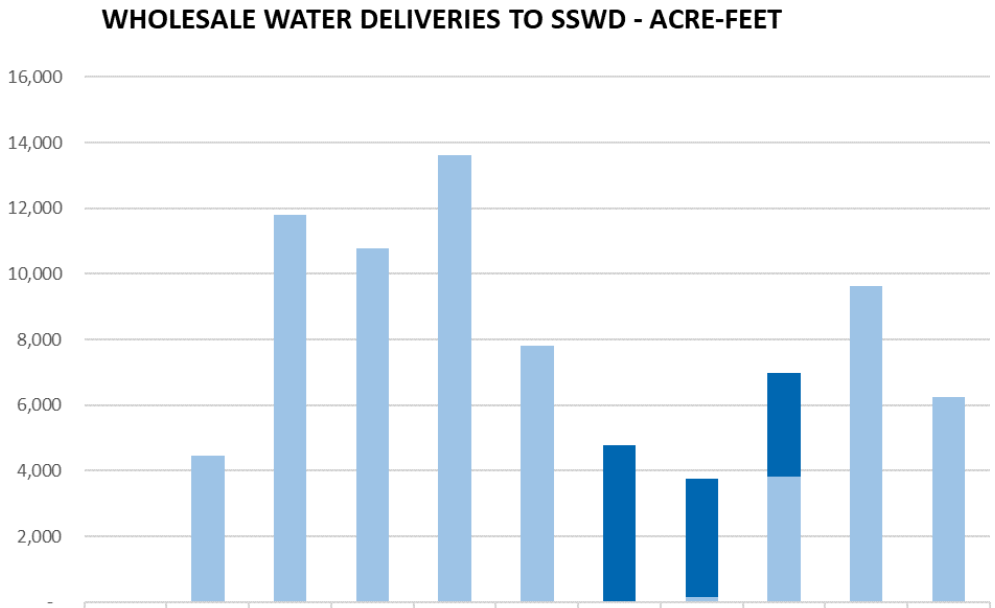


	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24 Est.	FY 24-25 Budget
City of Folsom	1,187	963	1,062	1,132	1,080	1,194	1,239	1,092	1,045	1,073	1,100
Other (Transfer Customers)	-	-	-	-	2,808	-	-	-	3,504	-	-
Orange Vale Water Company	3,671	3,190	3,473	3,950	3,822	3,790	4,141	3,883	3,760	3,808	3,800
Fair Oaks Water District	7,787	7,137	7,288	6,400	6,394	7,780	8,202	6,723	4,732	6,468	6,500
Citrus Heights Water District	10,016	9,134	9,775	11,202	9,734	11,407	10,361	7,852	7,595	10,458	10,500
San Juan Retail Service Area	10,552	10,213	10,752	11,520	10,864	11,829	13,690	12,143	11,195	11,579	11,600

Chart 1

As a result of the 2012-2016 drought, wholesale water deliveries reached a low in FY 2015-16. With the drought "officially" over, the District experienced an uptick in wholesale water demand in FY 2015-16, which continued through FY 2020-21, reaching a peak of 37,633 acre-feet of deliveries. The increase in water demand in FY 2020-21 was due in part to the COVID-19 pandemic. People were staying home and using more water. When they started to return to work in FY 2021-22 water demand fell. With the absence of drought messaging due to recent wet winters, we have seen water use inch back up to an estimated 33,500 acre-feet of demand in FY 2024-25.

In addition to delivering water to its regular wholesale customers, the District frequently treats and delivers water to SSWD, which has a contract with PCWA for raw water that is available in years when the unimpaired flows in the American River are above a specific threshold. Furthermore, in years when SSWD's PCWA water is not available, SSWD has purchased treated water directly from the District. The chart below shows deliveries to SSWD since FY 2014-15.



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24 Est.	FY 24-25 Budget
Water Sale (Transfer)	-	-	-	-	-	-	4,768	3,602	3,170	-	-
Treat & Deliver SSWD's PCWA Water	-	4,468	11,808	10,769	13,605	7,815	-	167	3,821	9,645	6,263

Chart 2

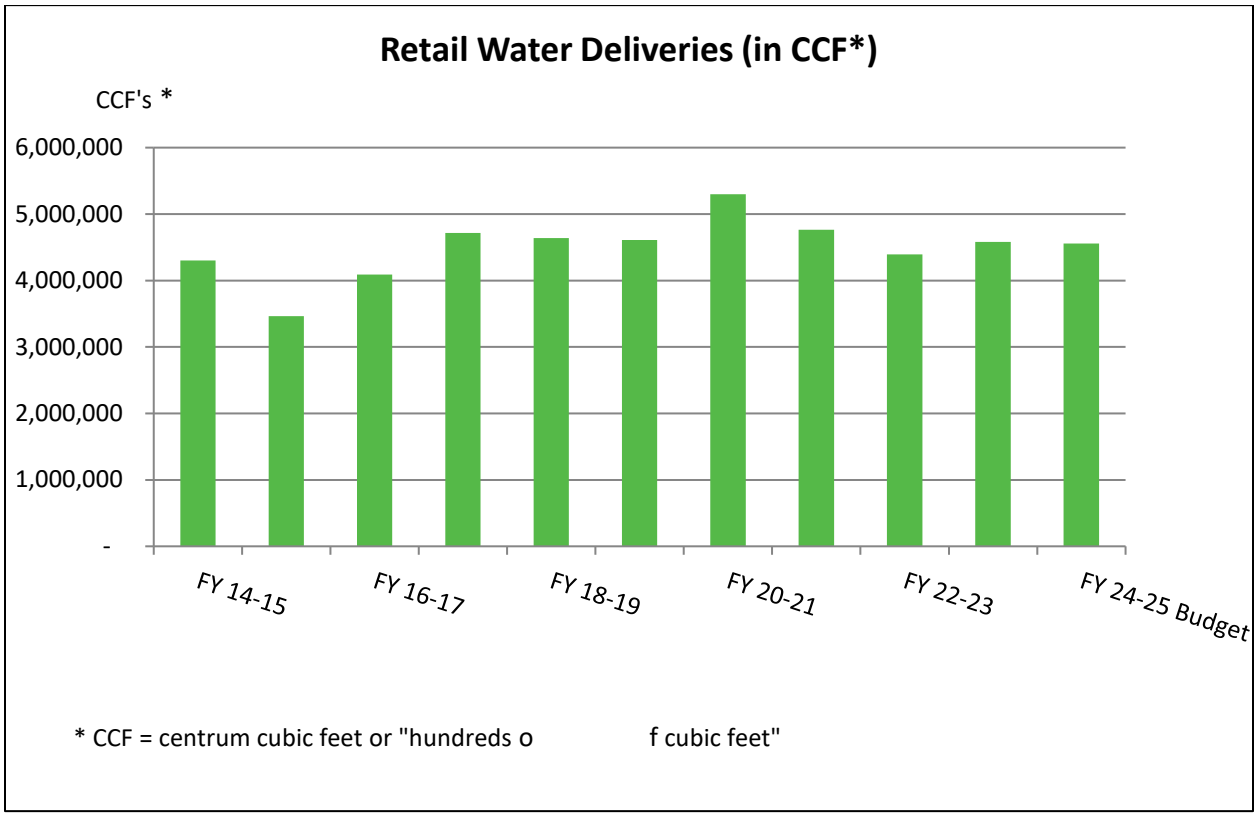
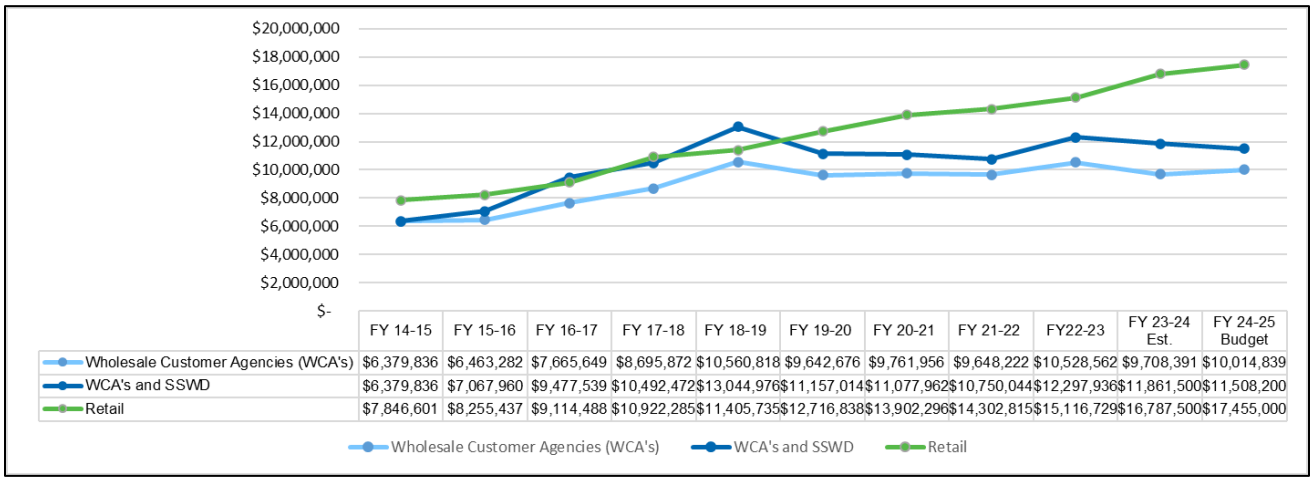


Chart 3

As with wholesale deliveries, retail water deliveries hit a low in FY 2015-16 because of the 2012-2016 drought. Deliveries increased through FY 2017-18 leveling off through FY 2019-20. Retail water demand increased during the COVID-19 pandemic as people were largely staying home, presumably doing a lot of gardening, and otherwise using more water. Deliveries declined in FY 2021-22 as people started returning to the office and spending less time at home. Demand increased in FY 2023-24 due to wet winters and no drought messaging. That level of demand is expected to hold through FY 2024-25.

Water Sale Revenues



	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY22-23	FY 23-24 Est.	FY 24-25 Budget
Wholesale Customer Agencies (WCA's)	$6,379,836	$6,463,282	$7,665,649	$8,695,872	$10,560,818	$9,642,676	$9,761,956	$9,648,222	$10,528,562	$9,708,391	$10,014,839
WCA's and SSWD	$6,379,836	$7,067,960	$9,477,539	$10,492,472	$13,044,976	$11,157,014	$11,077,962	$10,750,044	$12,297,936	$11,861,500	$11,508,200
Retail	$7,846,601	$8,255,437	$9,114,488	$10,922,285	$11,405,735	$12,716,838	$13,902,296	$14,302,815	$15,116,729	$16,787,500	$17,455,000

Chart 4

Wholesale water sale revenues increased steadily from a low in FY 2014-15 to a peak in FY 2018-19. This period of revenue growth occurred for several reasons:

- Increased demand from wholesale customers.
- Treatment of SSWD water. While revenues from the wholesale customer agencies increased over this time period, total revenues were further increased by revenues from the treatment of SSWD's PCWA water, as indicated by the difference between the dark and light blue lines in the graph above.
- Increased rates. On January 11, 2017, the Board of Directors approved a 5-Year Rate Schedule, which allowed for a 16% effective increase to go into effect on January 1, 2017, 9% per year for January 2018 through January 2020 and 5% in January 2021.

Wholesale water sale revenues declined in FY 2019-20, despite the rate increase and increased sales to the wholesale customer agencies, due to SSWD taking less PCWA water. In addition, wholesale water rates were reduced on July 1, 2019, to reflect savings incurred by refinancing a debt issuance in 2017. Wholesale water sale revenues held steady in FY 2020-21, despite a planned 5% effective rate increase on January 1, 2021. Due to hydrologic conditions, SSWD was not able to take its PCWA water. However, the two water districts entered into an agreement wherein SSWD is purchasing treated water directly from the District. While the District earns more money by selling its own water to the SSWD, as opposed to simply treating their PCWA water, the amount sold was 2,340 acre-feet less than what was treated in the prior year, resulting in a decline in revenues. Wholesale water sale revenues fell in FY 2021-22 due to a general decline in demand, most notably from CHWD and FOWD. The last of the rate increases from the 2017 Wholesale Financial Plan went into effect on January 1, 2021. Rates remained unchanged, in total, until January 2024. Therefore, changes in wholesale water sales revenues from FY 2021-22 through FY 2023-24 are due solely to the changes in demand discussed previously. Revenues are expected to increase slightly in FY 2024-25 due to scheduled inflationary rate increases in January of 2024 and 2025.

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

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

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

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

In FY 2018-19, there was an 8% effective rate increase on January 1, 2019, but consumption was down 8.46%, resulting in a revenue increase of 4.43%.

Water sale revenues increased 11.5% in FY 2019-20 due to the 8% effective rate increases on January 1, 2019, and 2020, and stable consumption (0.55% decline).

The effective 6% rate increase on January 1, 2021, was expected to be partially offset by a 10% decline in consumption, because of the COVID-19 pandemic, resulting in a revenue increase of 3.48%. However, the pandemic resulted in an increase, not a decrease, in water sales and the FY 2020-21 retail water sales revenues increased by 9% from the prior year.

Despite lower demand, retail water sales revenues increased 2.88% in FY 2021-22 due to an 8% rate increase effective February 2022.

Retail water sale revenues increased in FY 2022-23, despite a 10% decline in deliveries due to back-to-back 8% rate increases

The last of the District's approved retail rate increases went into effect on January 1, 2024. With demand expectations being held constant, the District is expecting retail water sale revenues to increase by 4%, because of the January 1, 2024, 8% rate increase.

Property Tax

Representing about 9% of total District revenues, excluding the proceeds from the issuance of debt, Property Taxes are usually the second largest revenue source. Property Tax revenue is shared evenly between wholesale and retail and has been designated by the Board of Directors to be spent on capital projects, not operations.

Property Tax Revenues

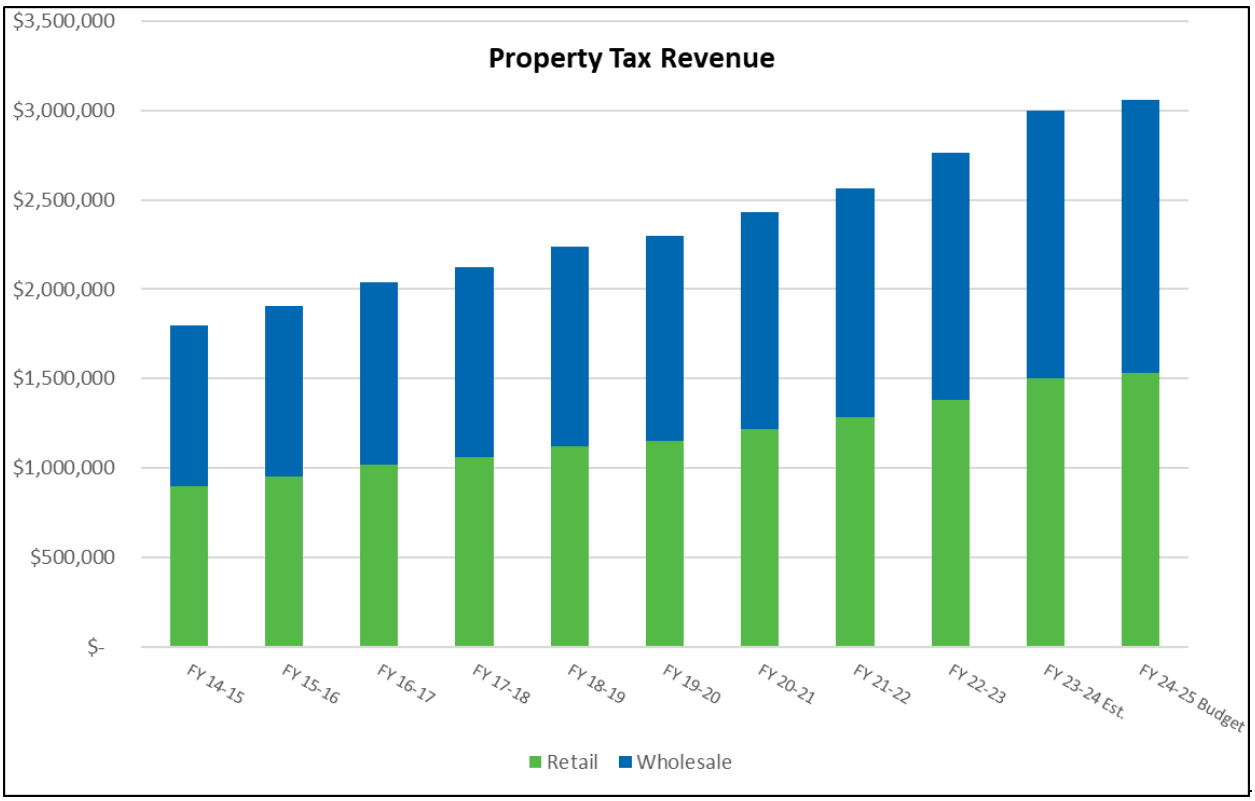


Chart 5

Property Tax revenues have been steadily increasing over the past eight years, a result of the rebound in the housing market after the Great Recession (see Chart 5). This budget anticipates a 2% increase in Property Tax revenues. Property taxes are set in January for the upcoming fiscal year, based on January property values. Neither the pandemic, nor the recent interest rate increases, appear to have had a negative effect on property values.

