

**Amended Agenda**  
**Sacramento Suburban Water District**  
**Regular Board Meeting**

3701 Marconi Avenue, Suite 100  
Sacramento, California 95821

Monday, October 18, 2021  
6:00 p.m.

**This meeting will be conducted both in-person in the District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.**

**The District recommends that members of the public participate in public meetings via videoconference and/or teleconference per the instructions below.**

**For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:**

**Join the meeting from a computer, tablet or smartphone:**

<https://us02web.zoom.us/j/89281698946?pwd=THhGTGxxVUV4K1IvYlllREoveVVQdz09>

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**Please mute your line.**

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President

will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible and at least one full business day before the start of the meeting.

### **Call to Order**

### **Pledge of Allegiance**

### **Roll Call**

### **Announcements**

### **Public Comment**

This is the opportunity for the public to comment on non-agenda items within the Board's jurisdiction. Comments are limited to 3 minutes.

### **Consent Items**

The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff, or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. Minutes of the September 20, 2021, Regular Board Meeting  
*Recommendation: Approve subject minutes.*
2. Minutes of the October 11, 2021, Special Board Workshop – Budget  
*Recommendation: Approve subject minutes.*
3. Treasurer's Report  
*Recommendation: Approve the items in the report as recommended.*
4. 2021 Audit Engagement Letter and Contract  
*Recommendation: Approve 2021 Audit Engagement Letter and Contract, Master Services Agreement, and Task Order 2, with Maze & Associates Accountancy Corporation and grant authorization for the Committee Chair to execute the Engagement Letter, Master Services Agreement and Task Order 2 as recommended by the Finance and Audit Committee at the October 5, 2021, Committee meeting.*

5. Policy Review - Engagement of Auditor Policy (PL – Fin 001)  
*Recommendation: Ratify Engagement of Auditor Policy (PL – Fin 001) without changes, as recommended by the Finance and Audit Committee at the October 5, 2021, Committee meeting.*
6. Resolution No. 21-14 Nominating San Juan Water District's Pam Tobin for President of the Association of California Water Agencies (ACWA) Board of Directors  
*Recommendation: Adopt Resolution No. 21-14 supporting the nomination of Pam Tobin for Association of California Water Agencies Board President and authorize the General Manager to submit the resolution to San Juan Water District's office and ACWA offices.*

### **Items for Discussion and/or Action**

7. Capital Budget Transfer Request  
*Recommendation: Approve transfer from Operations and Maintenance Budget to Capital Budget of \$540,000 in order to accelerate construction of new groundwater wells in the North Service Area to restore lost production capacity. Approve the use of \$350,000 of Well Property Acquisition Reserves to complete two planned 2021 well property acquisitions previously approved by the Board.*
8. Budget Rollovers  
*Recommendation: Approve the use of budget rollovers.*
9. Calendar Year 2022 Budget – First Draft Update  
*Recommendation: Receive First Draft update of the Calendar Year 2022 Budget presentation and approve one or more of the recommended actions.*
10. Employee Handbook Review - Sick Leave Policy Amendments  
*Recommendation: Review staff recommendation and direct staff as appropriate.*
11. Rescind the Motion and Subsequent Approval of the Motion Made and Approved at the September 20, 2021, Regular Board Meeting for the District to Request that Sacramento LAFCo Amend Resolution No. LAFC 1237  
*Recommendation: Rescind the motion and approving vote made at the September 20, 2021, regular Board meeting directing the General Manager to meet with LAFCO to ask for relief from the language in LAFCo Resolution No. LAFC 1237 so that the Board can make changes to employee benefits twenty years after the formation of the District.*
12. Apply to Sacramento LAFCo to Amend LAFCo Resolution No. LAFC 1237 to Remove Employee Benefits Continuation Provision for Sick Leave Benefits  
*Recommendation: Consider the Board President's request to meet with LAFCo to ask for relief from the provision in LAFCo Resolution No. 1237 which provides, "The compensation, benefits and other terms and conditions of employment of all of the*

*respective employees of Arcade and Northridge shall not be reduced by virtue of their becoming employees of the consolidated district”, so that the Board can make changes to the sick leave benefits of all employees to respond to the COVID-19 pandemic.*

13. Apply to Sacramento LAFCo to Amend LAFCo Resolution No. LAFC 1237 – Appointing District Spokesperson to Present at LAFCo Meeting  
*Recommendation: Consider appointing a Director to represent the District at an upcoming Sacramento LAFCo meeting if the Board approves a request to ask for relief from the provision in Section 1(f) of LAFCo Resolution No. 1237 concerning the continuation of employee benefits, so that the Board can make changes to the sick leave benefits of all employees to respond to the COVID-19 pandemic.*
14. Employee Handbook Review  
*Recommendation: Approve one of the formatting options for the Employee Handbook as recommended by the Employee Benefits Ad Hoc Committee at the October 4, 2021 meeting.*
15. Committee and Liaison Appointments  
*Recommendation: The Board President will consider amending the current Committee appointments and Committee structure, possibly including eliminating one or more committees. Please see attached committee list.*
16. Social Media  
*Recommendation: Receive written staff report and direct staff as appropriate.*

### **General Manager’s Report**

17. General Manager’s Report
  - a. Collaboration Study Update

### **Department/Staff Reports**

18. Financial Report
  - a. COVID-19 Financial Update
  - b. Financial Highlights
  - c. Budgets
  - d. Information Required by LOC Agreement

19. District Activity Report
20. Engineering Report
  - a. Major Capital Improvement Program (CIP) Projects
  - b. Planning Documents
  - c. Other

### **Information Items**

21. Sacramento Suburban Water District Goals – 2021 Update
22. Water Conservation Update
23. Customer Service Area Security Upgrade Project
24. Well Efficiency Testing Annual Report
25. Correspondence received by the District
26. Upcoming Water Industry Events

### **Director's Reports (Per AB 1234, Directors will report on their meeting activities)**

27. a. Regional Water Authority (Director Jones)  
Agenda for the September 22, 2021 Board Meeting  
  
Regional Water Authority Executive Committee (General Manager York)  
None.
- b. Sacramento Groundwater Authority (Director Wichert)  
Agendas for the October 14, 2021 Regular and Special Board Meetings.
- c. Director Reports – AB 1234

### **Committee Reports**

28. a. Carmichael Water District/SSWD 2x2 Ad Hoc Committee (Director Locke)  
Draft Minutes from the September 29, 2021 meetings.
- b. Employee Benefits Ad Hoc Committee Meeting (Director McPherson)  
Draft Minutes from the October 4, 2021 meeting.

- c. Finance and Audit Committee Meeting (Director Thomas)  
Draft Minutes from the October 5, 2021 meeting.

**Director’s Comments/Staff Statements and Requests**

The Board and District staff may ask questions for clarification and make brief announcements and comments, and Board members may request staff to report back on a matter or direct staff to place a matter on a subsequent agenda.

**Closed Session (Closed Session Items are not opened to the public)**

None.

**Adjournment**

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**Upcoming Meetings**

Monday, November 15, 2021, at 6:00 p.m., Regular Board Meeting

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I certify that the foregoing agenda for the October 18, 2021, meeting of the Sacramento Suburban Water District Board of Directors was posted by October 13, 2021, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



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## **Agenda Item: 1**

**Date:** October 18, 2021

**Subject:** Minutes of the September 20, 2021, Regular Board Meeting

**Staff Contact:** Dan York, General Manager

**Recommended Board Action:**

Approve the draft minutes of the September 20, 2021, Regular Board Meeting.

**Attachment:**

1 – Draft Minutes

## Minutes

Sacramento Suburban Water District  
**Regular Board Meeting**  
Monday, September 20, 2021

### Location:

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #875 5967 0738.

### Call to Order – Videoconference/Audioconference Meeting

President Wichert called the meeting to order at 6:01 p.m.

### Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

### Roll Call

Directors Present: Dave Jones, Craig Locke, Kathleen McPherson, Kevin Thomas, and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Todd Artrip, Julie Nemitz, William Sadler, and Susan Schinnerer.

Public Present: William Eubanks, Cathy Lee, Jennifer Harris, Paul Helliker, Alan Driscoll, Jim Peifer, and Josh Horowitz.

### Announcements

General Manager Dan York (GM York) announced:

- Carmichael Water District/SSWD Joint Board Meeting will take place on Wednesday, October 6, 2021, at 6:00 p.m., at SSWD's Administration Building.

### Public Comment

Jennifer Harris (Ms. Harris) requested to recognize fallen Marine Sargent Nichole Gee's service with a moment of silence.

All members of the meeting stood for a moment of silence.

### Consent Items

1. **Minutes of the August 16, 2021, Regular Board Meeting**
2. **Policy Review - Water Banking and Transfer Policy (PL – BOD 006)**



3. **Treasurer’s Report**
4. **Resolution No. 21-11 Amending Regulations 1, 3, 8, 9, 12, and 13 of the Regulations Governing Water Service**

Director Jones moved to approve the Consent Items; Director Thomas seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, McPherson, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Items for Discussion and/or Action**

5. **Proposal to Merge the Sacramento Groundwater Authority and the Sacramento Central Groundwater Authority**

Jim Peifer (Mr. Peifer) Executive Director of the Regional Water Authority (RWA) and the Sacramento Groundwater Authority (SGA) presented a PowerPoint presentation on the SGA and the Sacramento Central Groundwater Authority merger discussions.

President Wichert noted he was in favor of all 3 organizations coming together, as he felt they were all very similar.

Director Jones expressed his concern over the cost implications as well as expressed his desire to have all questions brought forth by other agencies answered.

Director Locke echoed Director Jones.

William Eubanks (Mr. Eubanks) expressed he had additional questions based on the presentation.

Paul Helliker expressed that San Juan Water District provided the District with their comment letter, which was included in the Board packet, and that he looked forward to having his questions answered.

6. **Employee Handbook Review - Sick Leave Policy Amendments**

Susan Schinnerer (Ms. Schinnerer) presented the staff report and the PowerPoint presentation.

President Wichert recited a section of the LAFCo Resolution #1237 that was approved at consolidation regarding employee benefits and expressed his opinion that the benefits were established 20 years ago, but that they did not have to maintain them in perpetuity.