Proceeds from the Issuance of New Debt

The San Juan Water District strives to be on a pay as you go basis for funding the capital program. This means the District needs to build up significant reserves so that cash is on hand when infrastructure needs to be replaced. Most of the capital replacement program is funded with accumulated reserves. The existing reserves of the District are not currently sufficient to fund two large infrastructure projects:

Project	Total Project Cost	FY 2024-25 Debt Financing
Kokila Reservoir Replacement	$ 13,167,000	$ 12,110,000
Retail Groundwater Production Facility/Capacity	$ 5,150,000	$ 5,150,000

The District expects to utilize the State of California's Drinking Water Revolving Loan Fund, which offers project financing at lower than market rate, for the Kokila Reservoir project. The District secured a loan agreement at 1.2% interest and a repayment period of 30 years for the Hinkle Reservoir project and an interest rate of 1.1% over 30 years for the Eureka Road Transmission Pipeline Replacement project through this program. The loan application for the Kokila Reservoir Replacement project is in progress, as is a potential grant application for partial funding of the project.

The money planned for the Retail Groundwater Production Facility is not sufficient to purchase land and construct a well. Therefore, the District is working with SSWD to provide funding for them to expand their groundwater production capacity. In return, the District would get capacity rights in their system. Because you must own the underlying physical asset to utilize the Revolving Loan Fund, the District anticipates issuing a tax-exempt bond to finance this project.

Salaries and Benefits

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

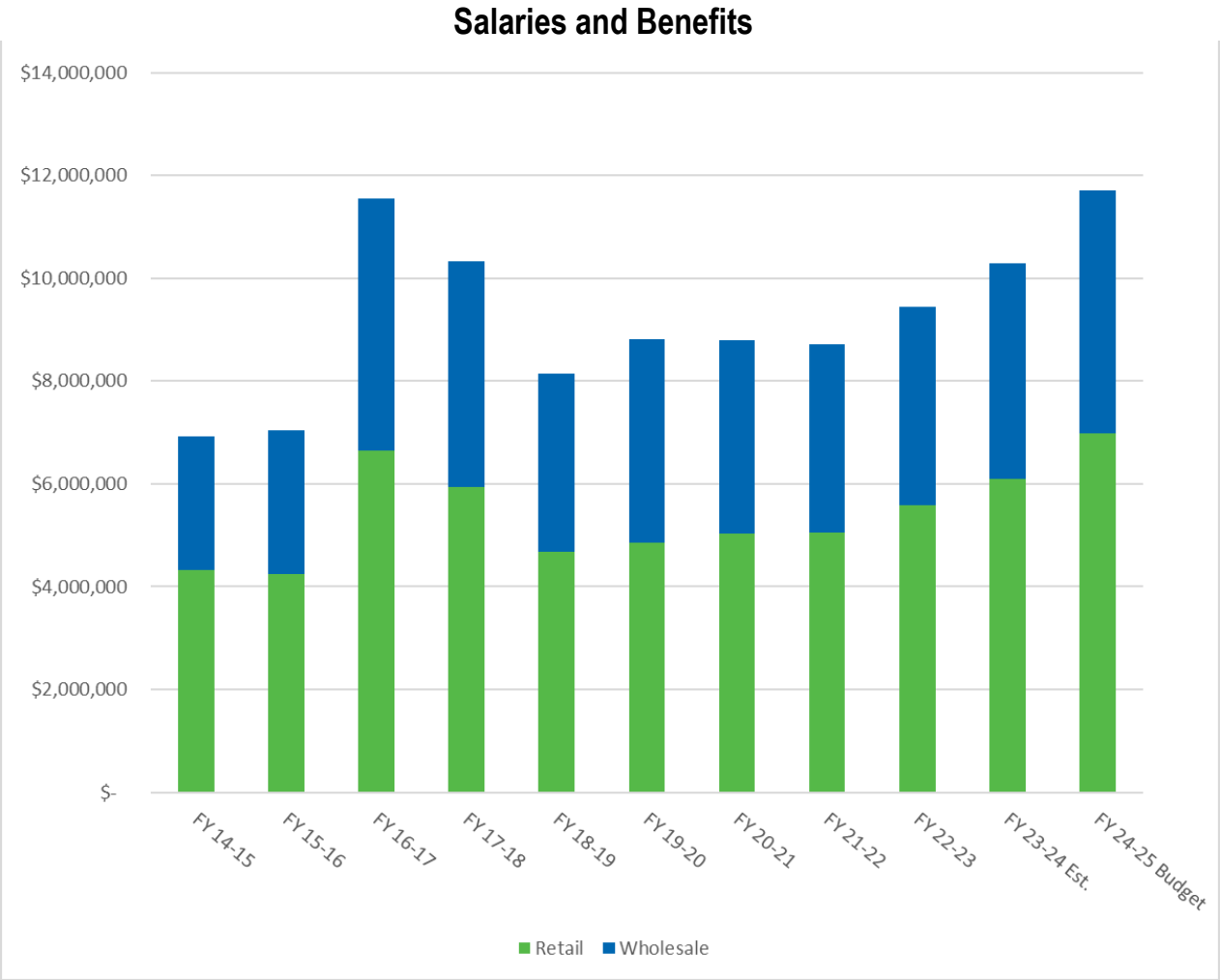


Chart 6

Chart 6 depicts a spike in Salary and Benefit costs in FY 2016-17, followed by a decline through FY 2018-19, then relative stability through FY 2021-22, beginning an upward trend in FY 2022-23.

The FY 2016-17 spike is due to the Board of Director's decision to pay down the District's unfunded pension liability. The District paid $4,112,000 towards this liability in FY 2016-17 and remitted an additional $2,787,800 in FY 2017-18, which, combined with extra annual payments of $200,000 toward the liability through FY 2021-22, and with favorable returns in the CalPERS portfolio, eliminated the District's unfunded pension liability in FY 2021-22, saving approximately $8.8 million over the next 25 years.

It is normal and expected for the funded status of the pension to fluctuate over time. The pension plan expects an overall positive return on investments in the long run, but fluctuations from year to year will happen. Due to the loss in the pension fund portfolio in FY 2021-22, the District once again has an unfunded liability. Future market performance will dictate future pension funding status, but in years where the District has an unfunded liability it is the Boards policy to remit extra payments to pay it down. This benefits the ratepayers in the long run because CalPERS charges interest on unfunded liabilities.

Prior to 2019, the Board's target for total compensation was 10% over the market average. In 2019, the Board reduced that target down to "market average". As a result, many employees' salaries were frozen, thus the stability in salaries and wages from 2019 through FY 2021-22. Between 2019 and July 2022 the District lost over 25% of its workforce, either through retirements, or other employment opportunities. The District struggled to fill those open positions. In July 2022, the Board reversed course and set the target for salaries at 5% over the market average. Since that time cost of living adjustments have been awarded to keep salaries up with inflation. These two changes are the primary reason for the upward trend of salaries and benefits that began in FY 2022-23.

Salaries and Benefits are expected to increase by 13.8% in FY 2024-25 or $944,300 due to the following factors:

- Two Temporary part-time positions. The California Environmental Protection Agency is requiring all California water districts to identify the material in each customer's water service line and to inspect the pipelines at schools and daycare facilities. The District needs temporary labor to assist in this endeavor. CalPERS requires that any individual working more than 960 hours for a CalPERS enrolled employer must be enrolled in the pension pool and both employer and employee contributions must be made into the plan. Utilizing different temporary employees to keep them each under the 960-hour ceiling is not allowed if the nature of the work is the same. Therefore, the District must enroll these temporary employees in the pension plan, even if they are hired through a temporary employment agency. If hired through an agency the District ends up paying both the employer and the employee pension contribution, as the employment agency is not an enrolled employer and has no mechanism to collect and remit the employee contribution. Therefore, it is more cost effective for the District to directly hire these temporary employees so that the District can collect and remit the employee portion, rather than absorbing the cost. Outside of the employer pension contribution and a minimum amount of sick leave required to be offered by law, the temporary employees receive no other District benefits. These positions were included in the FY 2023-24 budget but were not filled during the year. They are included in FY 2024-25 in case they are needed.

- Increase of 11% in health benefit costs.

- The District's compensation policy requires the salary budget to be prepared utilizing the same assumptions about wage growth as that used by CalPERS. The application of those assumptions is the cause of the remainder of the increase. CalPERS assumes an overage increase in wages of 7.5%. The District awards cost of living increases based on the March over March CPI for West Cities B, so long as the total increase stays within the budget prepared by utilizing the CalPERS wage growth assumptions.

Water Supply Costs

The District's existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of water rights on the American River. The second source is a contract with Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with PCWA for up to 25,000 acre-feet of water. All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by Reclamation's Folsom Pumping Plant. Total water deliveries to the District from Reclamation for FY 2022-23 were 36,941 acre-feet and are anticipated to be 43,974 acre-feet for FY 2023-24, and 40,662 for FY 2024-25.

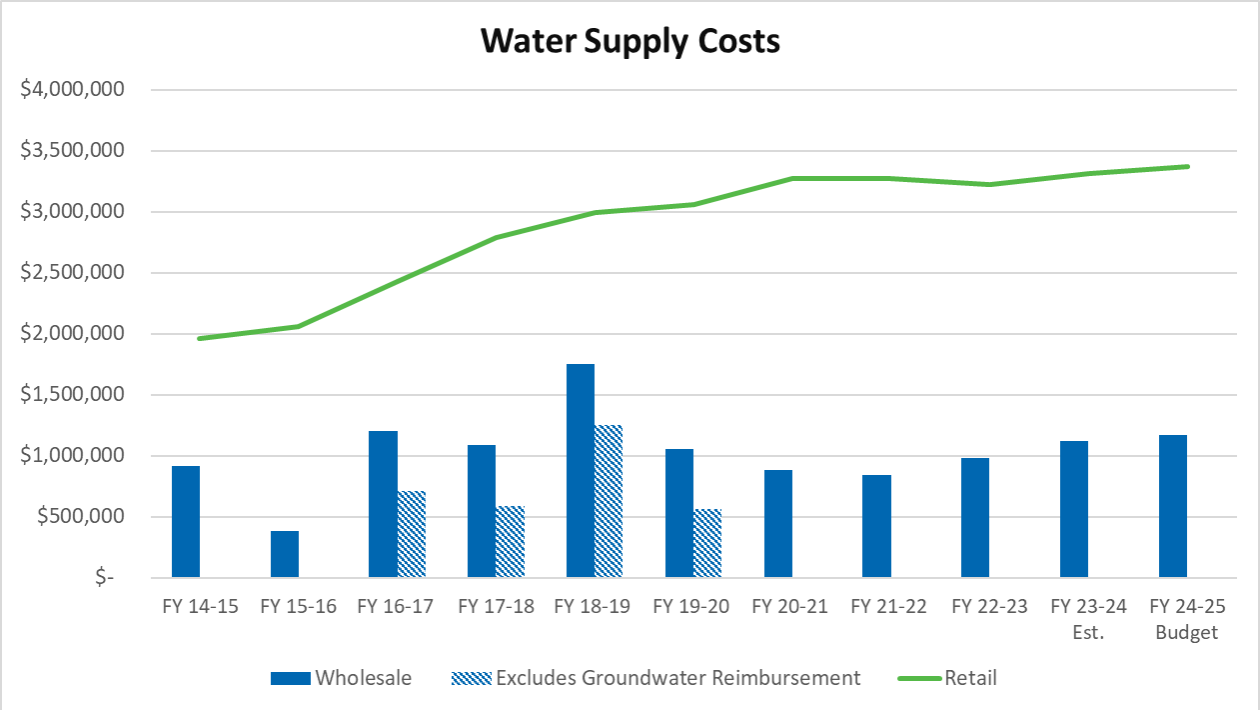


Chart 7

As illustrated in Chart 7, water supply costs increased significantly in FY 2016-17 and again in FY 2018-19.

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

2014, both districts maintained their readiness to supply groundwater, as requested; however, they did not submit invoices for the incremental cost until the District asked them to actually pump groundwater in 2014. At that time, the District was provided with a bill in the approximate amount of $4 million. The District disputed the amount, and the cost was settled in FY 2016-17 at $1,981,440, to be repaid over a 4-year period ending in FY 2019-20. The light blue bar on Chart 7 shows water supply costs for fiscal years 2016-17 through 2019-20 without the payment towards the groundwater reimbursement.

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

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

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

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

The groundwater reimbursement payments to CHWD and FOWD were completed in FY 2019-20, reducing annual costs by $495,400. Thus, supply costs for FY 2020-21 decreased.

Water Supply costs for FY 2021-22 were lower than the prior year as the District is purchasing less water from PCWA thereby reducing the wheeling charges.

Costs rose slightly in FY 2022-23 due to an increase in the PCWA water and wheeling charges. The District anticipates paying approximately $20,000 in FY 2023-24 and $160,000 in FY 2024-25 for the environmental review necessary to renew the District's Warrant Act (or wheeling) agreement with the U.S. Bureau of Reclamation.

The retail division purchases treated water from the wholesale division, the same as the other WCA's. The green line shows retails' water supply costs over the same time period as wholesales. The chart illustrates, in part, the difference in cost between raw water and treated drinking water.

Capital Spending

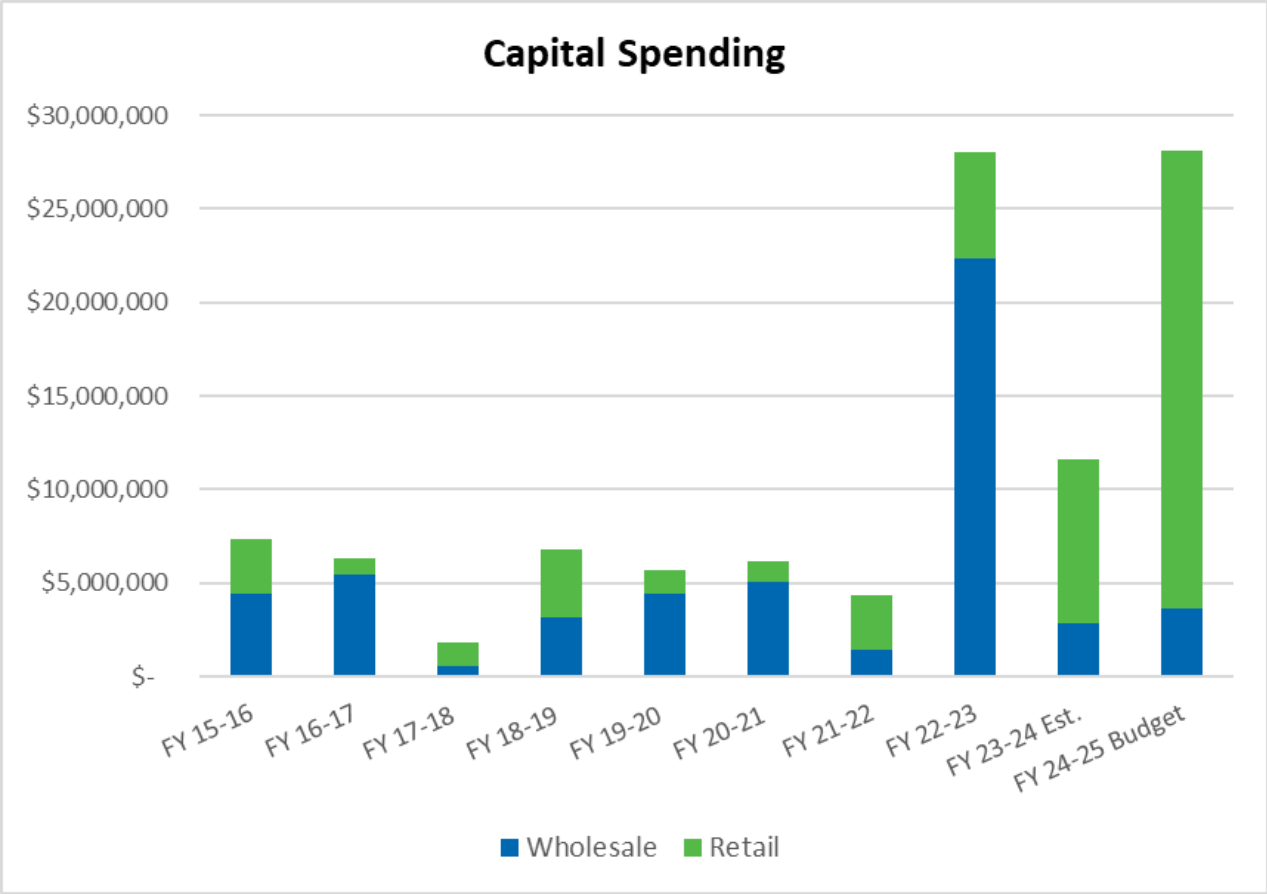


Chart 8

As illustrated in Chart 8 above, capital spending fluctuated from $7.3 million in FY 2015-16 to a low of $1.8 million in FY 2017-18 then increasing to a ten-year estimated high of $28.2 million.