Director Locke inquired if employees could voluntarily change their benefits.

District Legal Counsel Josh Horowitz (Mr. Horowitz) answered that staff could voluntarily change their benefits, noting there were a couple options available to change the position of the District, one is to meet with staff who are subject to the Resolution, as well as including requesting a change of the existing Resolution with LAFCo.

Ms. Schinnerer continued presenting the PowerPoint presentation.

President Wichert expressed he did not want to monetize sick leave.

Director Jones expressed he was ok with option 2, noting he stood for integrity. He expressed when the deal was made with the employee, and the benefits were presented at the time of hire, he did not want to go back on that deal. He recommended leaving employee benefits for the current employees, but was open to the option of changing benefits going forward, noting that he felt making any changes to current employees' benefits was not showing any integrity, and he was not in favor of that.

Director Locke inquired what the objective is, noting that not all Directors agreed with the objective.

President Wichert expressed they were looking for three votes, noting the Directors did not have a unified objective, and further noting his personal intent was to avoid paying for sick leave.

Director Locke agreed with Director Jones expressing the only issue he saw was a liability of accumulated sick leave. He suggested to do a onetime payout to employees of their accrued sick leave, and then going forward, convert all sick leave to CalPERS service credits when they retire.

Ms. Schinnerer pointed out that Options 3 and 4 were similar to Director Locke's suggestion, noting all options eliminated the cap on sick leave.

President Wichert moved to go to LAFCo and ask for relief from the LAFCo Resolution, so that the Board, General Manager, and staff could make changes to employee benefits for several reasons, such as effects from the post pandemic world, and the fact there are other companies and agencies that have implemented cafeteria plans that save money.

Director McPherson seconded.

Mr. Horowitz added that the Board had the option to discuss vested rights with staff, noting that if the Board wanted to offer employees an equivalent benefit, that those changes could be made without the need to go to LAFCo, expressing that the Board was only proposing a reduction in the benefits for existing employees.

Director Locke expressed he felt the item suffered from a lack of a goal or a clearly defined objective, noting there was likely a bad effect on employee morale based on the

fact employee benefits are always on the agenda. He further inquired what the objective was.

Mr. Eubanks reiterated what Mr. Horowitz pointed out, which was to come up with an equivalent benefit that the employees might be interested in.

Ms. Harris pointed out that there were no employees in the room to express their opinion of the Board's desire to reduce their benefits. She additionally expressed that 7 options for any decision is way too many. She further expressed this was a waste of time, as she felt there were more important topics to focus on such as maintenance, clean water, and pipes in the ground.

President Wichert agreed that he felt there were too many options. He additionally stated that he believed paying for sick leave encouraged employees to come to work sick, noting that people generally will do whatever they can to maximize their income.

Ms. Harris expressed that she disagreed, noting she was not judging people as there are lots of people in the city and each have their own issues. She expressed that she was thankful for people that were willing to come to work, stating there are those who will also stay home when they are ill or need to take care of a sick family member.

The motion passed on a 3/2 vote, Director Jones and Locke opposed.

AYES:	McPherson, Thomas, and Wichert.	ABSTAINED:	
NOES:	Locke and Jones.	RECUSED:	
ABSENT:			

Director Jones moved to table the item until something came back from LAFCo.

Director Locke seconded.

Director McPherson moved option 4, with an addendum to pay out staff on a one time basis.

Director Locke noted there should be an option for a one time payout, with suggestions from staff on when that payout should be.

President Wichert clarified that the original motion was to table the item until something came back from LAFCo.

That motion failed on a 3/2 vote. Directors McPherson, Thomas, and Wichert opposed.

AYES:	Locke and Jones.	ABSTAINED:	
NOES:	McPherson, Thomas, and Wichert.	RECUSED:	
ABSENT:			

Director McPherson moved to adopt option 4, with an additional caveat to be reviewed at the next Regular or Special Board meeting, adding that employees who were anticipating getting a payout receive a onetime payout. She further stated that staff can bring back option 4 with employees allowed to request a onetime payout over the 240 hours that they were expecting, and a removal of the sick leave cap, as of whatever date staff brings back.

President Wichert suggested staff bring back a timeline.

Director Locke suggested removing the motion, and have the Board direct staff to bring back option 4 with additional recommendations on the amount that can be paid out, and a timeline for when the payout would occur.

The Board agreed with Director Locke's suggestion.

7. **Committee and Liaison Appointments – Ad Hoc Employee Benefits Committee**

President Wichert expressed that he requested the item and that he would like to table the item at this time, as he would like for the Ad Hoc Employee Benefits Committee to meet once more. Once they met again, he requested from that committee how comfortable they felt about going forward with the committee, or changing anything.

8. **Public Agencies' Use of Private Sector Compensation Data for Compensation Study Comparisons**

President Wichert expressed concern that only public agencies were being considered when reviewing pay and benefits, and suggested to include private sector as well.

Director McPherson added that she felt only other water agencies were being considered and suggested to include other public sector agencies in the region too.

GM York stated in the last salary study, there were 15 agencies for the non-exempt positions and roughly 18 for the exempt positions, which included public sector agencies other than water agencies.

Director Locke stated that it was difficult to gain salary information from private sector companies, and further expressed they often have different benefits, noting it is not an equal comparison as it would be hard to equate one to the other.

Ms. Schinnerer expressed that when doing a compensation study, you look at total compensation, noting that private agencies often consider that information confidential. She additionally noted that it is very difficult to categorize and compare job specifications and classifications as some private sector companies don't use them. She added that they often also have differing retirement plans, noting that overall the lack of consistent information makes it very challenging to compare. She further commented that she reached out to Shellie Anderson with Bryce Consulting, and Ms. Anderson further confirmed that it is a very difficult task to compare a private employer to a public agency.

Director Locke further echoed that it was difficult to get accurate compensation from private agencies.

Director Jones expressed that most employees that the District lost were to other water agencies, further noting that trying to compare to private agencies would not be equivalent as they are completely different.

Ms. Schinnerer further stated that even if the District was to gain information on private sector compensation, there was no way of knowing how long the data would last, as the information is often derived off of their sales and profits. She further reiterated that it was not an equitable comparison.

President Wichert stated the public sector seems to be paid more, and expressed if public sector agencies continued to compare to other public agencies, he felt it ensured they continued to get paid more.

Ms. Schinnerer stated that from a Human Resources standpoint, that was not the goal, but rather the goal was to compare similar agencies that provide similar services with employees doing similar tasks.

Director McPherson expressed that the Board recently approved salary increases for staff and suggested looking at a wider range of agencies, not just water agencies, when looking at comparisons in the future.

Director Jones reminded the Board that the District was not competing with private agencies for employees, but that we are competing with other water agencies.

President Wichert stated that the District has hired from private sector companies in the past, expressing it was because the District pays more.

Director Jones expressed people would come to the District for the job security, as that was the reason he came to the District when he was an employee.

Ms. Schinnerer clarified that in past salary surveys, the District has included other public agencies, cities and counties as well. She expressed that her role was to be fair, noting some private agencies were run very differently than public, making it not equal to compare to.

President Wichert inquired if the Board was interested in creating a policy where the District had to try to compare to private agencies when doing a compensation study.

Director Locke suggested to have this conversation at the next salary study.

Director McPherson noted she felt it was a discussion that should take place with the consultant doing the study.

President Wichert noted that staff was absolutely correct with the view of trying to compare public agencies to private agencies, however, he felt he never got any information.

Ms. Schinnerer further expressed it is very challenging to compare job descriptions to private agencies.

Director McPherson expressed that agencies such as California American Water do not have salaries and benefits as generous as the District's.

Director Locke noted that Cal American Water was a for-profit company.

President Wichert stated there was no resolve to the item.

9. **Resolution No. 21-12 Fixing the 2022 Employer Contribution Under the Public Employees' Medical and Hospital Care Act At An Equal Amount for Employees and Annuitants, and Resolution No. 21-13 Fixing the 2022 Employer Contribution For Public Agency Vesting Under Section 22893 of the Public Employees' Medical and Hospital Care Act**

Ms. Schinnerer presented the staff report and answered clarifying questions.

President Wichert requested staff look into a cafeteria plan as an option.

Director Jones moved to approve the staff recommendation; Director Thomas seconded. The motion passed by unanimous vote.

AYES:	Jones, Locke, McPherson, Thomas, and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

### **General Manager's Report**

10. **General Manager's Report**

GM York presented the staff report and answered clarifying questions.

President Wichert suggested staff look at alternate ways to move water without drilling more wells in the North Service Area.

Staff expressed there would be a report on this item at a future meeting.

- a. *Capital Budget Augmentation Need Anticipated*  
A written report was provided.

## Department/Staff Reports

### 11. **Financial Report**

Jeff Ott (Mr. Ott) presented the staff report and answered clarifying questions.

*a. COVID-19 Financial Update*

A written report was provided.

*b. Financial Highlights*

A written report was provided.

*c. Budgets*

A written report was provided.

*d. Information Required by LOC Agreement*

A written report was provided.

### 12. **District Activity Report**

Todd Artrip presented the staff report and answered clarifying questions.

### 13. **Engineering Report**

Dana Dean (Mr. Dean) presented the staff report.

*a. Major Capital Improvement Program (CIP) Projects*

A written report was provided.

*b. Planning Documents*

A written report was provided.

*c. Other*

A written report was provided.

## Information Items

### 14. **Sacramento Suburban Water District Goals – 2021 Update**

GM York presented the staff report.

### 15. **2022 Budget Preparation Status Update**

Mr. Ott presented the staff report.

### 16. **Capital Improvement Program and Operations Mid-Year Status Report**

Mr. Dean presented the staff report.

### 17. **RWA Proposition 1 Grant Funding**

Assistant General Manager Matt Underwood presented the staff report.

18. **Monitoring of Perfluoroalkyl and Polyfluoroalkyl Substances**

A written report was provided.

19. **Correspondence received by the District**

A written report was provided.

20. **Upcoming Water Industry Events**

A written report was provided.

**Director's Reports (Per AB 1234, Directors will report on their meeting activities)**

21. a. Regional Water Authority (Director Jones)

The agenda for the September 9, 2021 Board Meeting was provided.