The large spike in FY 2022-23 capital spending was due to the Hinkle Reservoir Replacement Project. The Hinkle Reservoir is a 62-million gallon lined and covered earthen reservoir. The Water Treatment Plant operates at a constant flowrate and the reservoir is used to store excess treated water, with the water level rising and falling with changes in demand and production. In FY 2022-23 through FY 2023-24, the liner and cover were placed, the inlet and outlet structures were rehabilitated, and other ancillary repairs were made. Most of the project was completed in FY 2022-23 even though it will not be fully complete until the end of FY 2023-24. Total project costs are estimated to be approximately $25 million.

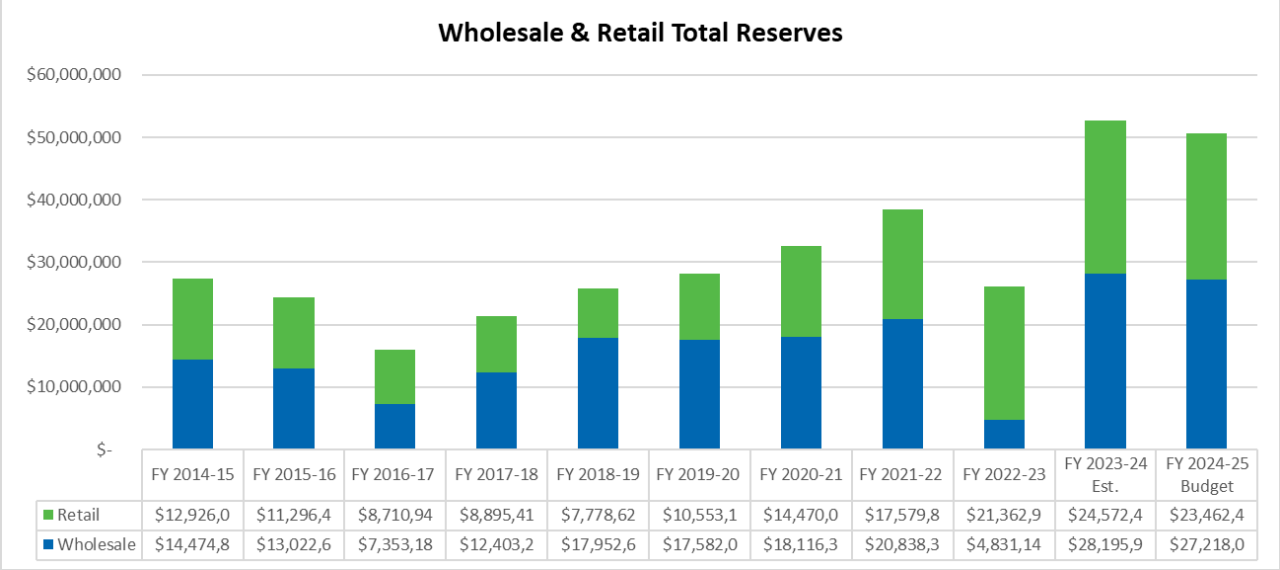
Another spike in capital spending is expected for FY 2024-25, this time due to retail capital projects, the largest of which is the planned replacement of the Kokila Reservoir. Kokila Reservoir is a 4.56-million gallon lined and covered earthen reservoir. The reservoir serves an as operational and emergency storage facility at a high elevation point in the District's retail service area. The cover and liner were installed in 1984 with an estimated life of 25 years. Regular maintenance has extended its life an additional 15 years. The cover and liner are now in need of replacement. The District intends to replace the Hypalon cover and liner with a concrete tank and is pursuing both a grant and a low interest rate loan from the State Water Resources Control Board's revolving loan fund to finance this project.

The remainder of the retail capital projects are a combination of adding or enlarging pipelines for better connectivity and fire flow, projects to increase operating efficiency at the District’s various pump stations, and the purchase of capacity in a neighboring District’s groundwater system to increase the reliability of the District’s water supply to the retail service area.

A complete list of projects planned for FY 2024-25 can be found starting on pages 59 and 69 of this document.

Reserve Summary

Wholesale and Retail Total Reserves



	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Est.	FY 2024-25 Budget
Retail	$12,926,0	$11,296,4	$8,710,94	$8,895,41	$7,778,62	$10,553,1	$14,470,0	$17,579,8	$21,362,9	$24,572,4	$23,462,4
Wholesale	$14,474,8	$13,022,6	$7,353,18	$12,403,2	$17,952,6	$17,582,0	$18,116,3	$20,838,3	$4,831,14	$28,195,9	$27,218,0

Chart 9

The combination of the Great Recession, followed by the drought, resulted in the need to defer maintenance and capital projects, and utilize reserves to augment operations and critical capital projects. This is illustrated in Chart 9 by the sharp decline in District reserve balances between FY 2013-14 and 2016-17.

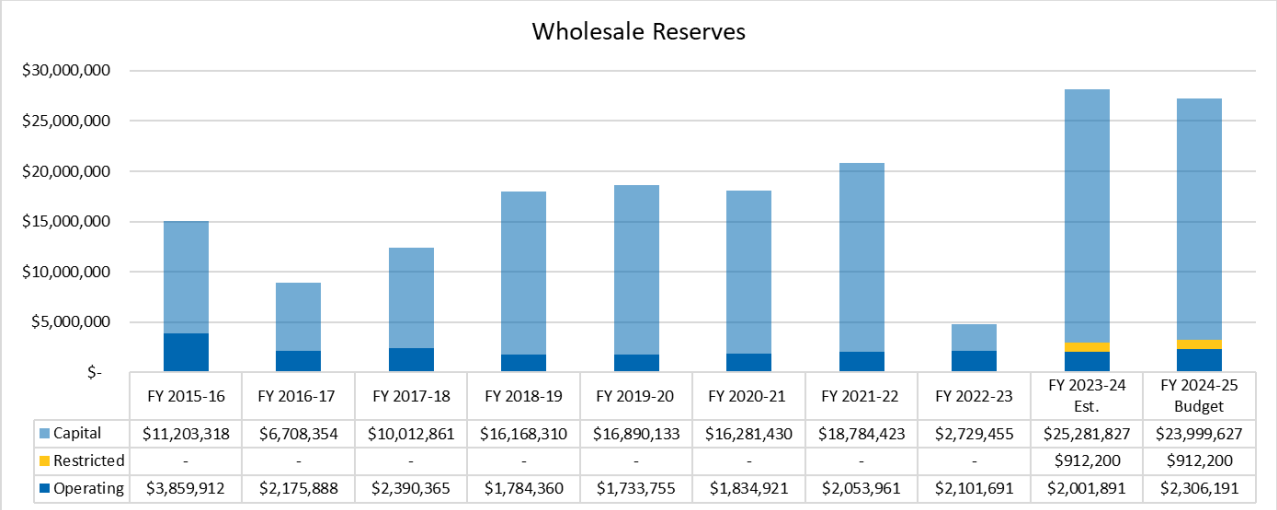
The District has taken several actions to improve its financial condition now and into the future, as described below:

- *Paid off Unfunded Pension Liability:* The Board authorized two large payments intended to pay off the District's unfunded pension liability. The District was paying 7.5% interest on this liability, but only earning approximately 1.5% on its reserves. In May 2017, the District remitted $4,112,000, and in April 2018 the District paid $2,787,800. By drawing down reserves to pay down this debt, the District will save approximately $8.8 million through FY 2036-37, with annual savings of approximately $350,000. These savings will fund critical infrastructure needs which will help reduce upward pressure on rates. Through these efforts, the District was able to achieve a funded rate of approximately 95%, one of the highest funded rates in the State of California. With the pension plan's FY 2020-21 investment return of 21.3%, the District's pension liability converted to a pension asset. While this status is fluid, changing annually based on the performance of the CalPERS portfolio and subject to changing assumptions about future interest and mortality rates, it still signifies strong financial stewardship by the Board of Directors.

- *Debt Refinanced*: In May of 2017, the Board of Directors approved an advance refunding of the District's Series 2009A Certificates of Participation. This refinancing will save the District approximately $11.2 million through FY 2038-39. The 2012 Refunding Bonds were refunded on February 1, 2022, with a private placement loan resulting in total interest savings of approximately $1.75 million through FY 2032-33.
- *Utilization of California State Water Resources Control Board's Revolving Loan Fund Program (SRF):* The SRF grants low interest rate loans for drinking water capital improvement projects. While the process of obtaining the loan is long (up to two years or more), the low interest rate generates significant savings. For example, the District secured an SRF loan for the Hinkle Reservoir Replacement Project at 1.2% interest. If the District were to finance this project through a traditional bond issuance, the interest rate would have been closer to 4%, increasing debt service costs by at least $12 million over 30 years. The District utilized the SRF for the Eureka Road Pipeline Replacement project in FY 2023-24 and is working on a loan for the Kokila Reservoir Replacement project. The District intends to utilize the SRF program whenever possible.
- *Renegotiated Contract with PCWA*: In December of 2017, the District negotiated an amendment to its contract with PCWA wherein the take or pay amount was reduced from 25,000 acre-feet to 12,500 acre-feet. The District still has the option to take up to 25,000 acre-feet but is only required to pay for 12,500 acre-feet regardless of whether it takes the water or not. This cut the PCWA water supply cost in half, providing savings of approximately $275,000 per year, starting in FY 2018-19. The District had two take or pay contracts with the City of Roseville, totaling 4,000 AF per year. Under these agreements Roseville paid the District for 4,000 AF per year of the District's 12,500 AF of PCWA water. The agreements terminated in FY 2022-23 and there are no plans for them to be renewed. Therefore, the District is considering further reductions to its take or pay contract with PCWA.
- *Adjustment to Rate Building Methodology:* Since completion of the 2017 Wholesale and Retail Financial Plans, the District has been slowly adjusting the rate structure so that the fixed portion of the rate is in better alignment with fixed costs. Structuring rates in this manner results in stable revenues that move with expenses and eliminates the need for unpopular special drought rates. The Board's approval of these multi-year rate schedules have replenished reserves, ensuring that the District can continue its mission to deliver a reliable water supply of the highest quality at reasonable and equitable costs now and into the future.

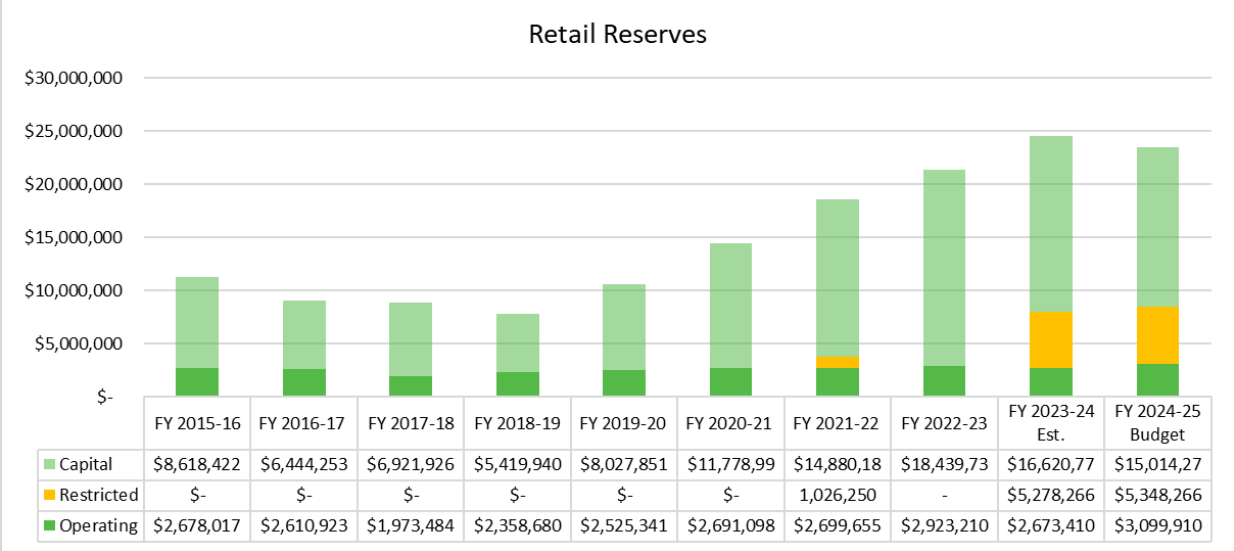
- *Water Transfers:* As explained on page 9, SSWD's ability to purchase surface water from PCWA or the U.S. Bureau of Reclamation is constrained by the amount of unimpaired flow into Folsom Lake, and they are not able to purchase such water supplies in every year. In 2020, the two water agencies negotiated an agreement whereby SSWD purchased the District's own treated water, which is generally available for sale in all water year types. The District sold roughly 4,768 AF to SSWD in FY 2020-21, 3,602 AF in FY 2021-22, and 3,170 AF in FY 2022-23. These water sales generated more than $2.5 million in treatment and wheeling revenue, as well as over $400,000 received for the water itself. In addition, the District has participated in regional groundwater substitution transfers in partnership with two of its Wholesale Customer Agencies – CHWD and FOWD. The first such transfer occurred in 2018 and another occurred in 2022. This latter transfer generated approximately $1.15 million in revenues for the wholesale division. All told, in the last two and a half years or so, these transfer activities undertaken by the District have generated approximately $4,000,000 in revenue for the wholesale division that otherwise would not have been received. This has been particularly helpful to stabilizing the budget because the treatment and wheeling revenue generated when SSWD is able to take PCWA water is subject to the vagaries of hydrology, which in recent years has not supported SSWD's receipt of that water. The transfer revenues have been able to fill that hole and then some.
- *Salary Schedule Reduction*: The District has historically chosen to maintain salaries schedules that, when combined with benefits, put the District's total compensation at 10% above average amongst the selected comparator agencies. In FY 2019-20, the Board of Directors reduced this target down to market median. Current employees were not subject to pay decreases, but their ability to receive future pay increases was substantially reduced. All new employees were hired into the new Compensation Schedule. Existing employees remained on their original pay scale until such a time as the new schedule was greater than their existing scale. The old pay scale was not able to receive cost of living adjustments, as it was frozen until all employees migrated to the new pay scale, at which time it became obsolete. Given several factors, particularly the current tight labor market, the Board gave direction to staff to prepare a new salary schedule that is 5% above market median total cash. While this increased costs, there were significant savings in the three years prior and the District needs the increased salaries for retention and attraction of highly qualified employees.

While most of the District's reserves are available to be used at the Board's discretion there are a few reserves, recently established, that are restricted by law or agreement. The charts below illustrate the restricted portion of wholesale and retail reserves followed by explanatory text.



	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Est.	FY 2024-25 Budget
Capital	$11,203,318	$6,708,354	$10,012,861	$16,168,310	$16,890,133	$16,281,430	$18,784,423	$2,729,455	$25,281,827	$23,999,627
Restricted	-	-	-	-	-	-	-	-	$912,200	$912,200
Operating	$3,859,912	$2,175,888	$2,390,365	$1,784,360	$1,733,755	$1,834,921	$2,053,961	$2,101,691	$2,001,891	$2,306,191

Wholesale reserves peaked in FY 2021-22 just prior to the commencement of the Hinkle Reservoir Replacement Project, which has an estimated total cost of $25 million. The District secured a loan from the State Water Resources Control Board at a favorable interest rate of 1.2%, for most of the project costs. Due to delays at the State, most of the proceeds were not received until the middle of FY 2023-24. This will require the use of Capital reserves since most of the expenses were incurred prior to receiving the loan funds. This is the cause of the large dip in reserves illustrated above in FY 2022-23, and the increase in FY 2023-24. The loan agreement requires the District to hold one years' worth of debit service (interest and principal) in reserve. This amount is shown in orange in the FY 2023-24 and FY 2024-25 bar of the graph. These funds will remain restricted and unavailable for use until the loan is paid off in 30 years. Wholesale capital projects are described in detail starting on page 59.



	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Est.	FY 2024-25 Budget
Capital	$8,618,422	$6,444,253	$6,921,926	$5,419,940	$8,027,851	$11,778,99	$14,880,18	$18,439,73	$16,620,77	$15,014,27
Restricted	$-	$-	$-	$-	$-	$-	1,026,250	-	$5,278,266	$5,348,266
Operating	$2,678,017	$2,610,923	$1,973,484	$2,358,680	$2,525,341	$2,691,098	$2,699,655	$2,923,210	$2,673,410	$3,099,910

Retail reserves are anticipated to peak in FY 2023-24 as many of the planned projects got pushed into FY 2024-25 due to the time and attention needed by staff to finish the Hinkle Reservoir and Eureka Road Pipeline Replacement projects. There are a significant number of projects planned for FY 2024-25, thus the fall in capital reserves. Retail capital projects are further described starting on page 69.

The retail division has several restricted reserves. First is the Capital Facility Fee reserve. The District has established capital facility fees to ensure that new development either buys into the existing system, reimbursing existing rate payers for the investments previously made in the treatment and distribution system, or provides funding for the system to be expanded to support their development project, or a combination of both. On the wholesale side, the capital facility fee is 100% reimbursement or “buy-in”. But, on the retail side, the capital facility fee is a combination of buy-in and expansion. 70% of the retail capital facility fee is designed to fund future projects that have an expansionary component. If fees are collected in advance of project expenditures, then the District is required by California Government Code Section 66013 to hold the excess fees in reserve. The reserve was first established in FY 2021-22 and has grown due to a large amount of capital facility fees received in recent years.

Second, the loans for the Eureka Road Transmission Pipeline Replacement and the Kokila Reservoir Replacement projects both require the establishment of a reserve equal to one year of debt service (principal and interest) payments. This reserve must be maintained for the life of the loan.

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OPERATING FUNDS

OPERATING FUNDS

The Wholesale and Retail Operating Funds account for the operations of the District. Department operating costs are shared and split between wholesale and retail based upon the proportionate benefit received by each, which can differ from person to person, department to department and expense to expense. The major projects for the budget years are discussed in detail in the Operations Plan, which can be found on page 46.

The District is comprised of the following functional areas or departments:

Administration and General

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

Customer Service

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

Distribution (Field Services)

This Department operates and maintains wholesale and retail water transmission and distribution pipelines ranging in size from 6" to 96" in diameter and totaling over 222 miles in length, including water meters, air release values and other appurtenances. This Department also maintains and operates six pump stations and three reservoirs ranging from 0.05 to 4.56 million gallons within the retail system. This Department responds to emergency repairs, reads meters, works directly with customers, and monitors and maintains water quality standards in the system to meet all federal and state drinking standards.

Engineering Services

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

Water Efficiency

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

Water Treatment

This Department maintains and operates the Plant. The Plant is staffed and operated continuously, 24 hours per day, 7 days per week and 365 days per year. This Department also maintains the Hinkle Reservoir, a 62-million-gallon floating cover reservoir, where treated water is stored prior to distribution. The Plant supplies potable water to CHWD, FOWD, OVWC, Ashland, SSWD, and the District's Retail Service Area.

Prior Year Report Card & Current Year Operations Plan

The District's Strategic Plan encompasses our mission, vision and values, and outlines the goals and objectives that we will pursue to meet our mission and achieve our vision. The Strategic Plan incorporates the principles of fiscal responsibility, customer service and operational excellence. It can be viewed on the District's website at: https://www.sjwd.org/strategic-operations-plans

The following tables comprise both the Operations Plan Report Card for FY 2023-24 and the Operations Plan for FY 2024-25. They are organized into sections that correspond to the District's different functional groups. The actions are not in priority order, but the Goals and Strategic Objectives in the Strategic Plan that are related to these actions are noted in the Operations Plan. A target date for accomplishing the action is also listed, and District staff will be reporting regularly on the status of completing each action. The report card for the prior year shows if actions were completed, on track, delayed or have issues.

Operations Plan Report Card FY 2023-24

On Track
Delayed
Issues

ADMINISTRATION/WATER RESOURCES/IT

Task - Strategic Plan Goal & Objective	Original Target Date	Updated Target Date	Completion Date	Comments
Update the District's Strategic Plan - All/All	6/2024			
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable - A/5	Ongoing			
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought - A/5	Ongoing			
Represent the District's interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank - A/1,2,4	Ongoing			
Monitor and respond to regulatory proposals from the SWRCB and DWR in the "Making Conservation a Way of Life" program (water loss regulations, indoor and outdoor efficiency standards, reporting, etc.); collaborate with ACWA, RWA and others around the state to ensure regulations are reasonable - A/1,5; C/2; D/5	Ongoing			
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer - A/5	6/2024			
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation - A/All	Post-14 > 2/2024 Pre-14 > 2/2024 Reclamation > 3/2024		On Time	
Provide Monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries - A/All	The 10th of the following month			Ongoing
Plan 2nd Annual SJWD Employee Kids Day - E/3	7/2024	6/2024		Scheduled for June 12th
Complete Board Ordinance Updates - C/1	Ongoing			
Update Records Retention Schedule - C/1	1/2024	5/2024		Managers to provide input by 2/1/2024

CUSTOMER SERVICE

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover - C/3	Ongoing			
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly - C/2,3	Ongoing			
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing - C3	Ongoing			
Successful transition to new customer payment processor while minimizing customer impact - C/1,5	1/2024		12/22/2023	
Complete a Customer Satisfaction Survey achieving an 85% good or excellent customer satisfaction rating for customer service - C/6	6/2024			On track

Operations Plan Report Card FY 2023-24

On Track
Delayed
Issues

DISTRIBUTION (Field Services)

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Complete the 2024 CO-OP Maintenance Program - B/2	6/2024			
Complete the 2023 Cross Connection Control Program - B/2	12/2023		12/28/2023	
Complete the 2024 Leak Detection Program - B/2	6/2024			
Complete the 2023 Air/Vacuum Relief Valve Program - B/2	12/2023	12/2024		Program delayed due to new LCRR
Complete the 2024 Dead End Flushing Program - B/2	6/2024			
Complete the 2024 Valve Exercise Program - B/2	6/2024			
Complete the 2024 Hydrant Maintenance Program - B/2	6/2024			
Complete the 2024 District Meter Replacement and Testing Program - B/2	6/2024			
Complete the 2024 System Deficiency Goals - B/2	6/2024			
Complete the 2024 Pump Station Deficiency Goals - B/2	6/2024			
Provide technical support for system operations during the Kokila Reservoir Replacement Project - B/1,3	6/2024			

ENGINEERING SERVICES

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Bid and start construction of the Kokila Reservoir Replacement Project - B/3	6/2024	9/2024		Construction delayed until EPA Grant finalized
Complete design and construction and/or rehabilitation of one of the Backwash Hoods (construction of the second Backwash Hood to be completed in FY24/25) - B/3	6/2024			
Complete construction of the Administration Building Electrical Service Upgrade Project - B/3	6/2024			
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs - B/3	6/2024			
Complete construction of the Lime Tower Improvements Project - B/3	6/2024	10/2024		Construction anticipated to be completed by Oct. 2024
Complete construction of the Bacon Generator Replacement project - B/3	6/2024			

Operations Plan Report Card FY 2023-24

On Track
Delayed
Issues

FINANCE and HUMAN RESOURCES

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Complete analysis of health care providers - D/3a	12/2023		11/9/2023	
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project - D/3a	12/2023	unknown		waiting for technical package to be submitted.
Complete Wholesale Financial Plan and Rate Study - D/1	12/2023		12/13/2023	
Update Personnel Manual - E/3	12/2023	6/1/2024		delayed due to PRA's
Fill any open positions within six months - E/5	Ongoing			
Complete annual performance evaluations by the end of February - E/6	2/2024		2/29/2024	
Complete revisions to Treatment Plant Shift Operators MOU - E/6	6/2024			

WATER EFFICIENCY

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Provide 6 educational customer workshops (wholesale) annually - C/2,7	Ongoing			On track
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements annually- C/1,2,5	Ongoing			
Conduct a student art calendar contest to be distributed to all wholesale agencies annually - C/2,7	Ongoing			On track
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement - C/3,5	Ongoing			

WATER TREATMENT

Task - Strategic Plan Goal & Objective	Target Date	Updated Target Date	Completion Date	Comments
Flocculation Drives Zone 2 – Chain Replacement - B/2	10/2023		10/29/2023	
Filter Gallery Electrical Upgrade Phase 2 of 4 - B/2	3/2024	9/2024		5 month absence of E&I Tech
Hinkle Reservoir: Perform internal inspection utilizing a diver - B/2	5/2024		5/1/2024	
Primary Coagulant: Seasonal evaluation on the possible benefits of increased cationic polymer during seasonal water quality changes - B/2	6/2024		2/15/2024	

Administration/Water Resources/IT

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Water Quality Control Plan – represent District interests and collaborate with regional and statewide partners to ensure the WQCP is reasonable and achievable	A F	5 1	Ongoing
Delta conveyance – engage as necessary to protect District interests as new project developed, permits sought	A	5	Ongoing
Represent the District's interests in the implementation of groundwater banking and in the expansion of the regional groundwater bank	A F	1, 2, 4 1	Ongoing
Monitor and respond to regulatory proposals from the SWRCB and DWR in the "Making Conservation a Way of Life" program (water loss regulations, indoor and outdoor efficiency standards, reporting, etc.); collaborate with ACWA, RWA and others around the state to ensure regulations are reasonable	A C D F	1,5 2 5 1	Ongoing
Collaborate with San Juan Board of Directors and employees, and SSWD Board and management in conducting discussions about and analysis of potential combination	A-F	All	Ongoing
If conditions warrant and allow, complete actions necessary to implement a groundwater substitution and/or conserved water transfer	A F	5 1	6/2025
Prepare annual water rights reports to SWRCB and submit estimated schedule of deliveries of PCWA and CVP supplies to Reclamation	A	All	Post-14 > 2/2025 Pre-14 > 2/2025 Reclamation > 3/2025
Provide Monthly summary reports to Reclamation showing usage of water rights, PCWA, and CVP supplies, as well as treatment of SSWD's PCWA deliveries	A	All	The 10th of the following month
3rd Annual SJWD Employee Kids Day	E	3	6/2025
Complete Current Cycle of Reviewing and Updating all Board Ordinances	C	1	6/2025
Update Records Retention Schedule	C	1	9/2024

Customer Service

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Cross train customer service staff to be proficient in customer service related functions to build redundancy to accommodate vacations, illnesses and staff turnover	C	3	6/2025
Work with Field Service and Water Efficiency staff to diagnose customer meter problems and repair promptly	C	2,3	6/2025
Work with Field Service staff to update utility billing databases for the meter replacement rollout to ensure accurate customer billing	C	3	6/2025
Successful transition to Tax roll liens as the primary means of collecting delinquencies	D	6	8/2024

Distribution (Field Services)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2025 CO-OP Maintenance Program: • Inspect and maintain all of the appurtenances on the Cooperative Transmission Mainlines • Exercise all mainline valves on the Cooperative Transmission Mainlines	B	2	6/2025
Complete the 2024 Cross Connection Control Program: • Test 100% of the District Backflows • Re-Test 100% of the failed backflows • Repair or replace all failed backflows	B	2	12/2024
Complete the 2025 Leak Detection Program: • Complete a Leak Detection Survey of the entire distribution system • Prioritize finding and develop a repair plan	B	2	6/2025
Complete the 2024 Air/Vacuum Relief Valve Program: • Inspect and maintain 160 ARVs	B	2	12/2024
Complete the 2025 Dead End Flushing Program: • Inspect, maintain, and flush all of the Districts 501 dead end sites • Prioritize blow-off deficiencies and develop a repair plan	B	2	6/2025

Distribution (Field Services) (con't)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete the 2025 Valve Exercise Program: • Inspect, maintain, and exercise 1,000 mainline valves • Prioritize deficiencies and develop a repair plan	B	2	6/2025
Complete the 2025 Hydrant Maintenance Program: • Inspect, maintain, and exercise 300 fire hydrants • Prioritize deficiencies and develop a repair plan	B	2	6/2025
Complete the 2025 District Meter Replacement and Testing Program: • Test and replace or repair as needed all large meters (3" and above) • Test and replace or repair as needed 27 intermediate meters (1.5" to 2.5") • Upgrade 515 residential meters (1" and below) • Test 371 residential meters (1" and below) • Install 2,100 Radio Read End Points	B	2	6/2025
Kokila Reservoir Replacement Project: • Provide technical support for system operations during the new tank construction	B	1, 3	6/2025

Engineering Services

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Bid and start construction of the Kokila Reservoir Replacement Project	B	3	10/2024
Complete design and construction and/or rehabilitation of one of the Backwash Hoods (construction of the second Backwash Hood to be completed in FY25/26)	B	3	6/2025
Complete construction of the Administration Building Electrical Service Upgrade Project	B	3	6/2025
Complete design and construction of the Service Lines and Air Release Valves Replacement Programs	B	3	6/2025
Complete construction of the Lime Tower Improvements Project	B	3	1/2025

Engineering Services (con't)

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete design of FY24/25 Pipeline Replacement Projects (construction in FY27/28): • Lakeland Dr (approx. 650-lf) • Hidden Lakes Dr (approx. 950-lf) • Fuller Dr (approx. 575-lf)	B	3	6/2025

Finance and Human Resources

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Complete funding agreement for State Revolving Loan Funds for Kokila Reservoir Project	D	4	12/2024
Apply for a grant from Environmental Protection Agency for a portion of the Kokila Reservoir Replacement Project	A	7	9/2024
Secure funding for the Retail Groundwater Supply project	A	2	6/2025
Complete Retail Financial Plan and Rate Study	D	1	6/2025
Conduct User Fee Study and make fee recommendations to Board	D	5	6/2025
Update Personnel Manual	E	3	8/2024
Fill any open positions within six months	E	5	6/2025
Complete annual performance evaluations by the end of February	E	6	2/2025
Complete revisions to Treatment Plant Shift Operators MOU	E	6	8/2024
Provide Retirement Planning workshop for employees utilizing VALIC	E	2	12/2024

Water Efficiency

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Provide 6 educational customer workshops (wholesale)	C	2,7	6/2025
Implement rebate incentive programs and provide on-site assistance to 100 customers to support State mandated water use reductions requirements	C	1,2,5	6/2025
Conduct a student art calendar contest to be distributed to all wholesale agencies	C	2,7	5/2025
Test and replace inoperable meter reading equipment upon failure and send failed meter information to Field Services for replacement.	C	3,5	6/2025

Water Treatment

Task	Strategic Plan Goal	Strategic Plan Objective	Target Date
Rebuild and Retrofit Filter Underdrain Pumping System	B	2	3/2025
Replace WTP Entry Carpeting	B	2	4/2025
Rehabilitate Sludge Vac Valving	B	2	4/2025
Perform Pipelines Cathodic Protection Survey	B	2	6/2025
Perform Water Treatment Plant Exterior Lighting Conversion to LED's	B	2	6/2025
Rehabilitate 1 of 3 Spent Backwash Pumps	B	3	6/2025
Continue Ongoing Primary Coagulant Evaluation	B	2	6/2025
Actively Engage and Participate in American River Watershed Technical Committee	F	2	6/2025
Engage, Participate and Complete Robust Safety and Operations Training Programs	E	1	6/2025

Wholesale Operating Fund

The Wholesale Operating Fund is used to account for the operating revenues and expenses of the wholesale division. This includes the acquisition of raw water, operation and maintenance of the Plant, and the related administrative support to conduct wholesale water activities. This fund holds and is used to report on all wholesale operating reserves. Details on projects funded for the year can be found in the District's Operations Plan, located at page 46.