Regional Water Authority Executive Committee (General Manager York)

The agenda for the August 25, 2021 Board Meeting was provided.

b. Sacramento Groundwater Authority (Director Wichert)

None.

c. Director Reports – AB 1234

Director Thomas provided an oral report on the Webinar he attended on July 13, 2021; the Webinar he attended on July 14, 2021; the AeroJet CAG meeting he attended on July 21, 2021; the San Juan Water District Board meeting he attended on July 28, 2021; the meeting he had with the General Manager on August 6, 2021; the Webinar he attended on August 10, 2021; the meeting he had with Director McPherson on August 21, 2021; the RWA Executive Committee meeting he attended on August 25, 2021; and the Water Forum meeting he attended on August 26, 2021.

**Committee Reports**

22. a. Regulatory Compliance Committee Meeting (Director Wichert)

Draft Minutes from the August 11, 2021 meeting were provided.

b. Carmichael Water District/SSWD 2x2 Ad Hoc Committee (Director Locke)

Draft Minutes from the August 24, 2021 meetings were provided.

c. Employee Benefits Ad Hoc Committee Meeting (Director McPherson)

Draft Minutes from the September 1, 2021 meeting were provided.

Director McPherson provided an oral report of the meeting.

Director Jones expressed that all Directors join the meetings of the Employee Benefits Ad Hoc Committee, and recommended dissolving the Committee.



President Wichert expressed there will be another meeting held of the Committee and then the Board can discuss making any changes going forward.

**Director's Comments/Staff Statements and Requests**

None.

**Closed Session (Closed Session Items are not opened to the public)**

None.

**Adjournment**

President Wichert adjourned the meeting at 8:26 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

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## **Agenda Item: 2**

**Date:** October 18, 2021

**Subject:** Minutes of the October 11, 2021, Special Board Workshop

**Staff Contact:** Dan York, General Manager

**Recommended Board Action:**

Approve the draft minutes of the October 11, 2021, Special Board Workshop.

**Attachment:**

1 – Draft Minutes

## Minutes

### Sacramento Suburban Water District Special Board Workshop - Budget Monday, October 11, 2021

#### Location:

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #870 3487 0831.

#### Call to Order – Videoconference/Audioconference Meeting

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

#### Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

#### Roll Call

Directors Present: Dave Jones, Kathleen McPherson, and Robert Wichert.

Directors Absent: Kevin Thomas and Craig Locke.

Staff Present: Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Dana Dean, Todd Artrip, David Armand, Hannah Dunrud, Lynn Pham, Ann Bradford, and David Espinoza.

Public Present: Craig Locke via Zoom, William Eubanks, and Tony Barela.

#### Announcements

Assistant General Manager Matt Underwood (AGM Underwood) announced:

- General Manager Dan York was ill and will not be in attendance.
- Staff has been advised by legal counsel that, based on new legislation, if a Director participated in the meeting via Zoom or teleconference they could listen but could not participate in any discussion or action.

President Wichert expressed he was disappointed that they were not made aware that Directors were unable to join the meeting virtually until now.

#### Public Comment

William Eubanks (Mr. Eubanks) inquired about the style of meeting, and if the Board was planning on voting on items.

President Wichert expressed it was a Special Board Workshop and they were allowed to vote.

## Items for Discussion and/or Action

### 1. **Capital Budget Transfer Request**

AGM Underwood presented the staff report and answered clarifying questions.

President Wichert requested staff provide answers to how many wells were shut down due to Chrome 6, the reason each of the 15 wells were out of service, when they each went out of service, if they were standby or unable to use due to their known contaminant, what the pumping capacity was for each well, and what the plan is for each well.

President Wichert additionally inquired if any of the surrounding water purveyors possessed an opportunity to sell surface water or had excess to groundwater capacity that we would be able to purchase.

Director McPherson expressed she would not want to routinely rely on other water purveyors, and that she was interested in the District being self-sustaining.

Director Jones expressed he wanted staff to try to avoid drilling a well if the water was contaminated in that area.

President Wichert requested to see a schedule for the well projects.

Dana Dean (Mr. Dean) expressed well projects were listed monthly in the Engineering Report.

President Wichert recommended staff work on a redundant source of water, such as contracts with surrounding water purveyors, and not embark on an engineering project that has the potential to be delayed. He additionally expressed he was not in favor of drilling wells in the North Service Area, and he would like to see the current projects accelerated.

Director Jones expressed it was difficult to accelerate well projects, as there are steps to drilling wells that may take time.

AGM Underwood expressed there were some supply disruptions however staff was working on accelerating all current well projects if possible.

Mr. Eubanks asked clarifying questions.

President Wichert requested staff bring the presentation back with additional information, and be more specific on what staff was requesting.

Director McPherson moved to approve the transfer from Operations and Maintenance (O&M) Budget to Capital Budget of \$540,000 in order to accelerate construction of new groundwater wells in the North Service Area (NSA) to restore lost production

capacity; Director Jones seconded. The motion failed on a 2/1 vote, President Wichert opposed.

AYES:	Jones and McPherson.	ABSTAINED:	
NOES:	Wichert.	RECUSED:	
ABSENT:	Locke and Thomas.		

Director Jones moved to approve the use of \$350,000 of Well Property Acquisition Reserves to complete planned 2021 well property acquisitions; Director McPherson seconded.

Director McPherson expressed that another option would be to bring the item back to the full Board at the October 18, 2021, regular Board meeting for input from the other Directors.

President Wichert expressed he would be in favor of bringing the item back to the October 18, 2021, regular Board meeting.

The motion failed on a 1/2 vote, President Wichert and Director McPherson opposed.

AYES:	Jones.	ABSTAINED:	
NOES:	McPherson and Wichert.	RECUSED:	
ABSENT:	Locke and Thomas.		

**2. Budget Rollovers**

Jeff Ott (Mr. Ott) presented the staff report and answered clarifying questions.

Mr. Eubanks withdrew his comment.

Director McPherson clarified that staff was proposing to make budget rollovers an official practice so staff would not need to come back to the Board each year to gain approval for them.

Mr. Ott agreed.

President Wichert noted that budget rollovers encouraged schedule delays and resulted in additional expenditures, noting he was not in favor of it.

Director Jones expressed that most construction projects shut down in the winter months, causing delays, noting if you don't have rollovers available, that caused even further delays. He stated he was in favor of budget rollovers.

Director McPherson expressed budget rollovers seemed more efficient, and she was in favor of the item.

President Wichert expressed concern over projects not getting completed as scheduled.

Director Jones moved to approve the staff recommendation; Director McPherson seconded. The motion failed on 2/1 vote, President Wichert opposed.

AYES:	Jones and McPherson.	ABSTAINED:	
NOES:	Wichert.	RECUSED:	
ABSENT:	Locke and Thomas.		

3. **Upcoming Policy Review – Reserve Policy (PL – Fin 004)**

Mr. Ott presented the staff report and answered clarifying questions.

The Board agreed with the staff recommendation.

4. **Calendar Year 2022 Budget – First Draft**

Mr. Ott presented the staff report, PowerPoint presentation, and answered clarifying questions.

President Wichert expressed he wanted to be sure there was a 10 percent cut in the administrative budget, and noted he wished to see the 10 percent cut in budget continue into 2022, reflecting the 10 percent reduction achieved in 2021, into 2022, noting it would not be an additional 10 percent.

Director Jones stated he felt that 10 percent was too high, as he didn't think it was a realistic number, and suggested 5 percent instead.

Director McPherson pointed out that the Merit and COLA figures recently presented to the Board could have assisted with President Wichert's desire to cut the administrative budget. She further noted she was in favor of the 10 percent reduction achieved in 2021 being carried into 2022.

President Wichert reiterated that he was not asking for an additional 10 percent.

Mr. Ott continued presenting the PowerPoint presentation and answered clarifying questions.

President Wichert requested for staff to breakout the consultant figures in the presentation.

President Wichert requested to see a graph on how the reserve balance decreased.

Mr. Dean continued presenting the PowerPoint presentation and answered clarifying questions.

President Wichert expressed his displeasure with budgeted funds not being used, and expressed he was not in favor of decreasing the reserve balance below the rate study recommendation.

Mr. Ott continued presenting the PowerPoint presentation and answered clarifying questions.

President Wichert inquired if there could be a slide breaking out the administrative budget.

Director McPherson requested staff provide a slide that showed the salary of the new proposed positions including the pay band and benefits separately.

President Wichert additionally requested to see reductions in consulting dollars as a result of hiring the proposed positions, noting he was not in favor of approving new positions unless it resulted in lower consultant costs.

Director McPherson requested information on how much the District spends on consultants related to the hydrogeologist position, additionally suggesting to provide a 5 year average.

President Wichert requested staff provide the District's position with regards to market median following the 2018 compensation study.

Mr. Eubanks stated if the Board decided to approve the recommendations, they would have the opportunity to abandon the scheduled 3 percent rate increase for next year, and additionally cut rates by 5 percent, resulting in a cost savings to ratepayers.

**Closed Session (Closed Session Items are not opened to the public)**

None.

**Adjournment**

President Wichert adjourned the meeting at 8:56 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District



## Agenda Item: 3

**Date:** October 18, 2021

**Subject:** Treasurer’s Report

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### Recommended Board Actions:

Staff requests the Board of Directors to take the following actions on the items included in the Treasurer’s report.

1. Ratify the SSWD Warrant Register as submitted for the period September 1, 2021 through September 31, 2021.
2. Accept the credit card expenditures listing for the period September 1, 2021 through September 31, 2021.
3. Ratify the Investment Activity register for the period September 1, 2021 through September 31, 2021.
4. Accept the Investment Portfolio Register as of the end of 3rd Quarter of 2021.
5. Accept the Debt Portfolio Register as of the end of 3rd Quarter of 2021.
6. Ratify the Quarterly Directors Compensation and Expense Register for 3<sup>rd</sup> Quarter 2021

### Background:

The Treasurer’s report contains several items required by various Government and Water Code sections that need to be presented to the Board of Directors periodically for various actions including ratification, acceptance or approval.

Per District Policy PL – Fin 014, Payment of Demands, the Board of Directors will ratify all demands for payment at the first regular Board Meeting following the month of payment. The Board has also requested to receive and file a register of credit card transactions. District policy PL – Fin 003, Investment Policy, and Government Code Section’s 53607 and 53646 require the District Treasurer to report to the Board of Directors monthly on the investment transactions conducted and quarterly on the status of the investment portfolio. Government Code Section 53065.5 requires the annual reporting of reimbursements to any employee or member of the governing body. This Treasurer’s report satisfies the requirements of the above listed policies and government code sections for the reporting to and ratification of the Board of Directors the various financial transactions of the District.



## **Discussion:**

Five (5) registers are attached for Board review and acceptance or ratification:

- Cash Expenditures (AP Warrants) Register – September 2021
- Credit Card Expenditures Register – September 2021
- Investment Activity Register – September 2021
- Investment Portfolio Register – 3rd Quarter 2021
- Debt Portfolio Register – 3rd Quarter 2021
- Directors Compensation and Expense Register – 3rd Quarter 2021

### **Cash Expenditures (AP Warrants) Register– September 2021**

During the month of September 2021, the District made cash payments totaling \$3.4 million. The primary expenditures were: \$1.7 million for 2021 capital improvement projects, \$0.7 million for payroll, pension and health benefits, \$0.3 million for water costs including pumping costs, \$0.1 million for operating supplies, \$0.1 customer billing related costs, \$0.4 million for all other O&M expenses and \$0.1 million for debt service,. Per District Policy PL – Fin 014, the District Treasurer confirms that the cash expenditures contained in this register conform to the approved 2021 Annual Budget. The Cash Expenditures (AP Warrants) Register is included as Attachment 1.

### **Credit Card Expenditures Register – September 2021**

Per the District's Purchasing Card Policy (PL – FIN 006), a monthly report detailing each purchasing card transaction by cardholder is provided.

During the month, the District spent \$13,319 for various purchases on the five District purchasing cards. Details by vendor and purpose are included in this report as Attachment 2.

### **Investment Activity Register – September 2021**

During the month of September 2021, the District purchased two Corporate Notes for \$0.2 million (par), one Supra-National Agency Note for \$0.4 million (par) and two Asset-Back Security for \$0.6 million (par). The District sold one Corporate Note for \$0.1 million (par). The District received principal pay downs on three Federal Agency Collateralized Mortgage Obligations for \$1,571 (par) and four Asset-Backed Security Obligations for \$57,022 (par). One Federal Agency Collateralized Mortgage Obligation was matured for \$7. Details of the investment transactions are included as Attachment 3.

All investments are invested and accounted for in accordance with the District Investment Policy (PL - FIN 003) and Government Code. As required by California Government Code 53646, the District affirms its ability to meet its pool's expenditure requirements for the next six months.

### **Investment Portfolio Register – 3rd Quarter 2021**

Excess and reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, U.S. Treasury bonds, notes and bills, Supra-National Agency notes, commercial paper, municipal bonds, negotiable certificates of deposit, asset-backed securities, collateralized mortgage obligations, and Local Agency Investment Fund (LAIF). The

District's investments are under the day-to-day management of PFM Asset Management, LLC (PFM). PFM manages the portfolio in compliance with the District's Investment Policy and provides monthly and quarterly reporting, analytics, and proposes strategies for the District. The PFM market portfolio is currently earning a rate of 1.23% per annum, while LAIF is earning 0.22%. District staff monitors investment assets quarterly and reviews the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

**Summary of District's Investment Portfolio September 30, 2021):**

<b>Fair Market Value</b>	<b>Security Type</b>	<b>Yield</b>
\$ 562,093.39	Money Market	0.01%
10,387,643.05	LAIF	0.22%
1,599,588.00	Commercial Paper	0.22%
4,645,893.37	Asset-Backed Securities	0.84%
2,684,193.90	Certificates of Deposit	1.72%
6,817,729.52	Corporate Notes	1.64%
6,625,789.83	Federal Agency Securities Bonds/Notes	0.39%
588,353.94	Federal Agency Collateralized Mortgage Obligation	2.31%
1,805,502.20	Municipal Obligations	1.00%
1,352,649.95	Supra-National Agency Bond	0.37%
16,210,678.58	Treasury Bonds/Notes	1.60%
<b>\$ 53,280,115.73</b>		<b>1.02%</b>

The portfolio details are included with this report as Attachment 4.

All investments are invested and accounted for in accordance with the District Investment Policy (PL - FIN 003) and Government Code.

**Debt Portfolio Register – 3rd Quarter 2021**

The following table shows the District's long-term debt obligations. Scheduled 2021 principal payments of 5.0 million are not due until the end of October. Total principal outstanding as of September 30, 2021, is now \$65.3 million.

**Summary of District's Debt Portfolio:**

<b>Debt</b>	<b>Original Par</b>	<b>Outstanding</b>	<b>Issuance</b>	<b>Credit Enhancement</b>	<b>Final Maturity</b>
2009A	\$ 42,000,000	\$ 42,000,000	Adjustable Rate Revenue COP's	Sumitomo Bank*	11/1/2034
2012A	\$ 29,200,000	\$ 10,990,000	Fixed Rate Revenue Bond		11/1/2027
2018A	\$ 19,615,000	\$ 12,275,000	Fixed Rate Revenue Bond		11/1/2028
	<u>\$ 90,105,000</u>	<u>\$ 65,265,000</u>			

\* Credit enhancement expires 6/30/2023

**Current Status of District's Variable-Rate Debt Portfolio:**

<u>Debt</u>	<u>Outstanding</u>	<u>Credit Enhancement</u>	<u>Bank Owned</u>	<u>Sold in Market</u>	<u>Market Rate</u>
2009A	\$42,000,000	Sumitomo Bank LOC	None	\$42,000,000	0.66%
	<u>Notional Amount</u>	<u>Counterparty</u>	<u>FMV</u>	<u>Receive Rate</u>	<u>Fixed Rate</u>
Swap	\$33,300,000	Wells Fargo Bank, N.A.	(\$6,730,105)	0.230%	3.283%

**Directors Compensation and Expense Register – 3<sup>rd</sup> Quarter 2021**

Director meetings attended during 2020 (that Directors have reported to staff and have been compensated for attending) and expense reimbursements are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. Directors who have not reported their meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board meeting. Director's Compensation and Expense Register is included with this report as Attachment 5.

**Attachments:**

1. Cash Expenditures (AP Warrants) Register – September 2021
2. Credit Card Expenditures Register – September 2021
3. Investment Activity Register – September 2021
4. Investment Portfolio Register – 3rd Quarter 2021
5. Directors Compensation and Expense Register – 3rd Quarter 2021

**Cash Expenditures  
September 2021**

# AP Warrant List from 9/1/2021 to 9/30/2021

Group	Vendor Name	Amount	Description
<b>Benefits</b>			
	PAYROLL -2	\$ 522,644.30	Payroll Processing
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$ 159.46	Miscellaneous Employee Benefits
	AMERITAS (VISION) - Invoices:1	\$ 1,975.56	Employee Benefit - Vision Insurance
	CIGNA-DENTAL INS - Invoices:1	\$ 13,643.28	Employee Benefit - Dental Insurance
	PERS HEALTH - Invoices:2	\$ 110,133.12	Employee Benefit - Medical Insurance
	PERS PENSION - Invoices:6	\$ 85,586.33	Employee Benefit - PERS Retirement--ER
	BASIC PACIFIC - Invoices:1	\$ 297.00	Retiree Benefits - Medical
	UNUM - Invoices:1	\$ 4,173.64	Employee Benefit - LTD Insurance
<b>CIP &amp; OCB</b>			
	A.I. ELECTRIC - Invoices:7	\$ 8,034.88	Construction In Progress
	ATLAS FENCE - Invoices:1	\$ 2,825.00	Construction In Progress
	AUBURN CONSTRUCTORS - Invoices:4	\$ 459,683.01	Construction In Progress
	BENDER ROSENTHAL INC - Invoices:2	\$ 1,221.25	Construction In Progress
	BENNETT ENGINEERING SERVICES - Invoices:2	\$ 6,162.88	Construction In Progress
	BROWN & CALDWELL - Invoices:5	\$ 84,013.73	Construction In Progress
	CAROLLO ENGINEERS - Invoices:1	\$ 72,312.70	Construction In Progress
	CITY OF CITRUS HEIGHTS - Invoices:1	\$ 31.20	Construction In Progress
	COUNTY OF SAC ENVIRO MGT DEPT -	\$ 2,142.40	Construction In Progress
	COUNTY OF SAC/Planning & Enviro - Invoices:1	\$ 49,130.00	Construction In Progress
	DOMENICHELLI & ASSOCIATES - Invoices:7	\$ 71,984.79	Construction In Progress
	DOUG VEERKAMP GENERAL ENGR - Invoices:2	\$ 445,810.15	Construction In Progress
	ERC CONTRACTING - Invoices:2	\$ 10,750.00	Construction In Progress
	FLOWLINE CONTRACTORS INC - Invoices:5	\$ 71,516.20	Construction In Progress
	FRISCH ENGINEERING INC - Invoices:1	\$ 2,179.70	Construction In Progress
	GEOCON CONSULTANTS INC - Invoices:1	\$ 405.00	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$ 132,735.65	Construction In Progress
	KENNEDY JENKS CONSULTANTS - Invoices:3	\$ 21,805.10	Construction In Progress
	KIMMEL CONSTRUCTION - Invoices:1	\$ 47,535.00	Construction In Progress
	LOEWEN PUMP MAINTENANCE - Invoices:1	\$ 6,900.00	Construction In Progress
	MID AMERICA METER INC - Invoices:1	\$ 8,317.75	Construction In Progress
	PACE SUPPLY CORP - Invoices:7	\$ 6,829.92	Construction In Progress
	PETERSON BRUSTAD INC - Invoices:2	\$ 1,951.95	Construction In Progress
	RAWLES ENGINEERING - Invoices:4	\$ 27,430.95	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:3	\$ 3,135.00	Construction In Progress
	SAC VALLEY ELECTRIC INC - Invoices:1	\$ 52,155.00	Construction In Progress
	SMUD ACCOUNTING - Invoices:1	\$ 500.00	Construction In Progress
	TESCO - Invoices:3	\$ 14,347.48	Construction In Progress
	WEST YOST & ASSOCIATES - Invoices:13	\$ 40,854.66	Construction In Progress
	WOOD RODGERS ENGINEERING - Invoices:4	\$ 15,281.56	Construction In Progress
<b>Debt Service</b>			
	SUMITOMO MITSUI BANKING CORPORATION -	\$ 572.20	2009A COP Interest Expense
	WELLS FARGO SWAP - Invoices:1	\$ 75,924.04	2009A COP Interest Expense