FISCAL YEAR 2024-25 BUDGET

		Wholesale Operations
Est. Beginning Reserves July 1, 2024	**$**	**2,914,091**
Revenues		
Water Sales		11,508,200
Other Revenues		244,300
Total Revenues	$	11,752,500
Expenses		
Salaries & Benefits	$	4,727,800
Water Supply		1,170,800
Other Expenses		3,834,500
Debt Service - Interest		853,300
Debt Service - Principal		944,100
Total Expenses	$	11,530,500
Net Income	$	222,000
Transfer In/(Out)		82,300
Esimated Ending Reserves	$	3,218,391
Hinkle Reservoir Debt Service Reserve		912,200
Est. Ending Available Reserves June 30, 2025	**$**	**2,306,191**

WHOLESALE OPERATING FUND SUMMARY

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Estimate	FY 2024-25 Proposed Budget
Est. Beginning Available Reserves	**$ 1,784,360**	**$ 1,733,756**	**$ 1,822,121**	**$ 2,053,961**	**$ 2,101,691**	**$ 2,914,091**
Revenues						
Water Sales	11,157,014	11,077,962	10,750,044	12,297,936	11,861,500	11,508,200
Other Revenues	294,047	139,064	158,727	202,997	286,400	244,300
Total Revenues	$ 11,451,061	$ 11,217,026	$ 10,908,771	$ 12,500,933	$ 12,147,900	**$ 11,752,500**
Expenses						
Administration and General						
Salaries & Benefits	$ 1,347,397	$ 1,466,215	$ 1,490,571	$ 1,478,469	$ 1,606,600	$ 1,858,200
Professional Services	418,729	425,766	471,316	382,769	585,600	643,500
Maintenance and Repair	11,298	13,948	19,101	25,019	28,200	149,200
Materials and Supplies	68,164	21,305	98,103	67,618	55,000	115,000
Other Expenses	391,591	507,632	314,444	460,928	604,100	652,900
Total Administration and General	2,237,179	2,434,864	2,393,535	2,414,802	2,879,500	3,418,800
Water Treatment Plant						
Salaries & Benefits	1,914,002	1,917,977	1,816,370	1,967,492	2,150,800	2,373,700
Professional Services	95,835	29,030	102,575	39,813	37,100	76,200
Maintenance and Repair	303,572	239,695	434,542	397,611	322,400	424,800
Materials and Supplies	489,061	455,985	550,270	800,271	931,300	1,192,300
Other Expenses	214,613	232,403	241,934	315,993	393,300	488,500
Total Water Treatment Plant	3,017,082	2,875,089	3,145,692	3,521,180	3,834,900	4,555,500
Water Supply						
Placer County Water Agency	413,785	680,925	650,297	632,736	483,400	560,700
Purchase of Treated Water (Groundwater)	495,360	-	-	-	-	-
Pumping to Treatment Plant	93,687	96,506	87,817	70,622	50,000	80,000
Pre - 1914 Water Rights Water	26,274	27,799	30,543	32,775	33,800	35,500
Central Valley Project Water	-	-	-	112,988	212,900	119,000
Other	28,794	74,064	74,533	135,739	341,300	375,600
Total Water Supply	1,057,900	879,294	843,190	984,861	1,121,400	1,170,800
Engineering						
Salaries & Benefits	341,241	341,700	330,404	381,012	388,300	450,600
Professional Services	10,859	130,133	17,234	16,721	42,000	42,800
Maintenance and Repair	2,433	2,108	2,650	1,158	4,200	3,200
Materials and Supplies	1,295	1,666	1,278	2,684	4,600	6,700
Other Expenses	3,706	10,347	3,841	9,258	5,100	16,700
Total Engineering	359,535	485,954	355,406	410,833	444,200	520,000
Water Efficiency						
Salaries & Benefits	-	34,874	35,861	38,802	42,200	45,300
Professional Services	500	-	340	4,728	3,000	3,000
Maintenance and Repair	12,425	10,734	8,881	6,080	14,700	17,000
Materials and Supplies	-	-	178	337	600	600
Other Expenses	3,825	114	4,326	91	3,200	300
Total Water Efficiency	16,750	45,722	49,586	50,038	63,700	66,200
Non-Departmental						
Debt Service - Principal	698,450	730,693	696,442	1,763,145	925,600	944,100
Debt Service - Interest	868,865	896,614	792,633	632,286	738,200	853,300
Other	1,441	1,517	80,890	1,622	1,700	1,800
Total Non-Departmental	1,568,756	1,628,824	1,569,965	2,397,053	1,665,500	1,799,200
Total Expenses	$ 8,257,201	$ 8,349,747	$ 8,357,374	$ 9,778,767	$ 10,009,200	$ 11,530,500
Transfers (To)/From:						
Year End Transfer (To)/From Capital Outlay Fund	(3,244,465)	(2,778,914)	(2,319,558)	(2,674,436)	(1,326,300)	82,300
Est. Ending Reserves	**$ 1,733,756**	**$ 1,822,121**	**$ 2,053,961**	**$ 2,101,691**	**$ 2,914,091**	**$ 3,218,391**

Retail Operating Fund

The Retail Operating Fund is used to account for the operating revenues and expenses of the Retail Service Area. This includes the payment to the wholesale fund for the cost of treated water, as well as the distribution of the treated water to all customers in the District's Retail Service Area, including related administrative support. This fund holds and is used to report on all retail operating reserves. Details on projects funded for the year can be found in the District's Operations Plan, located on page 46.

FISCAL YEAR 2024-25 BUDGET

	Retail Operations
Est. Beginning Reserves July 1, 2024	**$ 2,809,710**
Revenues	
Water Sales	17,455,000
Other Revenues	754,700
Total Revenues	$ 18,209,700
Expenses	
Salaries & Benefits	$ 6,974,200
Treated Water	3,367,800
Other Expenses	3,936,300
Debt Service - Interest	558,800
Debt Service - Principal	662,000
Total Expenses	$ 15,499,100
Net Income	$ 2,710,600
Transfer In/(Out)	(2,284,100)
Estimated Ending Reserves	3,236,210
Eureka Rd. Transmission Pipeline Debt Service Reserve	136,300
Est. Ending Available Reserves June 30, 2025	**$ 3,099,910**

RETAIL OPERATING FUND SUMMARY

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Estimate	FY 2024-25 Proposed Budget
Est. Beginning Available Reserves	**$ 2,525,341**	**$ 2,691,098**	**$ 2,717,940**	**$ 2,923,210**	**$ 2,809,710**
Revenues					
Water Sales	13,902,296	14,306,771	15,116,729	16,787,500	17,455,000
Other Revenues	620,108	838,672	1,659,255	798,600	754,700
Total Revenues	$ 14,522,404	$ 15,145,443	$ 16,775,984	$ 17,586,100	$ 18,209,700
Expenses					
Administration and General					
Salaries & Benefits	$ 1,229,681	$ 1,264,661	$ 1,238,244	$ 1,404,500	$ 1,731,400
Professional Services	239,323	191,368	138,324	207,800	263,300
Maintenance and Repair	13,948	19,702	20,171	28,200	149,200
Materials and Supplies	25,406	35,716	39,808	26,100	25,200
Other Expenses	281,896	280,862	309,302	434,200	567,600
Total Administration and General	1,790,255	1,792,310	1,745,849	2,100,800	2,736,700
Distribution System					
Salaries & Benefits	2,462,426	2,497,614	2,957,964	3,207,700	3,650,600
Professional Services	155,208	67,164	76,956	94,100	134,700
Maintenance and Repair	672,168	767,805	539,323	469,500	795,000
Materials and Supplies	434,814	427,928	526,470	284,200	305,700
Other Expenses	492,481	519,245	647,251	812,000	1,057,900
Total Distribution System	4,217,097	4,279,756	4,747,964	4,867,500	5,943,900
Water Supply					
Purchase Water from Wholesale	3,306,939	3,273,284	4,133,388	3,309,300	3,367,800
Total Water Supply	3,306,939	3,273,284	4,133,388	3,309,300	3,367,800
Engineering					
Salaries & Benefits	389,241	388,229	433,628	506,500	583,400
Professional Services	55,302	17,207	50,092	40,000	192,800
Maintenance and Repair	2,108	2,650	1,877	10,400	5,200
Materials and Supplies	1,964	11,574	14,783	4,600	6,700
Other Expenses	5,434	4,702	11,380	7,100	17,700
Total Engineering	454,050	424,363	511,760	568,600	805,800
Water Efficiency					
Salaries & Benefits	413,969	392,075	406,875	458,800	495,700
Professional Services	28,121	50,712	6,215	70,000	3,500
Maintenance and Repair	322	1,093	393	800	2,400
Materials and Supplies	325	7,720	1,907	2,000	2,200
Other Expenses	39,317	41,816	43,227	83,800	57,000
Total Water Efficiency	482,054	493,416	458,617	615,400	560,800
Customer Service					
Salaries & Benefits	534,818	501,914	545,856	519,000	513,100
Professional Services	20,413	45,277	70,234	80,000	40,000
Maintenance and Repair	6,209	4,742	893	2,700	0
Materials and Supplies	31,817	35,348	35,829	36,500	38,200
Other Expenses	133,080	175,499	232,093	238,600	215,200
Total Customer Service	726,336	762,780	884,906	876,800	806,500
Non-Departmental					
Debt Service - Principal	404,307	404,307	510,869	567,000	662,000
Debt Service - Interest	498,199	442,047	410,555	403,400	558,800
Other	1,487	44,598	64,256	58,200	56,800
Total Non-Departmental	903,992	890,952	985,680	1,028,600	1,277,600
Total Expenses	$ 11,880,722	$ 11,916,860	$ 13,468,164	$ 13,367,000	$ 15,499,100
Transfers (To)/From:					
Year End Transfer (To)/From Capital Outlay Fund	(2,475,925)	(3,220,026)	(3,102,550)	(4,332,600)	(2,284,100)
Est. Ending Reserves	**$ 2,691,098**	**$ 2,699,655**	**$ 2,923,210**	**$ 2,809,710**	**$ 3,236,210**

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CAPITAL FUNDS

Wholesale Capital Outlay Fund

This fund was created in FY 2015-16 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for wholesale capital expenditures and to account for the acquisition of wholesale capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all wholesale capital reserves. Details on the capital projects can be found starting on page 59.

FISCAL YEAR 2024-25 BUDGET

		Wholesale Capital Outlay
Est. Beginning Available Reserves July 1, 2024	**$**	**25,281,827**
Revenues		
Taxes & Assessments		1,530,000
Connection Fees		75,000
Other Revenues		850,000
Total Revenues	$	2,455,000
Expenses		
Capital Improvement Projects		2,934,900
Professional Services		720,000
Total Expenses	$	3,654,900
Net Income	$	(1,199,900)
Transfer In/(Out)		(82,300)
Est. Ending Available Reserves June 30, 2025	**$**	**23,999,627**

WHOLESALE CAPITAL OUTLAY FUND SUMMARY

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Estimated	FY 204-25 Proposed Budget
Est. Beginning Available Reserves	**$ 16,890,133**	**$ 16,281,430**	**$ 18,784,423**	**$ 2,729,455**	**$ 25,281,827**
Revenues					
Proceeds from Issuance of Debt	$ -	$ -	$ 846,424	$ 22,019,068	$ -
Taxes & Assessments	1,215,739	1,281,061	1,382,542	1,500,000	1,530,000
Capital Contributions	68,658	-	911,800	-	-
Connection Fees	268,649	189,894	279,042	101,000	75,000
Other Revenues	88,090	126,380	199,150	416,904	850,000
Total Revenues	$ 1,641,135	$ 1,597,335	$ 3,618,958	$ 24,036,972	$ 2,455,000
Expenses					
Water Treatment Plant Improvements	$ 2,606,088	$ 766,153	$ 238,671	$ 419,800	$ 1,414,100
Land Improvements	34,704	11,814	394,704	45,400	798,000
Professional Services	-	271,438	61,460	100,000	413,000
Maintenance	13,080	3,177	-	116,000	307,000
Mains/Pipelines & Improvements	-	-	-	-	300,000
Equipment and Furniture	32,796	52,243	48,842	273,500	207,500
Buildings & Improvements	11,306	7,968	13,110	41,600	169,300
Vehicles	30,637	113,291	-	269,000	26,000
Software	1,829	13,733	-	-	20,000
Reservoirs & Improvements	2,298,310	151,583	21,574,477	1,538,900	-
Land Acquisition	-	22,500	-	-	-
Meters	-	-	17,097	20,000	-
Contributions to Others	-	-	-	-	-
Total Expenses	$ 5,028,752	$ 1,413,900	$ 22,348,362	$ 2,824,200	$ 3,654,900
Net Income	$ (3,387,617)	$ 183,435	$ (18,729,404)	$ 21,212,772	$ (1,199,900)
Transfer In	2,778,914	2,319,558	2,674,436	1,339,600	-
Transfer Out	-	-	-	-	82,300
Est. Ending Available Reserves	**$ 16,281,430**	**$ 18,784,423**	**$ 2,729,455**	**$ 25,281,827**	**$ 23,999,627**

WHOLESALE CAPITAL PROJECTS FY 2024-25

Water Treatment Plant (WTP) Improvements

Backwash Hood Rehabilitation and Rail Track Improvements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 295,400
Start Date:	FY 2022-23	**Budgeted Spending FY 2024-25:**	$ 900,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**	$ 900,000
		Total Project Cost:	$ 2,095,400

The final filtration of water occurs in the North and South basins which each have a series of filter cells along the bottom of the basin. Each basin has two backwash hoods that move across the basins to backwash (clean) the various filters. The backwash hoods suck water up through the filters and send the water back into the first treatment stage of the plant. Each basin currently has one new and old backwash hood. This project assessed the structural integrity of the two old hoods and determined that they could be rehabilitated instead of being replaced (including the rail track upon which they move). One hood, and the rail track upon which it moves, will be rehabilitated this year and the other next year. This project will not materially affect ongoing operating costs.

Lime Tower Coating and Improvements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 153,000
Start Date:	FY 2019-20	**Budgeted Spending FY 2024-25:**	$ 373,100
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 526,100

The lime tower stores and distributes lime into the treated water as it leaves the treatment plant. Lime is used in the treatment process to manage pH levels in the distribution system. The small amount of lime in the treated drinking water protects the Districts entire distribution system from untimely corrosion. The lime tower is aged. The District commissioned a study in FY 2019-20 to determine its rehabilitation needs. The study recommends re-doing the interior and exterior coating. Design work started in FY 2022-23 and will finish in early FY 2023-24 and construction will commence in FY 2024.25.

Rehabilitation of 3 Backwash Pump Stations

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 58,000
Estimated Completion:	FY 2027-28	**Estimated Future Spending:**	$ 122,000
		Total Project Cost:	$ 180,000

The dirty water from the filters in the water treatment plant filter basis is sent to the EQ basin where it is pumped by the backwash pump stations back to the headwater of the treatment plant. The backwash pump stations are in need of rehabilitation. The District plans on rehabilitating one backwash pump station per year, for the next three years.

Water Treatment Plant Improvements (con't)

Power Monitor for Hinkle Pump Station

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	10,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$	53,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	63,000

The District's power costs have more than doubled over the past two years. Power monitors allow the District to see how much energy is being utilized at a specific site in real time. The District intends to purchase power monitors for the Lower Granite Bay Pump Station, Hinkle Pump Station, and the American River South Pump Station. Once installed and activated these monitors should result in lower energy costs than what would otherwise be incurred. This is a shared project with the Retail division. Wholesale's share is for the Hinkle Pump Station.

Fiber Optic Cabling to Solids Handling Building

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	30,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	30,000

The current network connection between the solids handling facility at the water treatment plant consists of a single network cable stretched from the solids handling room to the operations room then connected to a switch which connects to the server room. It allows for one server connection with no redundancy. Installing fiber optic cabling from the solids handling building directly to the server room, creates multiple connections to the network, thus creating redundancy. The solids handling facility is the only location not connected to the server room with fiber optic cabling. This improvement will not affect future operating costs.

Land Improvements

Water Treatment Plant Site Paving, Slurry Seal and Re-Stripe

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	25,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$	650,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	675,000

This project will grind down and overlay the pavement surrounding the water treatment plant (approximately 48,000 square feet.

Administration Building Deck and Shade Structure

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	20,400
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$	148,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	168,400

On January 3, 2023, during a rainstorm, a very large oak tree fell onto the deck of the Administration Building causing significant damage to the existing deck. Prior to falling, the oak tree had provided shade for the majority of deck. This project will replace the damaged deck and install a shade structure in place of the fallen tree. Insurance proceeds were received for the deck replacement, but not for the cost of the shade structure. This represents the wholesale divisions share of the project costs.

Professional Services

Launderer & Settling Tube Evaluation

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	100,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**		TBD
		Total Project Cost:	$	100,000

The launderers and settling tubes in the sedimentation basins are experiencing multiple failures each year. This project will evaluate what can be done to strengthen the launderers and settling tubes to prevent recurring failures.