Financial Services			
	WESTAMERICA BANK ANALYSIS FEES -	\$ 7,719.66	Financial Services
	WESTAMERICA CARD PROCESSING STMT -	\$ 8,519.16	Financial Services
Other			
	A & A STEPPING STONE MFG., INC - Invoices:1	\$ 96.98	Operating Supplies
	A1 FABRICATION & WELDING - Invoices:2	\$ 4,300.00	Operating Supplies
	ACS CONSTRUCTION - Invoices:2	\$ 7,160.00	Building Maintenance - Office & Yard
	AFLAC - Invoices:1	\$ 737.77	Supplemental Insurance
	AIRGAS USA LLC - Invoices:2	\$ 116.04	Operating Supplies
	ALL PRO BACKFLOW - Invoices:1	\$ 2,877.00	Backflow Services
	ALLIED UNIVERSAL - Invoices:2	\$ 1,388.76	Building Service Expense - Office & Yard
	ANGELA STERGION - Invoices:1	\$ 100.00	BMP Rebates
	ANSWERNET - Invoices:1	\$ 941.88	Communication
	APPLIED BEST PRACTICES - Invoices:1	\$ 900.00	Consulting Services
	ARMSTRONG REMEDIATION - Invoices:1	\$ 1,215.65	Hazardous Waste Disposal
	AT&T - Invoices:7	\$ 5,342.96	Communication
	ATLAS DISPOSAL - Invoices:2	\$ 269.11	Building Service Expense - Office & Yard
	BADGER METER INC - Invoices:7	\$ 39,823.32	Inventory - Materials & Supplies
	BARTKIEWICZ KRONICK & SHANAHAN -	\$ 22,989.40	Legal Services
	BAY ALARM COMPANY - Invoices:1	\$ 116.55	Building Service Expense - Office & Yard
	BROADRIDGE MAIL LLC - Invoices:13	\$ 26,697.86	Contract Services
	BROWER MECHANICAL - Invoices:7	\$ 2,755.00	Building Maintenance - Office & Yard
	BUD'S TRI COUNTY TREE SERVICE - Invoices:1	\$ 645.00	Construction Services
	BURTON ROBB /BURT'S LAWN & GARDEN	\$ 16,420.00	Contract Services
	CA/NV AWWA WFP WATER SLAM - Invoices:1	\$ 250.00	Public Relations
	CALIFORNIA LABORATORY SERVICES -	\$ 3,048.00	Inspection & Testing
	CALIFORNIA SURVEYING & DRAFTING -	\$ 563.11	Office Supplies
	CAPITAL CITY SIGNS - Invoices:1	\$ 329.46	Operating Supplies
	CAPITAL RUBBER CO LTD - Invoices:2	\$ 326.82	Equipment Maintenance Services
	CAPITAL SWEEPER SERVICE - Invoices:2	\$ 340.00	Building Service Expense - Office & Yard
	CAREERS IN GOVERNMENT INC - Invoices:1	\$ 2,500.00	Publication
	CAROL NICKNIG - Invoices:1	\$ 100.00	BMP Rebates
	CDWG - Invoices:2	\$ 26,748.30	Licenses & Permit
	CENTRAL VALLEY ENG & ASPHALT - Invoices:3	\$ 83,260.00	Construction Services
	CINTAS - Invoices:12	\$ 2,832.54	Building Maintenance - Office & Yard
	CITY OF SACRAMENTO DEPT OF UTILITIES -	\$ 26.08	Utilities
	CLEAR VISION WINDOW CLEANING - Invoices:2	\$ 450.00	Building Service Expense - Office & Yard
	COLLECTION PLUS - Invoices:3	\$ 1,806.96	Employment Cost
	OCCU-MED LTD - Invoices:1	\$ 136.00	Miscellaneous Employee Benefits
	COMCAST - Invoices:1	\$ 65.71	Communication
	CONSOLIDATED COMMUNICATIONS -	\$ 1,007.77	Communication
	COUNTY OF SAC PUBLIC WORKS - Invoices:1	\$ 1,015.00	Licenses, Permits & Fees
	COUNTY OF SAC UTILITIES - Invoices:5	\$ 1,140.93	Utilities
	CULLIGAN - Invoices:1	\$ 43.00	Building Maintenance - Office & Yard
	Customer Refunds: 221	\$ 21,848.20	Customer Refunds

Other		
DANIEL HUERTA - Invoices:1	\$ 75.00	BMP Rebates
DAVID ESPINOZA - Invoices:1	\$ 275.00	Membership & Dues
DESILVA GATES CONSTRUCTION - Invoices:1	\$ 2,094.46	Hydrant Permit Refund
DITCH WITCH EQUIPMENT CO - Invoices:3	\$ 402.94	Equipment Maintenance Services
ELEVATOR TECHNOLOGY INC - Invoices:2	\$ 210.00	Building Service Expense - Office & Yard
EMCOR SERVICES - Invoices:5	\$ 3,743.00	Contract Services
EMPLOYEE RELATIONS NETWORK - Invoices:1	\$ 135.79	Employment Cost
EUROFINS EATON ANALYTICAL - Invoices:3	\$ 22,777.00	Inspection & Testing
FASTENAL COMPANY - Invoices:1	\$ 330.79	Operating Supplies
FERGUSON WATERWORKS - Invoices:1	\$ 378.09	Operating Supplies
FIELDMAN ROLAPP & ASSOCIATES - Invoices:1	\$ 1,601.74	Consulting Services
FLEETWASH INC - Invoices:4	\$ 1,202.25	Vehicle Maintenance Services
FUTURE FORD - Invoices:2	\$ 1,784.79	Vehicle Maintenance Services
GOODFELLOWS BROS - Invoices:1	\$ 2,293.00	Hydrant Permit Refund
GOVERNMENT FINANCE OFFICERS	\$ 160.00	Membership & Dues
GRAINGER - Invoices:9	\$ 1,416.57	Operating Supplies
GREEN MEDIA CREATIONS INC - Invoices:1	\$ 4,761.20	Consulting Services
H2H PROPERTIES - Invoices:2	\$ 2,644.00	H&D WALNUT PARKING LOT LEASE
HACH COMPANY - Invoices:3	\$ 1,715.61	Operating Supplies
HARRINGTON PLASTICS - Invoices:1	\$ 10,453.39	Operating Supplies
HOLT OF CALIFORNIA - Invoices:3	\$ 7,074.01	Contract Services
IN COMMUNICATIONS - Invoices:1	\$ 6,379.46	Public Relations
IRON MOUNTAIN OFF SITE DATA PROTECTION -	\$ 515.73	Equipment Maintenance Services
J&J LOCKSMITH - Invoices:2	\$ 271.44	Building Maintenance - Office & Yard
JAMES ARENZ - Invoices:1	\$ 225.93	Employee Retention/Morale
JAMES BYRD SMOKE TESTING - Invoices:1	\$ 375.00	Vehicle Maintenance Services
JEOVANI BENAVIDEZ - Invoices:1	\$ 190.00	Other Training
JERRY BEAMS - Invoices:1	\$ 250.00	Uniforms
JERRY POLAN - Invoices:1	\$ 150.00	BMP Rebates
JO ANN KELLY - Invoices:1	\$ 260.79	BMP Rebates
KENNETH K LEE - Invoices:1	\$ 150.00	BMP Rebates
KIM D PREWITT - Invoices:1	\$ 100.00	BMP Rebates
KYLE JIVIDEN - Invoices:1	\$ 1,920.00	Education Assistance
LAKE VUE ELECTRIC INC - Invoices:1	\$ 497.00	Building Maintenance - Office & Yard
LES SCHWAB TIRE CENTER/MADISON -	\$ 2,869.98	Building Service Expense - Office & Yard
LIFEGUARD FIRST AID - Invoices:2	\$ 160.81	Building Service Expense - Office & Yard
MESSENGER PUBLISHING GROUP - Invoices:1	\$ 309.00	Public Relations
MICHAEL GIRIN - Invoices:1	\$ 580.80	BMP Rebates
MICHAEL PHILLIPS LANDSCAPE CORP -	\$ 7,225.00	Building Service Expense - Office & Yard
MMS STRATEGIES - Invoices:1	\$ 1,850.00	Membership & Dues
NINJIO LLC - Invoices:1	\$ 134.46	Equipment Maintenance Services
OFFICE DEPOT INC - Invoices:4	\$ 927.34	Office Supplies
ONE STOP TRUCK SHOP - Invoices:1	\$ 917.88	Equipment Maintenance Services
PAUL BAKER PRINTING INC - Invoices:1	\$ 3,165.77	Printing
PEOPLEREADY - Invoices:5	\$ 7,533.50	Temporary Help

Other		
PEST PROS - Invoices:3	\$ 288.15	Building Service Expense - Office & Yard
PFM ASSET MANAGEMENT LLC - Invoices:3	\$ 9,576.31	Consulting Services
POWERS ELECTRIC PRODUCTS CO - Invoices:1	\$ 1,492.16	Operating Supplies
PSOMAS - Invoices:1	\$ 2,168.00	Consulting Services
RAUL PALOMAR - Invoices:1	\$ 163.98	Required Training
RAY MORGAN CO - Invoices:2	\$ 157.97	Equipment Maintenance Services
REGIONAL WATER AUTHORITY - Invoices:1	\$ 3,341.49	Public Relations
RESOURCE TELECOM LLC - Invoices:1	\$ 652.50	Equipment Maintenance Services
REY CASTELLANOS - Invoices:1	\$ 1,500.00	Other Training
RICHARD EATON - Invoices:1	\$ 217.60	BMP Rebates
RIVER CITY FIRE EQUIP CO INC - Invoices:3	\$ 1,893.10	Building Service Expense - Office & Yard
RUE EQUIPMENT INC - Invoices:3	\$ 465.19	Equipment Maintenance Services
SAC ICE LLC - Invoices:1	\$ 579.25	Building Maintenance - Office & Yard
SACRAMENTO METRO CHAMBER OF COMMERCE	\$ 1,150.00	Membership & Dues
SENSUS USA INC - Invoices:1	\$ 14,629.43	Licenses, Permits & Fees
SETON - Invoices:1	\$ 2,290.38	Operating Supplies
SONITROL - Invoices:3	\$ 3,052.58	Building Maintenance - Office & Yard
ST GEORGES EPISCOPAL CHURCH - Invoices:1	\$ 186.00	Claims & Insurance Reimb.
STORM WIND LLC - Invoices:1	\$ 3,300.00	Required Training
STUDEBAKER BROWN ELECTRIC - Invoices:1	\$ 2,295.80	Hydrant Permit Refund
TEE JANITORIAL & MAINTENANCE - Invoices:2	\$ 8,216.00	Building Service Expense - Office & Yard
TEICHERT CONSTRUCTION - Invoices:1	\$ 1,715.80	Hydrant Permit Refund
TELSTAR INSTRUMENTS - Invoices:1	\$ 3,685.33	Temporary Help
THOMPSONS COLLISION - Invoices:1	\$ 1,046.73	Claims & Insurance Reimb.
TIMOTHY WARNES - Invoices:1	\$ 150.00	BMP Rebates
TINA LYNN DESIGN - Invoices:4	\$ 10,321.54	Contract Services
TINA NAJJAN - Invoices:1	\$ 342.12	BMP Rebates
TOM DICKINSON - Invoices:1	\$ 285.00	Training
ULINE SHIPPING SUPPLY SPECIALISTS -	\$ 1,171.77	Operating Supplies
US BANK CORPORATE PAYMENT SYSTEM -	\$ 13,319.52	CalCard
USA NORTH 811 FOR CA UNDERGROUND	\$ 11,484.83	Membership & Dues
USPS - Invoices:1	\$ 20,122.44	Postage/Shipping/UPS/Fed Ex
VALLEY REDWOOD & YARD SUPPLY - Invoices:1	\$ 48.49	Operating Supplies
VERIZON WIRELESS/DALLAS TX - Invoices:2	\$ 5,822.72	Communication
VOYAGER FLEET SYSTEMS - Invoices:1	\$ 47.00	Operating Supplies
WASTE MANAGEMENT - Invoices:2	\$ 284.14	Building Service Expense - Office & Yard
WATERTRAX - Invoices:1	\$ 20,076.50	Annual Maintenance
WATERWISE CONSULTING, INC. - Invoices:1	\$ 5,225.00	Consulting Services
WEX - Invoices:2	\$ 23,679.12	Operating Supplies
ZORO - Invoices:2	\$ 517.95	Operating Supplies
Water Costs		
PG&E - Invoices:2	\$ 27.53	Utilities
SIERRA CHEMICAL COMPANY - Invoices:6	\$ 38,052.27	HFA, Chemical & Delivery
SMUD - Invoices:2	\$ 290,571.84	Electrical Charges
	<u>\$ 3,390,163.87</u>	



**Credit Card Expenditures  
September 2021**

**Sacramento Suburban Water District  
US Bank Purchasing Card Program  
CalCard Expenditures  
September 2021**

<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	<b>Proj/GLAcct</b>
NEOGOV - GOVERNMENTJOBS.COM	DISTRIBUTION OPERATOR I/II JOB POSTING	\$ 199.00	17-51402
CA-NV SECTION - AWWA	GREG BUNDESEN - AWWA WATER LOSS VALIDAOR CERTIFICATION RENEWAL	\$ 200.00	13-51406
BROWN & CALDWELL	DISTRIBUTION OPERATOR I/II JOB POSTING	\$ 200.00	17-51402
TRANSITTALENT.COM	DISTRIBUTION OPERATOR I/II JOB POSTING	\$ 145.00	17-51402
ACWA	DISTRIBUTION OPERATOR I/II JOB POSTING	\$ 475.00	17-51402
AMAZON.COM	SD CARD READER FOR CAMERA	\$ 7.53	17-52108
ROUND TABLE PIZZA	PIZZA LUNCH FOR BUDGET MEETING WITH STAFF	\$ 210.61	03-56000
RALEY'S	DRINKS AND COOKIES FOR BUDGET MEETING LUNCH	\$ 28.79	03-56000
BEL ART PRODUCTS	ENVIRONMENTAL COMPLIANCE SUPPLIES	\$ 110.65	14-52101
HOME DEPOT	WATER CONSERVATION SUPPLIES	\$ 121.97	13-52101
SKILLPATH	TRAINING-HECTOR SEGOVIANO	\$ 149.00	08-51407
AMAZING TRAINER	TRAINING-HANNAH DUNRUD	\$ 1,500.00	06-51407
AMAZING TRAINER	TRAINING-HECTOR SEGOVIANO	\$ 1,500.00	08-51407
ZORO	DISTRIBUTION SUPPLIES	\$ 517.18	07-52101
PAYPAL	TRAINING-DAVID ARMAND	\$ 700.00	14-51406
USA BLUE BOOK	WAREHOUSE SUPPLIES	\$ 100.10	05-52101
USA BLUE BOOK	DISTRIBUTION SUPPLIES	\$ 84.80	07-52101
AMAZON	OFFICE SUPPLIES	\$ 27.50	03-52108
HARBOR FREIGHT TOOLS	WAREHOUSE SUPPLIES	\$ 26.93	05-52101
AMAZON	COVID SUPPLIES	\$ 616.32	05-52101
AMAZON	COVID SUPPLIES	\$ 638.50	05-52101
MOUNTAIN MIKES	INVENTORY LUNCH	\$ 103.99	03-55002
TOGOS	INVENTORY LUNCH	\$ 50.45	03-55002
AMAZON	COVID SUPPLIES	\$ 102.30	05-52101
HOME DEPOT	WAREHOUSE SUPPLIES	\$ 116.91	05-52101
AMAZON	DISTRIBUTION SUPPLIES	\$ 59.91	07-52101
GWJ CO	ENVIRONMENTAL COMPLIANCE SUPPLIES	\$ 68.94	14-52101
USA BLUE BOOK	DISTRIBUTION SUPPLIES.	\$ 84.80	07-52101
AMAZON	OFFICE SUPPLIES	\$ 247.62	03-52108
USA BLUE BOOK	DISTRIBUTION SUPPLIES-	\$ 84.80	07-52101
AMAZON	COVID SUPPLIES	\$ 204.44	05-52101
AMAZON	OFFICE SUPPLIES	\$ 24.77	03-52108
RALEYS	SSWD/CWD LUNCHEON	\$ 40.24	02-55002
ROUND TABLE PIZZA	SSWD/CWD LUNCHEON	\$ 220.38	02-55002
CSDA	DAN YORK CSDA CONFERENCE	\$ 825.00	02-55001
RWA	RWA 20TH ANNIVERSARY EVENT	\$ 65.00	02-55001
RWA	RWA 20TH ANNIVERSARY EVENT TICKETS FOR BOARD	\$ 585.00	01-55001
CSDA PORTOLA HOTEL	HOTEL FOR CSDA FOR DAN YORK	\$ 419.68	02-55001
THE HOME DEPOT	10'X25' CLEAR PLASTIC TO DIVIDE CUBICLES - ENGINEERING- COVID	\$ 31.98	12-54008
THE HOME DEPOT	10'X25' CLEAR PLASTIC TO DIVIDE CUBICLES - FINANCE DEPT. - COVID	\$ 31.98	12-54005
HOBLIT DODGE	SERVICE AND FUEL FILTERS	\$ 599.99	12-54005

**Sacramento Suburban Water District  
US Bank Purchasing Card Program  
CalCard Expenditures  
September 2021**

<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>	<b>Proj/GLAcct</b>
THE HOME DEPOT	1/2" FLEX CONDUIT, 3/4" EMT, AND ELECT. BOXES - ADD ON TO OPS MANAGER OFFICE	\$ 91.37	12-54008
SCELZI EQUIPMENT	W81 BIN LOCKS WITH KEYS FOR VEHICLE #75	\$ 52.56	12-54005
VARIDESK	THREE DUEL MONITOR ARMS - OPS MANAGER, PRODUCTION AND FIELD SUPER.	\$ 727.31	12-52108
THE HOME DEPOT	10'X25' CLEAR PLASTIC TO DIVIDE IT OFFICE AREA - COVID	\$ 31.98	12-52101
GCIROM.COM	WHEELS AND HANDLE FOR MQ PUMP #206	\$ 180.31	12-54003
AED SUPERSTORE	REPLACE ADULT DEFIBRILLATION ELECTRODE PADS	\$ 82.60	12-54007
CA AIR RESOURCES BOARD	PERP LOW USE PERMIT - EQUIPMENT #159	\$ 110.00	12-54509
CA AIR RESOURCES BOARD	CREDIT CARD PROCESSING FEE FOR PERMIT #159	\$ 2.92	12-54509
AMAZON MARKETPLACE	DELL USBC CHARGING CORDS FOR DISTRIBUTION LAPTOPS	\$ 190.32	18-52101
AMAZON MARKETPLACE	BLUETOOTH EARBUD FOR SWITCHVOX PC SOFTPHONE FOR RODNEY LEE	\$ 43.09	18-52101
GOVERNMENT FINANCE OFFICE	CAPITAL ASSET ACCOUNTING SERIES TRAINING FOR JEFF OTT	\$ 280.00	03-51406
	<b>Totals:</b>	<b>\$ 13,319.52</b>	