Filter Effluent Pipe Thickness Testing

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	75,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**		TBD
		Total Project Cost:	$	75,000

The effluent pipes in the treatment plant's filter gallery are 40 years old. This project aims to determine the current thickness and condition of the pipes to determine if they are in need of repair and/or replacement.

Site Security Evaluation and Design

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	50,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**		TBD
		Total Project Cost:	$	50,000

After providing active shooter training for staff the Central California Intelligence Center offered to conduct a site vulnerability assessment for the District. Their assessment pointed out several areas of the District campus where we are vulnerable to intrusion. This study will determine how to best mitigate those vulnerabilities

Wholesale Property Evaluation

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	50,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**		TBD
		Total Project Cost:	$	50,000

The District is evaluating construction of an additional treated water reservoir south of the existing Hinkle Reservoir, to increase our system reliability. The land is currently owned by the United States Bureau of Reclamation. This funding may be needed for property assessments and environmental work necessary through the process of procuring the land from Reclamation.

Professional Services (con't)

Twin 54-Inch Transmission Pipelines and BFV Actuators Condition Assessment

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	50,000
Estimated Completion:	FY 2025-26	**Estimated Future Spending:**	$	155,000
		Total Project Cost:	$	205,000

The Twin 54-Inch transmission pipelines run from the Baldwin Pump Station down to the Penstocks Manifold, where they split off into 4 separate wholesale distribution pipelines. This project will evaluate the rehabilitation needs of the pipeline, likely resulting in rehabilitation of the butterfly valves at the start of the pipelines and or/rehabilitation of the actuator gear box. The planning and design is funded in FY 2023-24 with work to commence in the subsequent fiscal year.

Penstock Manifold and Butterfly Valve Actuators Condition Assessment

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	38,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**	$	116,000
		Total Project Cost:	$	154,000

The penstock manifold converts the twin-54-inch transmission pipelines into 4 separate wholesale distribution pipelines. This project will assess the condition of the lining of the pipe and determine the maintenance needs of the manifold, including the 3 butterfly valves where the twin 54-inch pipelines meet the manifold. The $38,000 budgeted in FY 2024-25 is for the condition assessment and potentially the design for the improvements needed. The $116,000 of estimated future spending is the anticipated costs of the improvements the District suspects will be needed.

Evaluation of 60-inch Pipeline from Filter Gallery to Hinkle Reservoir Inlet Structure

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	25,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**		TBD
		Total Project Cost:	$	25,000

Clean drinking water is delivered from the filter gallery at the water treatment plant, to the Hinkle Reservoir through a 60-inch concrete lined pipeline. A small amount of lime is injected into the water in transit. While lime helps preserve concrete this pipeline, and there are no outside indications of degradation of the pipeline, there is a section that has never been relined. This evaluation is necessary to determine the condition of the entire pipeline and to determine if any sections need relining or other improvements.

Evaluation of Powdered Activated Carbon System

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	25,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$	25,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**	$	1,804,000
		Total Project Cost:	$	1,854,000

Cyanobacterial algae blooms (blue-green algae) occur in fresh water when the water is warm, stagnant, and rich in nutrients from sources such as fertilizer runoff. These blooms have been occurring in California's fresh water sources with increasing frequency. A powdered activated carbon system can effectively remove the toxins in the water supply from these algae blooms. The funding in FY 2023-24 and FY 2024-25 was and will be used to design such a system, if deemed efficient for the District's water treatment plant. If so, construction would occur in FY 2028-29. The effect on ongoing operating costs is not yet known.

Maintenance

72-Inch Transmission Pipeline - Joint Seal Replacements Hinkle to Bacon Pump Station

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	191,000
Estimated Completion:	FY 2025-26I	**Estimated Future Spending:**	$	589,000
		Total Project Cost:	$	780,000

This project funds the design for the replacement of the aged joint seals in the 72-inch transmission pipeline that runs between the Hinkle Pump Station and Bacon Pump Station. Ensuring a proper seal on the pipe joints reduces leaks.

Wholesale Meter Terminal Replacements (33 meters total)

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	66,000
Start Date:	FY 2022-23	**Budgeted Spending FY 2024-25:**	$	66,000
Estimated Completion:	FY 2025-26	**Estimated Future Spending:**	$	68,000
		Total Project Cost:	$	200,000

The District has 34 wholesale meters. The meter terminals are a component used in the collection of meter data that is sent back to the water treatment plant. The terminals have reached the end of their useful life and are in need of replacement in order to ensure continued accurate meter reads.

Hinkle Reservoir Embankment Restoration and Repair

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	50,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	50,000

The embankment that surrounds and "dams" the Hinkle Reservoir is in need of maintenance. After 40 years of erosion, it needs surface restoration which will include grading and the additional of materials to reinforce and strengthen the embankments.

Mains/Pipelines & Improvements

Reline 60-inch Pipeline from Filters to Inlet Structure

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	150,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	150,000

Clean drinking water is delivered from the filter gallery at the water treatment plant, to the Hinkle Reservoir through a 60-inch concrete lined pipeline. A small amount of lime is injected into the water in transit. While lime helps preserve concrete this pipeline, and there are no outside indications of degradation of the pipeline, there is a section that has never been relined. The District will be performing a condition assessment on the pipeline. In anticipation of needing to reline the previously unlined section of the pipeline, the District is including $150,000 in the FY 2024-25 budget, for the design of the anticipated needed improvements. This work may or may not be needed, depending upon the results of the condition assessment.

Mains/Pipelines & Improvements (con't)

Replacement of Treated Water 1 (TW1) 60-inch Valve (No. 28)

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	75,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	75,000

There is a 60-inch pipeline that goes around the filter to the inlet of the Hinkle Reservoir. Valve No. 28 on the pipeline is old and no longer closes. This project replaces the broken valve.

Replacement of 48-inch Valve on 48-inch Bypass (No. 29)

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	75,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	50,000

The valve that turns on and off the 48-inch Hinkle Reservoir bypass pipeline leaks and needs to be replaced. This project replaces that leaking valve.

Equipment and Furniture

Three Thickener Access Ladders

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	104,713
Start Date:	FY 2022-23	**Budgeted Spending FY 2024-25:**	$	200,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	304,713

Each of the District's three thickener bases have an access ladder. For safety reasons these ladders need to be reconfigured and replaced. As currently installed, an employee has to climb over a railing at the top of the tank in order to access the ladder. The ladder terminates at the bottom of the tank, on a slope. These are unsafe conditions that need to be rectified. This project will redesign and install new ladders. Design was completed in FY 2022-23 and one ladder is expected to be installed by the end of FY 2023-24. The remaining two will be replaced in FY 2024-25. There will no impact to ongoing operating costs.

Replace Plotter/Scanner in Engineering Department

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	7,500
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	7,500

The plotter/scanner in the Engineering Department is in need of replacement. The printer is no longer supported by the manufacturer and the computer that runs it is no longer compatible with the District's IT system. This equipment is used by both wholesale and retail therefore both divisions will contribute to the cost of the replacement. This represents the wholesales share.

Buildings and Improvements

Electrical Service Upgrade at Administration Building

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	41,706
Start Date:	FY 2021-22	**Budgeted Spending FY 2024-25:**	$	169,300
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	211,006

The electric panel for the Administration Building is antiquated and in need of replacement. During a test of the electric system, the main breaker failed, and the District was unable to shut off power to the building. A temporary panel has been installed to remedy the failed main breaker, but the entire service panel needs to be replaced. This project will bring the panel up to current standards and allow for future expansion of the building including the installation of electric vehicle charging stations. Design is complete and construction is expected to commence in FY 2023-24 and be complete in FY 2024-25.

Vehicles

GEM Replacement with new Utility Vehicle

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	26,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	26,000

The existing GEM vehicle is at the end of its useful life. The District plans to replace it with a side by side off road utility vehicle, such as a Polaris. This vehicle is used solely on the District campus for transporting people and materials and supplies. The vehicles cost will be shared with the retail division.

Software

Back-Up Plant Pumps - SCADA Integration

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	20,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	20,000

The District's Crown Point pump station provides pressurized drinking water to the retail service area and the entire District campus, including the water treatment plant. That water is critical for maintaining water treatment plant operations as it is used in various treatment processes such as the chemical feed system, and the belt press process. The back-up plant pumps exist to provide pumping capabilities if/when the Crown Point pump station is offline. Historically the back-up pumps have had to be turned on manually. By integrating those pumps into the District's SCADA system, the system will automatically switch the pumps on if Crown Point goes offline, either intentionally or unintentionally, greatly improving system reliability. Originally planned to be completed in Fiscal Year 2021-22, it has now been delayed until Fiscal Year 2024-25.

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Retail Capital Outlay Fund

This fund was created in FY 2015-16 to receive and separately account for revenues that are designated by the Board of Directors to be utilized solely for retail capital expenditures and to account for the acquisition of retail capital assets, including large scale maintenance of capital assets and improvements made to such assets. Capital reserves were transferred out of operating into this new fund upon fund creation. This fund now holds and is used to report on all retail capital reserves. Details on the projects can be found starting on page 69.

FISCAL YEAR 2024-25 BUDGET

		Retail Capital Outlay
Est. Beginning Available Reserves July 1, 2024	**$**	**21,762,736**
Revenues		
Proceeds from Issuance of Debt		17,110,000
Taxes & Assessments		1,530,000
Grant Revenues		1,250,000
Connection Fees		100,000
Other Revenues		680,000
Total Revenues	$	20,670,000
Expenses		
Capital Improvement Projects		24,090,600
Professional Services		400,000
Total Expenses	$	24,490,600
Net Income	$	(3,820,600)
Transfer In/(Out)		2,284,100
Esimated Ending Reserves		20,226,236
Reservation of Capital Facility Fees		5,211,966
Est. Ending Available Reserves June 30, 2025	**$**	**15,014,270**

RETAIL CAPITAL OUTLAY FUND SUMMARY

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 Estimate	FY 2024-25 Proposed Budget
Est. Beginning Reserves	**$ 8,027,850**	**$ 11,778,997**	**$ 15,906,435**	**$ 18,439,736**	**$ 21,762,736**
Revenues					
Proceeds from Debt Issuance	$ 43,197	$ -	$ -	$ 3,345,200	$ 17,110,000
Taxes & Assessments	1,215,738	1,281,061	1,382,542	1,500,000	1,530,000
Connection Fees	1,082,998	2,415,360	3,373,674	1,160,000	100,000
Other Revenues	37,929	114,532	370,445	478,800	1,930,000
Total Revenues	$ 2,379,862	$ 3,810,953	$ 5,126,661	$ 6,484,000	$ 20,670,000
Expenses					
Reservoirs & Improvements	$ -	$ 247,822	$ 28,910	$ 25,000	$ 12,860,000
Mains/Pipelines & Improvements	428,467	1,912,374	4,560,800	4,126,700	5,610,000
Pump Stations & Improvements	467,098	297,640	488,664	2,229,600	3,759,000
Meters and Endpoints	-	29,081	333,296	712,600	852,800
Land Improvements	-	6,295	-	54,000	683,000
Professional Services	26,614	83,933	-	10,000	400,000
Buildings & Improvements	2,514	34,196	13,110	69,400	199,300
Vehicles	170,561	278,140	219,356	131,800	-
Equipment and Furniture	-	9,482.2	51,774	134,500	101,500
Software	9,385	4,578	-	-	25,000
Total Expenses	$ 1,104,640	$ 2,903,541	$ 5,695,910	$ 7,493,600	$ 24,490,600
Net Income	$ 1,275,222	$ 907,412	$ (569,249)	$ (1,009,600)	$ (3,820,600)
Transfer In	2,475,925	3,220,026	3,102,550	4,332,600	2,284,100
Transfer Out	-	-	-	-	-
Estimated Ending Reserves	11,778,997	15,906,434	18,439,736	21,762,736	20,226,236
Reservation of Capital Facility Fees	-	1,026,250	4,329,966	5,141,966	5,211,966
Est. Ending Available Reserves	**$ 11,778,997**	**$ 14,880,184**	**$ 14,109,770**	**$ 16,620,770**	**$ 15,014,270**

RETAIL CAPITAL PROJECTS FY 2024-25

Reservoirs and Improvements

Kokila Reservoir Replacement

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 306,999
Start Date:	FY 2019-20	**Budgeted Spending FY 2024-25:**	$ 12,860,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 13,166,999

Kokila Reservoir is a 4.56 million gallon lined and covered earthen reservoir. The reservoir serves an as operational and emergency storage facility at a high elevation point in the District's retail service area. The cover and liner were installed in 1984 with an estimated life of 25 years. Regular maintenance has extended its life an additional 15 years. The cover and liner are now in need of replacement. The District intends to replace the Hypalon cover and liner with a concrete tank. The District is pursuing both a grant and a low interest rate loan from the State Water Resources Control Board's revolving loan fund to finance this project.

Mains/Pipelines and Improvements

FY 2024-25 Planned Service Lateral Replacements (Hidden Lakes)

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 1,600,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 1,600,000

A service lateral is the pipeline that runs from the main line, in or next to the road, to individual water meters. In 2020 it was determined that the District's service lateral failure rate is 35% worse than the national average. The District plans to replace 85 identified service laterals per year. The FY 2024-25 Service Lateral Replacement Program is focusing on the Hidden Lakes neighborhood. Replacing the service laterals will save the District money as less time will be spent responding to leaks and less water will be lost.

FY 2024-25 Failed Service Lateral Replacements

Project Status:	Anticipated	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 435,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 435,000

A service lateral is the pipeline that runs from the main line, in or next to the road, to individual water meters. In 2020, it was determined that the District's service lateral failure rate is 35% worse than the national average. The District plans to replace 85 identified service laterals per year. In addition to those planned replacements, the District replaces service laterals when they are determined to be leaking. Based on prior year experience the District anticipates this level of spending to replace failed service laterals.

Mains/Pipelines and Improvements (con't)

FY 2023-24 Service Lateral Replacements (ACE Hardware Shopping Center)

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 23,100
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$ 750,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 773,100

A service lateral is the pipeline that runs from the main line, in or next to the road, to individual water meters. In 2020 it was determined that the District's service lateral failure rate is 35% worse than the national average. The District plans to replace 85 identified service laterals per year. Instead of doing the planned 85 replacements in FY 2023-24 the District decided to replace and relocate the meters at the ACE Hardware Shopping Center on Auburn Folsom Road. The meters were originally installed by a private contractor and are located within the property boundary of the shopping center. The District does not have an easement for meter access. The meters were not installed properly resulting in the need to shut down water to the entire shopping center in order to repair or replace a single meter. This project will replace and relocate all of the meters to the District's mainline, just outside of the property boundary, but within the District's easement. The District is currently working on design. Construction will commence in FY 2024-25.

FY 2024-25 Air/Vacuum Relief Valve Replacements

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 1,100,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 1,100,000

An air release valve allows air to enter or leave pipelines as needed. Removing air pockets in a pipeline allows water to flow more freely. Allowing air to enter, if there is a leak or break, prevents the creation of a vacuum, which can cause a pipeline to collapse. California law requires the vent opening to be above grade, to minimize opportunities for water contamination. Most of the District's valves are in boxes in the street, below grade. The District plans to replace 45 per year, over a 20-year period, commencing with FY 2022-23. The program got off to a late start. The FY 2022-23 planned replacements were completed in the fall of 2023. The District anticipated completing design for the FY 2024-25 replacements this summer and hopes to have them completed in Spring of 2025.

FY 2023-24 Air/Vacuumed Relief Valve Replacements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 375,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$ 800,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 1,175,000

An air release valve allows air to enter or leave pipelines as needed. Removing air pockets in a pipeline allows water to flow more freely. Allowing air to enter if there is a leak or break prevents the creation of a vacuum, which can cause a pipeline to collapse. California law requires the vent opening to be above grade, to minimize opportunities for water contamination. Most of the District's valves are in boxes in the street, below grade. Approximately 75 valves need to be relocated to the side of the road and vented above ground. The District plans to replace 45 per year, over a 20-year period, commencing with FY 2022-23. The program got off to a late start. The FY 2022-23 planned replacements were completed in the fall of 2023. Design for the FY 2023-24 replacements will be completed by the end of the fiscal year and construction will be completed over the summer/fall.

Mains/Pipelines and Improvements (con't)

Wharf Hydrant Replacements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 292,632
Start Date:	FY 2021-22	**Budgeted Spending FY 2024-25:**	$ 225,000
Estimated Completion:	FY 2031-32	**Estimated Future Spending:**	$ 1,856,368
		Total Project Cost:	$ 2,374,000

The District is systematically replacing both aged and wharf style fire hydrants. Wharf style hydrants have less water capacity and are more likely to break than a standard hydrant. The District has approximately 100 wharf style hydrants in its distribution system. The District intends to replace 10 per year until they have all been replaced with standard hydrants.