**Investment Activity**  
**September 2021**



**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>BUY</b>										
09/07/21	09/10/21	JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/10/2021 0.625% 09/10/2024	24422EVU0	90,000.00	(89,941.50)	0.00	(89,941.50)			
09/08/21	09/13/21	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/18/2021 1.125% 06/18/2026	89236TJK2	190,000.00	(189,578.20)	(504.69)	(190,082.89)			
09/08/21	09/15/21	BMWLT 2021-2 A4 DTD 09/15/2021 0.430% 01/27/2025	09690AAD5	370,000.00	(369,986.01)	0.00	(369,986.01)			
09/15/21	09/23/21	INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	440,000.00	(439,674.40)	0.00	(439,674.40)			
09/20/21	09/27/21	DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	250,000.00	(249,946.48)	0.00	(249,946.48)			
<b>Transaction Type Sub-Total</b>				<b>1,340,000.00</b>	<b>(1,339,126.59)</b>	<b>(504.69)</b>	<b>(1,339,631.28)</b>			

<b>INTEREST</b>										
09/01/21	09/01/21	PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	0.00	2,137.50	2,137.50			
09/01/21	09/01/21	MONEY MARKET FUND	MONEY0002	0.00	0.00	5.30	5.30			
09/01/21	09/25/21	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	190,779.81	0.00	491.26	491.26			
09/01/21	09/25/21	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	16,047.29	0.00	42.83	42.83			
09/01/21	09/25/21	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FO3V3	85,284.27	0.00	195.06	195.06			
09/01/21	09/25/21	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	0.00	701.71	701.71			
09/04/21	09/04/21	FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	200,000.00	0.00	375.00	375.00			
09/08/21	09/08/21	FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	850,000.00	0.00	1,062.50	1,062.50			
09/15/21	09/15/21	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	128,119.63	0.00	343.79	343.79			
09/15/21	09/15/21	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	275,000.00	0.00	126.04	126.04			



**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>INTEREST</b>										
09/15/21	09/15/21	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	65,000.00	0.00	18.42	18.42			
09/15/21	09/15/21	COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	800,000.00	0.00	1,146.67	1,146.67			
09/15/21	09/15/21	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	82,277.47	0.00	216.66	216.66			
09/15/21	09/15/21	COMET 2021-A1 A1 DTD 07/22/2021 0.550% 07/15/2026	14041NFW6	415,000.00	0.00	336.04	336.04			
09/15/21	09/15/21	CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	150,000.00	0.00	62.50	62.50			
09/15/21	09/15/21	NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	410,000.00	0.00	112.75	112.75			
09/15/21	09/15/21	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	145,000.00	0.00	62.83	62.83			
09/15/21	09/15/21	MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	195,000.00	0.00	65.00	65.00			
09/15/21	09/15/21	TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	450,000.00	0.00	97.50	97.50			
09/15/21	09/15/21	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	95,000.00	0.00	30.08	30.08			
09/15/21	09/15/21	ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	18,460.25	0.00	46.15	46.15			
09/15/21	09/15/21	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	23,253.84	0.00	57.36	57.36			
09/15/21	09/15/21	NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.870% 03/15/2025	650036DT0	425,000.00	0.00	1,848.75	1,848.75			
09/16/21	09/16/21	GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	170,000.00	0.00	68.00	68.00			
09/16/21	09/16/21	GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	135,000.00	0.00	42.75	42.75			
09/18/21	09/18/21	CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	135,000.00	0.00	506.25	506.25			



**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
<b>INTEREST</b>											
	09/20/21	09/20/21	VWALT 2020-A A4 DTD 12/03/2020 0.450% 07/21/2025	92868VAD1	265,000.00	0.00	99.38	99.38			
	09/20/21	09/20/21	GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	50,000.00	0.00	17.08	17.08			
	09/20/21	09/20/21	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	200,000.00	0.00	308.33	308.33			
	09/23/21	09/23/21	FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	450,000.00	0.00	843.75	843.75			
<b>Transaction Type Sub-Total</b>					<b>6,849,222.56</b>	<b>0.00</b>	<b>11,467.24</b>	<b>11,467.24</b>			
<b>MATURITY</b>											
	09/01/21	09/01/21	FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/01/2021	3136B1XP4	7.24	7.24	0.02	7.26	(0.14)	0.00	
<b>Transaction Type Sub-Total</b>					<b>7.24</b>	<b>7.24</b>	<b>0.02</b>	<b>7.26</b>	<b>(0.14)</b>	<b>0.00</b>	
<b>PAYDOWNS</b>											
	09/01/21	09/25/21	FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FO3V3	1,209.81	1,209.81	0.00	1,209.81	0.03	0.00	
	09/01/21	09/25/21	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	38.62	38.62	0.00	38.62	0.00	0.00	
	09/01/21	09/25/21	FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	322.40	322.40	0.00	322.40	(2.75)	0.00	
	09/15/21	09/15/21	ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	13,280.76	13,280.76	0.00	13,280.76	0.91	0.00	
	09/15/21	09/15/21	NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	17,160.18	17,160.18	0.00	17,160.18	3.29	0.00	
	09/15/21	09/15/21	HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	13,735.44	13,735.44	0.00	13,735.44	2.05	0.00	
	09/15/21	09/15/21	TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	12,845.12	12,845.12	0.00	12,845.12	0.19	0.00	
<b>Transaction Type Sub-Total</b>					<b>58,592.33</b>	<b>58,592.33</b>	<b>0.00</b>	<b>58,592.33</b>	<b>3.72</b>	<b>0.00</b>	



**Managed Account Security Transactions & Interest**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
<b>SELL</b>										
09/08/21	09/13/21	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023	89236THF5	125,000.00	125,422.50	50.35	125,472.85	518.75	484.03	FIFO
<b>Transaction Type Sub-Total</b>				<b>125,000.00</b>	<b>125,422.50</b>	<b>50.35</b>	<b>125,472.85</b>	<b>518.75</b>	<b>484.03</b>	
<b>Managed Account Sub-Total</b>					<b>(1,155,104.52)</b>	<b>11,012.92</b>	<b>(1,144,091.60)</b>	<b>522.33</b>	<b>484.03</b>	
<b>Total Security Transactions</b>					<b>(\$1,155,104.52)</b>	<b>\$11,012.92</b>	<b>(\$1,144,091.60)</b>	<b>\$522.33</b>	<b>\$484.03</b>	



**Outstanding Investments  
September 2021**



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>												
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021		912828T67	475,000.00	AA+	Aaa	10/05/17	10/10/17	463,997.07	1.85	2,484.71	474,777.27	475,371.07
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021		912828T67	570,000.00	AA+	Aaa	08/30/17	08/31/17	561,004.69	1.64	2,981.66	569,822.69	570,445.28
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022		912828X47	135,000.00	AA+	Aaa	01/03/18	01/04/18	133,286.13	2.18	1,059.27	134,770.69	136,413.29
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022		912828X47	950,000.00	AA+	Aaa	05/03/18	05/07/18	919,644.53	2.73	7,454.14	945,594.91	959,945.36
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022		912828X47	1,050,000.00	AA+	Aaa	07/03/18	07/06/18	1,018,992.19	2.69	8,238.79	1,045,306.57	1,060,992.24
US TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022		912828TJ9	500,000.00	AA+	Aaa	09/05/18	09/07/18	479,023.44	2.76	1,037.70	495,361.23	506,640.60
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022		912828N30	25,000.00	AA+	Aaa	01/07/19	01/10/19	24,639.65	2.51	134.26	24,886.75	25,617.19
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022		912828N30	1,375,000.00	AA+	Aaa	01/30/19	01/31/19	1,353,193.36	2.55	7,384.08	1,368,046.27	1,408,945.31
US TREASURY NOTES DTD 05/31/2016 1.625% 05/31/2023		912828R69	300,000.00	AA+	Aaa	06/03/19	06/07/19	297,644.53	1.83	1,638.32	299,016.66	306,984.36
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023		912828T91	650,000.00	AA+	Aaa	07/01/19	07/03/19	645,708.98	1.78	4,420.18	647,937.27	667,671.88
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023		912828T91	2,050,000.00	AA+	Aaa	10/02/19	10/04/19	2,061,771.48	1.48	13,940.55	2,056,012.32	2,105,734.37
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024		912828XX3	375,000.00	AA+	Aaa	02/03/20	02/07/20	385,180.66	1.36	1,895.38	381,362.12	390,761.70
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024		912828XX3	475,000.00	AA+	Aaa	03/02/20	03/06/20	498,137.70	0.85	2,400.81	489,715.99	494,964.82
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024		912828XX3	650,000.00	AA+	Aaa	11/01/19	11/06/19	663,152.34	1.55	3,285.33	657,769.02	677,320.28



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	925,000.00	AA+	Aaa	01/02/20	01/07/20	938,622.07	1.66	4,675.27	933,351.43	963,878.86
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,925,000.00	AA+	Aaa	12/02/19	12/05/19	1,953,875.00	1.66	9,729.62	1,942,352.68	2,005,910.06
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	550,000.00	AA+	Aaa	08/05/20	08/07/20	587,855.47	0.18	2,432.40	577,961.69	570,710.91
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	975,000.00	AA+	Aaa	06/03/20	06/05/20	1,036,356.45	0.36	4,311.99	1,018,610.84	1,011,714.80
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	1,000,000.00	AA+	Aaa	07/01/20	07/06/20	1,065,312.50	0.28	4,422.55	1,047,300.76	1,037,656.20
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	100,000.00	AA+	Aaa	07/01/21	07/07/21	98,035.16	0.82	94.77	98,138.32	98,000.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	250,000.00	AA+	Aaa	05/04/21	05/06/21	245,771.48	0.75	236.92	246,139.61	245,000.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	500,000.00	AA+	Aaa	06/28/21	06/29/21	490,410.16	0.81	473.85	490,957.82	490,000.00
<b>Security Type Sub-Total</b>		<b>15,805,000.00</b>					<b>15,921,615.04</b>	<b>1.60</b>	<b>84,732.55</b>	<b>15,945,192.91</b>	<b>16,210,678.58</b>

<b>Supra-National Agency Bond / Note</b>											
INTL BK OF RECON AND DEV NOTE DTD 04/20/2021 0.125% 04/20/2023	459058JV6	315,000.00	AAA	Aaa	04/13/21	04/20/21	314,347.95	0.23	176.09	314,494.44	314,494.11
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	600,000.00	AAA	Aaa	11/17/20	11/24/20	598,710.00	0.32	529.17	599,076.38	598,859.40
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	440,000.00	AAA	Aaa	09/15/21	09/23/21	439,674.40	0.52	48.89	439,676.78	439,296.44
<b>Security Type Sub-Total</b>		<b>1,355,000.00</b>					<b>1,352,732.35</b>	<b>0.37</b>	<b>754.15</b>	<b>1,353,247.60</b>	<b>1,352,649.95</b>