Fire Hydrant Replacements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 465,710
Start Date:	FY 2019-20	**Budgeted Spending FY 2024-25:**	$ 200,000
Estimated Completion:	FY 2028-29	**Estimated Future Spending:**	$ 946,290
		Total Project Cost:	$ 1,612,000

The District is systematically replacing aged fire hydrants. This project will replace ten aged fire hydrants, at various locations, throughout the District.

Douglas Blvd. and Auburn Folsom Road Pipeline Replacement Project

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ 50,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$ 200,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 250,000

The steel pipeline that runs under and across the major intersection at Douglas Blvd. and Auburn Folsom Road (the intersection) is currently a temporary 6-inch PVC pipeline. In 2018, the District began replacing the entire aged steel pipeline from the Douglas Pump Station to Mooney Drive. To avoid closing the intersection the District attempted to pipe burst underground. This caused the pipe to start collapsing, which in turn caused the road to begin to lift. It was not cost effective to open up the ground in the intersection at the time, because the pavement was in good shape and Placer County would have required the District to pay for extensive re-paving. Therefore, the District slip lined in temporary 6-inch PVC pipeline. Placer County has informed the District that they will be repaving the intersection this year. Therefore, the District will open up the roadway in the intersection and replace the temporary pipeline with 10-inch iron ductile pipe. By working collaboratively with the County, the District will realize significant project cost savings.

Replace 950 Linear Feet of Pipeline from 7980 Hidden Lakes Drive to Haley Drive

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 75,000
Estimated Completion:	FY 2026-27	**Estimated Future Spending:**	$ 716,000
		Total Project Cost:	$ 791,000

There is a 950 linear foot section of 8-inch diameter pipeline in Hidden Lakes Drive from W Hidden Lakes to Haley Road. This project will replace the 8-inch pipeline with a 12-inch pipeline to increase fire flow capability and provide better connectivity to the Los Lago tank in and through lower Granite Bay.

Mains/Pipelines and Improvements (con't)

Replace 900 Linear Feet of Pipeline in Santa Juanita

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	70,000
Estimated Completion:	FY 2025-26	**Estimated Future Spending:**	$	649,000
		Total Project Cost:	$	719,000

There is a 900 linear foot section of pipe in Santa Juanita that is only 3 inches in diameter. This project will replace that 3-inch pipeline with an 8-inch line, improving delivery capabilities for normal consumption and increased fire flow response capabilities. The District anticipates completing design in FY 2024-25 and constructing the improvements in FY 2025-26.

Replace 670 Linear Feet of Pipeline in Lakeland Drive from Douglas Blvd. to East Granite Drive

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	55,000
Estimated Completion:	FY 2026-27	**Estimated Future Spending:**	$	525,000
		Total Project Cost:	$	580,000

This project will replace approximately 670 feet of existing 8-inch pipe along Lakeland Drive with a 12-inch pipe from Douglas Blvd. to East Granite Drive. These improvements will increase fire flow capability and provide better connectivity to the Los Lago tank in and through lower Granite Bay. The District anticipates completing design in FY 2024-25 and constructing the improvements in FY 2026-27.

Eckerman 8-inch tie-in to "The Park" Subdivision

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	55,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	55,000

This project involves the installation of approximately 50 to 100 linear feet of 8-inch pipe to extend the existing southerly section of the Eckerman pipeline into the new piping that will be installed with the construction of "The Park" Subdivision. This connection into The Park subdivision is needed to provide adequate supply for fire flow, and to facilitate source of supply redundancy. The project was originally budgeted in FY 2021-22 but has not yet commenced, as the developer had not yet completed design review.

Fuller Drive Pipeline Extension from AFR intersection (575-lf of 10-in)

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	45,000
Estimated Completion:	FY 2026-27	**Estimated Future Spending:**	$	430,000
		Total Project Cost:	$	475,000

This project will install approximately 575 linear feet of new 12-inch mainline within Fuller Drive between the existing turnout at the intersection of Fuller Drive and Auburn Folsom Road, and the existing 10-inch pipeline near the south entrance to the shopping center property on the north side of Fuller Drive. Adding this new line will connect and loop the system increasing water flow through the distribution system. The District anticipates completing design in FY 2024-25 and constructing the improvements in FY 2026-27.

Pump Stations and Improvements

Groundwater Production Facility

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 2,575,000
Estimated Completion:	FY 2025-26	**Estimated Future Costs:**	$ 2,575,000
		Total Project Cost:	$ 5,150,000

Included in the retail financial plan is $5 million for SJWD to use in securing access to groundwater production capacity to provide water supplies to the District's retail service area. These supplies could be delivered via the Antelope Pump Station, which can send groundwater produced in the Sacramento Suburban Water District's North Service Area to Orangevale Water Company, the City of Folsom and the District's retail service area. The District intends to finance this project with tax-exempt bonds.

Bacon Pump Station Roof Replacement

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 680,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 680,000

The Bacon Pump Station roof is old, leaky and in need of replacement. This project will replace the roof, approximately 3,400 square feet. Ventilation improvements will be made and hatches installed in the roof to improve access to the pumps and motors.

Hinkle Pump Station Pump and Motor Rehabilitation

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 200,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 200,000

The Hinkle Pump Station houses the Hinkle, Ashland and Crown Point pump stations. This project will evaluate and potentially rehabilitate two pumps/motors for Ashland and 3 for Crown Point, to improve the efficiency of the pump station.

Power Monitors for Pump Stations

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ 14,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$ 110,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 124,000

The District's power costs have more than doubled over the past two years. Power monitors allow the District to see how much energy is being utilized at a specific site in real time. The District intends to purchase power monitors for the Lower Granite Bay Pump Station, Hinkle Pump Station, and the American River South Pump Station. Once installed and activated these monitors should result in lower energy costs than what would otherwise be incurred.

Subway Pressure Reducing Station Replacement

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 75,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 75,000

The control valve at the pressure reducing station near Subway (Auburn Folsom Road) has failed three times in the past two years, leaving customers in that zone without water. This project will replace the faulty valve and bring it above grade for easier access.

Pump Stations and Improvements (con't)

Canyon Falls Village Pressure Reducing Station Replacement

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	61,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	61,000

This pump station is currently below grade which creates added costs and complexity in terms of operations and maintenance. This project brings the control valves above grade in an above ground enclosure. This will improve the safety environment for staff when performing maintenance and will reduce maintenance costs as confined space equipment and air quality testing will no longer be needed to perform basic and ongoing maintenance.

Pump Station Pressure Transmitters

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	38,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	38,000

In FY 2022-23, the District intended to replace 9 pressure transmitters at the Hinkle and Bacon Pump Stations. They ended up costing less than expected and instead of replacing them at Hinkle and Bacon, the transmitters were replaced at Sierra, ARC-North, ARC-S, Douglas, Los Lagos Tank and Mooney Tank as well as the suction pressure transmitter at Bacon a Pump Station. This year the District plans to replace the pressure transmitters at the Hinkle Pump Station and purchase two spares. The costs are similar as the installation of the transmitters at the Hinkle Pump Station will require conduit installation, thus increasing the costs. This project will not increase future operating costs.

Replace 4 Check Valves with Pressure Control Valves with at the American River South Pump Station

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	20,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	20,000

There are 4 check valves at the American River South Pump Station. When a check valve closes, it does so quickly, causing a water hammer, which is loud and can burst pipes. A pressure control valve opens and closes slowly, preventing the pressure that can happen when a valve opens or closes quickly. The District intends to replace the 4 control valves with pressure control valves this year.

Meters and Endpoints

Meter Replacement Program

Project Status:	In Progress	**Estimated Spending FY 202-22 & Prior:**		N/A
Start Date:	FY 2021-22	**Budgeted Spending FY 2024-25:**	$	667,000
Estimated Completion:	Ongoing	**Total Project Cost:**		N/A

The District's meters were originally installed between 1997 and 2004. With a typical meter life of 20-25 years, the District started a meter replacement program in FY 2021-22. When the program started in 2021 the District had 10,779 total meters. 736 of them were manual read meters, 7,987 were touch read meters and 2,056 were radio read (drive-by only). The plan was to replace 515 (5%) of the meters each year, which results in a 20-year replacement cycle and to replace all end-points over 5 years (convert all to radio read), which equates to 2,118 per year. Due to supply chain issues, those goals varied from year to year based on what our vendors could supply. By the end of FY 2023-24 the District will be 83% radio read (drive-by only) and all of the manual read meters will have been upgraded. This budget funds the replacement of approximately 3,450 endpoints and 515 meters. During FY 2024-25, the District will reach one of the Meter Replacement Program Goals by becoming 100% radio read (drive-by only).

Meters and Endpoints (con't)

Failed Meter Replacements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	N/A
Start Date:	FY 2021-22	**Budgeted Spending FY 2024-25:**	$ 170,000
Estimated Completion:	Ongoing	**Total Project Cost:**	N/A

The District bundles all meter replacements in a given fiscal year into one capital asset for financial statement reporting purposes. In terms of program management, it is helpful for the planned replacements to be tracked separately from the replacements of meters that have been replaced due to discovery of meter failure. While it is impossible to know how many failed meters will be discovered and replaced in any given year based on past experience, the District is budgeting $170,000 for this activity in FY 2024-25.

Failed Meter Replacements - 1.5-inch to 3-inch meters

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 15,800
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 15,800

The District bundles all meter replacements in a given fiscal year into one capital asset for financial statement reporting purposes. In terms of program management, it is helpful to distinguish between the planned replacements, the residential failed meters and the large meter failures separately. In FY 2024-25, the District will be testing 15 of the 80 3-inch and greater meters. If they fail, they will get rebuilt. Rebuilt meters are expected to last 10 years. In addition, we estimate that there will be 27 1.5-inch to 2.5-inch meters that will fail and need to be replaced.

Land Improvements

District Campus Paving Improvements

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 25,000
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$ 350,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 375,000

This project will grind down and overlay 16,000 square feet of pavement in front of the Field Services Building. Project costs also include retail's share of applying a slurry seal and restriping the Administration Building, overflow parking lots and the road through the main campus.

Administration Building Deck and Shade Structure

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$ 15,900
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$ 148,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 163,900

On January 3, 2023, during a rainstorm, a very large oak tree fell onto the deck of the Administration Building causing significant damage to the existing deck. Prior to falling, the oak tree had provided shade for most of the deck. This project will replace the damaged deck and install a shade structure in place of the fallen tree. Insurance proceeds have been received for the deck replacement, but not for the cost of the shade structure. The costs of this project are shared with the Wholesale division.

Land Improvements (con't)

1,400 Linear Feet of Fencing at 8310 Santa Juanita Ave.

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	13,100
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$	105,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	118,100

Both the Sierra 30-inch and Bacon 33-inch transmission pipelines run underground at 8310 Santa Juanita Ave. The District has had 3 leaks on the Sierra 30-inch pipe in the past year. It appears that, when the house at that location was built, heavy equipment crushed the pipeline above the pipe, damaging the pipeline, although this cannot be proved. The District would like to install fencing around their easement in this area to prevent this from happening in the future.

Purchase and Install Perimeter Fencing for Bacon Pump Stations

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	80,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	80,000

This project consists of the purchase and installation of perimeter fencing for the Bacon Pump Station for security fencing.

Professional Services – Capital Related

Evaluation of District Pump Stations

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	300,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	300,000

The District has been working to improve the efficiency of its various pump stations. It recently became evident that instead of looking at one pump station at a time, it would be better to take a holistic approach and evaluate all the pump stations at once, as an entire system. This study will look at the existing condition and operating efficiency of every pump station in the retail division and the zone by zone system demands, to make recommendations on how to improve the overall pump station system efficiency. Ensuring the pump stations are operating as efficiently as possible will save money on future pump maintenance and replacement costs, as well as minimizing electric power needs which is particularly important given the continued rate increases being imposed by PG&E.

Mooney Tank Need and Condition Assessment

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	50,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	50,000

The current Capital Improvement Plan included improvements to the Mooney Tank. While discussing the upcoming project staff began to question whether the tank is even a necessary asset. This assessment will determine if the Mooney Tank is a necessary asset. If so, it will evaluate the condition of the tank and advise on any needed maintenance or improvements.

Professional Services – Capital Related (con't)

Site Security Evaluation and Design

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	50,000
Estimated Completion:	FY 2024-25	**Estimated Future Spending:**		TBD
		Total Project Cost:	$	50,000

After providing active shooter training for staff the Central California Intelligence Center offered to conduct a site vulnerability assessment for the District. Their assessment pointed out several areas of the District campus where we are vulnerable to intrusion. This study will determine how to best mitigate those vulnerabilities.

Buildings and Improvements

Electrical Service Upgrade at Administration Building

Project Status:	In Progress	**Estimated Spending FY 2023-24 & Prior:**	$	41,706
Start Date:	FY 2020-21	**Budgeted Spending FY 2024-25:**	$	169,300
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	211,006

The electric panel for the Administration Building is antiquated and in need of replacement. During a recent test of the electric system, the main breaker failed, and the District was unable to shut off power to the building. A temporary panel has been installed to remedy the failed main breaker, but the entire service panel needs to be replaced. This project will bring the panel up to current standards and allow for future expansion of the building including the installation of electric vehicle charging stations. The costs for this project are shared 50-50 between the Wholesale and Retail divisions.

Purchase and Installation of Connex Storage Container

Project Status:	Planned	**Estimated Spending FY 2020-21 & Prior:**	$	16,500
Start Date:	FY 2023-24	**Budgeted Spending FY 2024-25:**	$	20,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	36,500

The District's parts shelter was torn down in 2018. It was structurally unsound and it was more cost effective to replace, rather than improve the existing structure. The District budgeted to construct a movable 3-sided steel parts shelter in FY 2021-22; however, the Board of Directors did not approve construction and directed the District hold off until the larger District facilities renovation happens, currently slated for FY 2028-29. This storage facility is needed in the interim to house parts that would otherwise degrade quickly if left out in the elements. It was originally budgeted in FY 2022-23 but was not able to be procured by the end of the year.

Replace Meter Shed and Combine with Engineering Shed

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	5,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	5,000

The Engineering Department has a small, dilapidated shed where they stored hydrant meters. The Field Services Department has a small shed where they store meters and related parts for the meter replacement program. Both departments are in need of a larger shed. Instead of buying two, slightly larger sheds, the District intends to purchase one large shed that can be shared by both departments.

Equipment and Furniture

Replace 2007 Forklift - Equipment #E18

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	54,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	54,000

This 2007 forklift was due to be replaced two years ago but given its conditional at the time, replacement wasn't warranted. However, it has been needing more service lately and the check engine light has come on. Given that it is passed its scheduled replacement time, and is no experiencing issues, it is time to replace the forklift.

Meter Reading Equipment for Meter Reading Truck

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	40,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	40,000

By the end of FY 2024-25, all of the District's meters in the retail service area will have been converted to radio read meters, meaning we only need to drive by the meter and the equipment in the vehicle will read the meter as it drives by. The meter reading process will be reduced from 3 weeks to one week or less. This project will outfit the vehicle with the necessary equipment to read the meters.

Replace Plotter/Scanner in Engineering Department

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	7,500
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	7,500

The plotter/scanner in the Engineering Department is in need of replacement.it has reached end of service life. no longer being supported for maintenance. the computer attached is old and can no longer be updated and isn't compatible with our current system. This equipment is used by both wholesale and retail therefore both divisions will contribute to the cost of the replacement. This represents retail's share.

Software

Retail Water Modeling Software

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$	-
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$	25,000
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$	25,000

The District's current provider of water modeling software is changing the structure of its licensing fees, which would result in a significant increase in costs to the District. The District has determined that the software will be just as effective and will save the District money.

Vehicles

GEM Replacement with new Utility Vehicle

Project Status:	Planned	**Estimated Spending FY 2023-24 & Prior:**	$ -
Start Date:	FY 2024-25	**Budgeted Spending FY 2024-25:**	$ 4,200
Estimated Completion:	FY 2024-25	**Total Project Cost:**	$ 4,200

The District has been working to improve the efficiency of its various pump stations. It recently became evident that instead of looking at one pump station at a time, it would be better to take a holistic approach and evaluate all the pump stations at once, as an entire system. This study will look at the existing condition and operating efficiency of every pump station in the retail division and the zone by zone system demands, to make recommendations on how to improve the overall pump station system efficiency. Ensuring the pump stations are operating as efficiently as possible will save money on future pump maintenance and replacement costs, as well as minimizing electric power needs which is particularly important given the continued rate increases being imposed by PG&E.

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SUPPLEMENTAL INFORMATION

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Transfers In and Transfers Out

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

Transfer In To:		**Transfer Out From:**	
Wholesale Operating Fund	$ 82,300	Wholesale Operating Fund	$ 82,300
Retail Capital Fund	$ 2,284,100	Retail Operating Fund	$ 2,284,100
Total Transfers In	**$ 2,366,400**	**Total Transfers Out**	**$ 2,366,400**

Debt Service Schedules

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

	Principal		Interest		Total		
Fiscal Year	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Combined Debt Service
2025	426,000	284,000	508,378	338,918	996,669	560,627	1,557,296
2026	447,000	298,000	486,640	324,427	995,883	560,184	1,556,067
2027	471,000	314,000	463,790	309,193	997,109	560,874	1,557,983
2028	495,000	330,000	439,740	293,160	997,056	560,844	1,557,900
2029	519,000	346,000	414,490	276,327	995,723	560,094	1,555,817
2030	549,000	366,000	387,915	258,610	999,376	562,149	1,561,525
2031	573,000	382,000	359,965	239,977	995,163	559,779	1,554,942
2032	603,000	402,000	330,690	220,460	995,936	560,214	1,556,150
2033	633,000	422,000	305,190	203,460	1,000,736	562,914	1,563,650
2034	1,236,000	824,000	273,513	182,342	1,610,147	905,707	2,515,854
2035	1,284,000	856,000	223,273	148,848	1,607,757	904,364	2,512,121
2036	1,335,000	890,000	171,063	114,042	1,606,467	903,637	2,510,104
2037	1,389,000	926,000	121,103	80,735	1,610,777	906,062	2,516,839
2038	1,434,000	956,000	75,351	50,234	1,609,975	905,611	2,515,585
2039	1,482,000	988,000	28,096	18,731	1,610,769	906,058	2,516,827
Outstanding	$ 12,876,000	$ 8,584,000	$4,589,196	$ 3,059,464	$17,465,196	$11,643,464	$29,108,659
Paid 2017-2024	$ 2,932,200	$ 1,732,800	$4,233,945	$ 2,493,555	$ 7,166,145	$ 4,226,355	$11,392,500
Total	$ 15,808,200	$ 10,316,800	$8,823,141	$ 5,553,019	$24,631,341	$15,869,819	$40,501,160
	combined	$ 26,125,000	combined	$ 14,376,160			

2022 Refunding Loan
Debt Service Schedule - Fiscal Year Basis

	Principal		Interest		Total		
Fiscal Year	Wholesale	Retail	Wholesale	Retail	Wholesale	Retail	Combined Debt Service
2025	511,499	277,729	70,465	38,261	581,964	315,990	897,954
2026	520,492	282,612	62,128	33,734	582,620	316,346	898,965
2027	526,513	285,884	53,644	29,127	580,157	315,011	895,168
2028	534,681	290,317	45,062	24,467	579,743	314,784	894,527
2029	544,865	295,846	36,346	19,735	581,211	315,581	896,792
2030	550,981	299,167	27,465	14,913	578,446	314,080	892,526
2031	562,065	305,185	18,484	10,036	580,549	315,221	895,770
2032	571,920	310,536	9,322	5,062	581,242	315,598	896,840
Outstanding	4,323,016	2,347,276	322,915	175,334	4,645,931	2,522,610	7,168,541
Paid in Prior Years	$ 960,643	$ 521,602	$ 200,662	$ 108,953	$ 1,161,305	$ 630,555	$ 1,791,860
Total	$ 5,283,659	$ 2,868,878	$ 523,577	$ 284,287	$ 5,807,236	$3,153,165	$ 8,960,401
	combined	$ 8,152,537	combined	$ 807,865			

State Water Resources Control Board Loan
Hinkle Reservoir
Estimated Debt Service Schedule - Fiscal Year

Fiscal Year	Principal (Wholesale)	Interest (Wholesale)	Total
2025	-	274,386	274,386
2026	637,719	274,386	912,105
2027	645,372	266,733	912,105
2028	653,116	258,989	912,105
2029	660,954	251,151	912,105
2030	668,885	243,220	912,105
2031	676,912	235,193	912,105
2032	685,035	227,070	912,105
2033	693,255	218,850	912,105
2034	701,574	210,531	912,105
2035	709,993	202,112	912,105
2036	718,513	193,592	912,105
2037	727,135	184,970	912,105
2038	735,861	176,244	912,105
2039	744,691	167,414	912,105
2040	753,627	158,478	912,105
2041	762,671	149,434	912,105
2042	771,823	140,282	912,105
2043	781,085	131,020	912,105
2044	790,458	121,647	912,105
2045	799,943	112,162	912,105
2046	809,543	102,562	912,105
2047	819,257	92,848	912,105
2048	829,088	83,017	912,105
2049	839,037	73,068	912,105
2050	849,106	62,999	912,105
2051	859,295	52,810	912,105
2052	869,607	42,498	912,105
2053	880,042	32,063	912,105
2054	890,602	21,503	912,105
2055	901,290	10,815	912,105
Outstanding	22,865,492	4,772,050	27,637,542
Paid Prior	-	38,863	38,863
Total	$ 22,865,492	$ 4,810,913	$ 27,676,405

State Water Resources Control Board Loan
Eureka Road 18" Transmission Pipeline
Estimated Debt Service Schedule - Fiscal Year

Fiscal Year	Principal	Interest	Total
2025	120,273	36,797	157,070
2026	121,596	35,474	157,070
2027	122,934	34,136	157,070
2028	124,286	32,784	157,070
2029	125,653	31,417	157,070
2030	127,035	30,035	157,070
2031	128,432	28,638	157,070
2032	129,845	27,225	157,070
2033	131,274	25,796	157,070
2034	132,718	24,352	157,070
2035	134,177	22,893	157,070
2036	135,653	21,417	157,070
2037	137,146	19,924	157,070
2038	138,654	18,416	157,070
2039	140,179	16,891	157,070
2040	141,721	15,349	157,070
2041	143,280	13,790	157,070
2042	144,856	12,214	157,070
2043	146,450	10,620	157,070
2044	148,061	9,009	157,070
2045	149,689	7,381	157,070
2046	151,336	5,734	157,070
2047	153,001	4,069	157,070
2048	154,684	2,386	157,070
2049	62,253	685	62,938
Outstanding	3,345,186	487,432	3,832,618
Paid Prior	-	12,835	12,835
Total	$ 3,345,186	$ 500,267	$ 3,845,452

Labor Allocation

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

Dept.	Position Title	Budgeted in FY22-23	Budgeted in FY23-24	Budgeted in Fiscal Year 2024-2025 # Budgeted	Wholesale Allocation	Retail Allocation	Wholesale FTE	Retail FTE
Executive								
	General Manager	1.00	1.00	1.00	85%	15%	0.85	0.15
	Water Resources Manager	1.00	1.00	1.00	90%	10%	0.90	0.10
	Information Technology Manager	1.00	1.00	1.00	50%	50%	0.50	0.50
	Administrative Assistant - Board Secretary	1.00	1.00	1.00	50%	50%	0.50	0.50
	Total Executive	4.00	4.00	4.00			2.75	1.25
Finance and Human Resources								
	Director of Finance and Human Resources	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accountant / Senior Accountant	2.00	2.00	2.00	50%	50%	1.00	1.00
	Purchasing Agent	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accounting Technician I - III	1.00	1.00	1.00	50%	50%	0.50	0.50
	Accounting Intern	-	0.12	0.12	50%	50%	0.06	0.06
	Total Finance and Human Resources	5.00	5.12	5.12			2.56	2.56
Customer Service								
	Customer Service Manager	0.50	0.50	0.50	0%	100%	-	0.50
	Customer Service Technician I - III	3.00	3.00	3.00	0%	100%	-	3.00
	Meter Technician [1]	1.00	1.00	-	0%	100%	-	-
	Total Customer Service	4.50	4.50	3.50			-	3.50
Engineering Service								
	Director of Engineering	1.00	1.00	1.00	50%	50%	0.50	0.50
	Associate / Senior Engineer	1.00	1.00	1.00	50%	50%	0.50	0.50
	Engineering Technician I - III	1.00	1.00	1.00	40%	60%	0.40	0.60
	Construction Inspector I - III	1.00	1.00	1.00	25%	75%	0.25	0.75
	Total Engineering Service	4.00	4.00	4.00			1.65	2.35
Field Services (Distribution System)								
	Field Services Manager	1.00	1.00	1.00	0%	100%	-	1.00
	Pump Station Lead	1.00	1.00	1.00	0%	100%	-	1.00
	Distribution Lead Worker	2.00	2.00	2.00	0%	100%	-	2.00
	Distribution Operator I - IV	6.00	6.00	6.00	0%	100%	-	6.00
	Pump Station Operator	1.00	1.00	1.00	0%	100%	-	1.00
	Pump Station Technician	1.00	1.00	1.00	0%	100%	-	1.00
	Utilities Coordinator	1.00	1.00	1.00	0%	100%	-	1.00
	Meter Maintenance Technician	1.00	1.00	1.00	0%	100%	-	1.00
	Meter Technician [1]	-	-	1.00	0%	100%	-	1.00
	Distribution Maint. Helper - PT/Temporary [2]	0.92	0.96	0.92	0%	100%	-	0.92
	Total Field Services (Distribution System)	15.92	15.98	15.92			-	15.92
Operations								
	Director of Operations	1.00	1.00	1.00	40%	60%	0.40	0.60
	Safety/Regulatory Compliance Coordinator	1.00	1.00	1.00	50%	50%	0.50	0.50
	CMMS/GIS Coordinator	1.00	1.00	1.00	25%	75%	0.25	0.75
	Total Operations	3.00	3.00	3.00			1.15	1.85
Water Efficiency								
	Customer Service Manager	0.50	0.50	0.50	0%	100%	-	0.50
	Water Efficiency Lead	1.00	1.00	1.00	25%	75%	0.25	0.75
	Water Efficiency Technician I - II	2.00	2.00	2.00	0%	100%	-	2.00
	Total Water Efficiency	3.50	3.50	3.50			0.25	3.25
Water Treatment Plant								
	Water Treatment Plant Manager	1.00	1.00	1.00	100%	0%	1.00	-
	Maintenance Chief	1.00	1.00	1.00	87%	13%	0.87	0.13
	Chief Operator	1.00	1.00	1.00	100%	0%	1.00	-
	Water Treatment Plant Operator I - IV	5.00	5.00	5.00	100%	0%	5.00	-
	Electrical & Instrumentation Technician	1.00	1.00	1.00	60%	40%	0.60	0.40
	Utilities Mechanic I - II	1.00	1.00	1.00	95%	5%	0.95	0.05
	Utilities Maintenance Worker I - II	1.00	1.00	1.00	95%	5%	0.95	0.05
	Total Water Treatment Plant	11.00	11.00	11.00			10.37	0.63
Total Funded Full Time Equivalents (FTE)		**49.92**	**50.10**	**50.04**			**18.73**	**31.31**
							37.4%	62.6%

[1] Meter Technician changed from Customer Service to Field Service January 2024.

[2] Converting use of Temp Agency assistance to direct hire temporary w orkers for cost savings

SAN JUAN WATER DISTRICT
COMPENSATION SCHEDULE
EFFECTIVE: July 1, 2023

Non-Exempt Positions	Hourly Rate Range	
	Minimum	Maximum
Accountant	$ 44.82	$ 53.78
Accounting Technician I	$ 31.02	$ 37.22
Accounting Technician II	$ 34.26	$ 41.11
Accounting Technician III	$ 37.84	$ 45.41
Administrative Assistant - Board Secretary	$ 46.64	$ 55.97
Chief Operator	$ 61.01	$ 73.22
CMMS/GIS Coordinator	$ 48.53	$ 58.24
Construction Inspector I	$ 38.61	$ 46.33
Construction Inspector II	$ 42.64	$ 51.17
Construction Inspector III	$ 47.11	$ 56.53
Customer Service Technician I	$ 28.64	$ 34.37
Customer Service Technician II	$ 31.64	$ 37.97
Customer Service Technician III	$ 34.95	$ 41.94
Distribution Lead Worker	$ 53.08	$ 63.70
Distribution Operator I	$ 34.26	$ 41.11
Distribution Operator II	$ 37.84	$ 45.41
Distribution Operator III	$ 41.80	$ 50.16
Distribution Operator IV	$ 46.18	$ 55.41
Distribution Maintenance Temporary Helper	$ 21.04	$ 21.04
Electrical & Instrumentation Technician	$ 52.55	$ 63.07
Engineering Technician I	$ 36.73	$ 44.08
Engineering Technician II	$ 40.57	$ 48.69
Engineering Technician III	$ 44.82	$ 53.78
Information Technology Technician I	$ 37.47	$ 44.96
Information Technology Technician II	$ 41.39	$ 49.67
Maintenance Chief	$ 58.05	$ 69.66
Meter Maintenance Technician	$ 37.84	$ 45.41
Meter Technician	$ 35.65	$ 42.78
Pump Station Lead	$ 58.05	$ 69.66
Pump Station Operator	$ 46.18	$ 55.41
Pump Station Technician	$ 50.50	$ 60.60
Purchasing Agent	$ 39.38	$ 47.26
Senior Accountant	$ 52.03	$ 62.44
Utilities Coordinator	$ 48.05	$ 57.66
Utilities Maintenance Worker I	$ 28.36	$ 34.03
Utilities Maintenance Worker II	$ 31.33	$ 37.59
Utilities Mechanic I	$ 38.22	$ 45.87
Utilities Mechanic II	$ 42.22	$ 50.67
Water Efficiency Helper	$ 27.25	$ 32.70
Water Efficiency Lead Worker	$ 40.57	$ 48.69
Water Efficiency Technician I	$ 33.25	$ 39.90
Water Efficiency Technician II	$ 36.73	$ 44.08
Water Treatment Plant Operator I	$ 36.37	$ 43.64
Water Treatment Plant Operator II	$ 40.17	$ 48.21
Water Treatment Plant Operator III	$ 44.38	$ 53.25
Water Treatment Plant Operator IV	$ 49.02	$ 58.82

Exempt Positions (Annual Salaries based on 2080 Hours)	Annual Rate Range	
	Minimum	Maximum
Associate Engineer	$ 128,169.60	$ 153,816.00
Customer Service Manager	$ 141,585.60	$ 169,915.20
Director of Engineering Services	$ 172,764.80	$ 207,313.60
Director of Finance	$ 172,764.80	$ 207,313.60
Director of Operations	$ 172,764.80	$ 207,313.60
Field Services Manager	$ 141,585.60	$ 169,915.20
Information Technology Manager	$ 141,585.60	$ 169,915.20
Safety/Regulatory Compliance Coordinator	$ 119,558.40	$ 143,457.60
Senior Engineer	$ 141,585.60	$ 169,915.20
Water Resources Manager	$ 141,585.60	$ 169,915.20
Water Treatment Plant Manager	$ 157,976.00	$ 189,550.40
General Manager (Contract)	$ 231,982.40	$ 231,982.40

RESOLUTION NO. 24-05

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN JUAN WATER DISTRICT
ADOPTING THE ANNUAL BUDGET
FOR THE FISCAL YEAR 2024-2025**

WHEREAS, District staff has prepared a budget for the fiscal year 2024-2025 that estimates operating and maintenance, capital improvement program, debt service, prudent reserve requirements, and other expenses of the District and that estimates revenues from all sources to pay the expenses of the District;

WHEREAS, District staff has determined that the fiscal year 2024-2025 budget is reasonably accurate and if implemented will ensure that the District's revenues will be sufficient to pay all of the District's expenses, including contributions to reserves sufficient to return them to prudent levels; and

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

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

1. That certain document referred to as "The San Juan Water District Proposed Budget Fiscal Year 2024-2025," and all schedules, exhibits and policies contained therein, is hereby adopted and the appropriations for the annual budget of the San Juan Water District for the fiscal year beginning on July 1, 2024 and ending on June 30, 2025, are hereby adopted; and

2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and

3. The General Manager is authorized to approve expenditure adjustments within individual accounts and line items so long as the total appropriated per fund is not exceeded.

PASSED AND ADOPTED by the Board of Directors of the San Juan Water District on the 26th day of June 2024, by the following vote:

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

MANUEL ZAMORANO
President, Board of Directors
San Juan Water District

ATTEST

TERI GRANT
Secretary, Board of Directors

Glossary of Terms

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

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

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

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

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

Acronyms

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

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