<b>Municipal Bond / Note</b>											
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**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Municipal Bond / Note</b>												
CA ST EARTHQUAKE AUTH TXBL REV BONDS	DTD 11/24/2020 1.477% 07/01/2023	13017HAK2	85,000.00	NR	NR	11/13/20	11/24/20	85,000.00	1.48	313.86	85,000.00	86,343.00
CHAFFEY UHSD, CA TXBL GO BONDS	DTD 12/05/2019 2.101% 08/01/2024	157411TK5	100,000.00	AA-	Aa1	11/06/19	12/05/19	100,000.00	2.10	350.17	100,000.00	103,410.00
SAN JUAN USD, CA TXBL GO BONDS	DTD 10/29/2020 0.702% 08/01/2024	798306WN2	200,000.00	NR	Aa2	10/16/20	10/29/20	200,000.00	0.70	234.00	200,000.00	200,172.00
NY ST URBAN DEV CORP TXBL REV BONDS	DTD 12/23/2020 0.870% 03/15/2025	650036DT0	425,000.00	AA+	NR	12/16/20	12/23/20	425,000.00	0.87	164.33	425,000.00	423,980.00
UNIV OF CAL TXBL REV BONDS	DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	100,000.00	AA	Aa2	07/10/20	07/16/20	100,000.00	0.88	333.58	100,000.00	100,780.00
FL ST BOARD OF ADMIN TXBL REV BONDS	DTD 09/16/2020 1.258% 07/01/2025	341271AD6	75,000.00	AA	Aa3	09/03/20	09/16/20	75,530.25	1.11	235.87	75,415.04	75,797.25
FL ST BOARD OF ADMIN TXBL REV BONDS	DTD 09/16/2020 1.258% 07/01/2025	341271AD6	105,000.00	AA	Aa3	09/03/20	09/16/20	105,696.15	1.12	330.22	105,544.90	106,116.15
FL ST BOARD OF ADMIN TXBL REV BONDS	DTD 09/16/2020 1.258% 07/01/2025	341271AD6	200,000.00	AA	Aa3	09/03/20	09/16/20	200,000.00	1.26	629.00	200,000.00	202,126.00
MN ST TXBL GO BONDS	DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	130,000.00	AAA	Aa1	08/11/20	08/25/20	130,000.00	0.63	136.50	130,000.00	129,754.30
LOS ANGELES CCD, CA TXBL GO BONDS	DTD 11/10/2020 0.773% 08/01/2025	54438CYK2	175,000.00	AA+	Aaa	10/30/20	11/10/20	175,000.00	0.77	225.46	175,000.00	174,160.00
CA ST UNIV TXBL REV BONDS	DTD 07/29/2021 0.862% 11/01/2025	13077DQD7	115,000.00	AA-	Aa2	07/09/21	07/29/21	115,000.00	0.86	170.72	115,000.00	113,431.40
NJ TURNPIKE AUTHORITY TXBL REV BONDS	DTD 02/04/2021 1.047% 01/01/2026	646140DP5	90,000.00	A+	A2	01/22/21	02/04/21	90,000.00	1.05	235.58	90,000.00	89,432.10
<b>Security Type Sub-Total</b>			<b>1,800,000.00</b>					<b>1,801,226.40</b>	<b>1.00</b>	<b>3,359.29</b>	<b>1,800,959.94</b>	<b>1,805,502.20</b>
<b>Federal Agency Commercial Mortgage-Backed Security</b>												



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Commercial Mortgage-Backed Security</b>											
FHLMC SERIES K721 A2 DTD 12/01/2015 3.090% 08/01/2022	3137BM6P6	190,457.41	AA+	Aaa	04/04/18	04/09/18	192,079.27	2.88	490.43	190,770.45	193,301.57
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	16,008.67	AA+	Aaa	12/07/18	12/17/18	16,008.62	3.20	42.73	16,008.65	16,432.02
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FO3V3	84,074.46	AA+	Aaa	11/20/19	11/26/19	84,072.42	2.09	146.57	84,073.24	85,665.19
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	AA+	Aaa	03/19/20	03/25/20	288,621.09	1.95	701.71	284,205.37	292,955.16
<b>Security Type Sub-Total</b>		<b>565,540.54</b>					<b>580,781.40</b>	<b>2.31</b>	<b>1,381.44</b>	<b>575,057.71</b>	<b>588,353.94</b>

<b>Federal Agency Bond / Note</b>											
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	1,200,000.00	AA+	Aaa	08/19/20	08/21/20	1,198,776.00	0.28	308.33	1,199,228.59	1,199,673.60
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	365,000.00	AA+	Aaa	09/02/20	09/04/20	365,066.65	0.24	58.30	365,042.88	364,758.01
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	485,000.00	AA+	Aaa	09/02/20	09/04/20	484,839.95	0.26	77.46	484,897.04	484,678.44
FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAAY1	415,000.00	AA+	Aaa	10/14/20	10/16/20	413,452.05	0.25	237.76	413,946.83	413,486.08
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	450,000.00	AA+	Aaa	11/03/20	11/05/20	449,595.00	0.28	453.13	449,716.94	449,301.15
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	400,000.00	AA+	Aaa	11/23/20	11/25/20	399,544.00	0.29	344.44	399,672.86	399,361.60
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	400,000.00	AA+	Aaa	12/02/20	12/04/20	399,604.00	0.28	325.00	399,712.85	399,182.80
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	450,000.00	AA+	Aaa	04/15/20	04/16/20	447,768.00	0.60	1,043.75	448,420.22	447,419.25
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	450,000.00	AA+	Aaa	04/22/20	04/24/20	449,073.00	0.67	1,242.19	449,339.82	449,378.10



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Bond / Note</b>											
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	500,000.00	AA+	Aaa	07/21/20	07/23/20	497,510.00	0.48	364.58	498,103.83	492,343.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	450,000.00	AA+	Aaa	08/25/20	08/27/20	447,894.00	0.47	168.75	448,355.84	443,282.85
FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	200,000.00	AA+	Aaa	09/10/20	09/11/20	199,400.00	0.44	56.25	199,526.99	196,537.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	450,000.00	AA+	Aaa	09/23/20	09/25/20	448,645.50	0.44	37.50	448,921.00	442,976.40
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	450,000.00	AA+	Aaa	11/09/20	11/12/20	448,389.00	0.57	900.00	448,674.75	443,411.55
<b>Security Type Sub-Total</b>		<b>6,665,000.00</b>					<b>6,649,557.15</b>	<b>0.39</b>	<b>5,617.44</b>	<b>6,653,560.44</b>	<b>6,625,789.83</b>
<b>Corporate Note</b>											
PACCAR FINANCIAL CORP NOTE DTD 03/01/2019 2.850% 03/01/2022	69371RP75	150,000.00	A+	A1	02/22/19	03/01/19	149,868.00	2.88	356.25	149,981.81	151,617.00
JPMORGAN CHASE & CO BONDS DTD 03/22/2019 3.207% 04/01/2023	46647PBB1	275,000.00	A-	A2	03/15/19	03/22/19	275,000.00	3.21	4,409.63	275,000.00	278,760.08
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 07/08/2020 0.650% 07/07/2023	14913R2D8	300,000.00	A	A2	07/06/20	07/08/20	299,832.00	0.67	455.00	299,901.10	300,816.30
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2020 0.500% 08/14/2023	89236THF5	125,000.00	A+	A1	08/11/20	08/14/20	124,903.75	0.53	81.60	124,940.05	125,158.25
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 10/09/2020 0.400% 10/10/2023	24422EVJ5	100,000.00	A	A2	10/06/20	10/09/20	99,884.00	0.44	190.00	99,921.78	100,042.80
PNC BANK NA CORP NOTES (CALLABLE) DTD 01/23/2019 3.500% 01/23/2024	693475AV7	380,000.00	A-	A3	02/12/19	02/15/19	382,705.60	3.34	2,512.22	381,241.34	404,196.88



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>											
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	135,000.00	A	A2	03/16/21	03/18/21	134,932.50	0.77	36.56	134,944.63	135,490.73
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 04/26/2021 0.500% 04/26/2024	06406RAS6	365,000.00	A	A1	04/19/21	04/26/21	364,609.45	0.54	785.76	364,665.75	364,105.02
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	375,000.00	BBB+	A1	07/19/19	07/23/19	396,483.75	2.59	6,135.42	386,605.17	404,479.88
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	355,000.00	AA	A1	05/10/21	05/12/21	354,481.70	0.50	616.81	354,548.85	354,291.42
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	375,000.00	A-	A3	07/11/19	07/15/19	373,140.00	2.51	2,350.00	373,971.81	391,396.88
GOLDMAN SACHS GROUP INC BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	375,000.00	BBB+	A2	07/08/19	07/11/19	392,467.50	2.84	3,328.65	384,681.82	403,542.00
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	400,000.00	A-	A3	08/01/19	08/05/19	400,664.00	2.46	1,666.67	400,372.02	421,007.60
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/09/2021 0.500% 08/09/2024	69371RR40	170,000.00	A+	A1	08/03/21	08/09/21	169,908.20	0.52	122.78	169,912.64	169,200.66
WALT DISNEY COMPANY/THE DTD 09/06/2019 1.750% 08/30/2024	254687FK7	400,000.00	BBB+	A2	09/03/19	09/06/19	398,368.00	1.84	602.78	399,045.91	412,261.60
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/10/2021 0.625% 09/10/2024	24422EVU0	90,000.00	A	A2	09/07/21	09/10/21	89,941.50	0.65	32.81	89,942.62	90,007.38
BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	150,000.00	A	A1	01/21/20	01/28/20	150,660.00	2.00	1,373.75	150,426.66	155,845.35
CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025	172967JP7	275,000.00	BBB+	A3	08/28/20	09/01/20	305,236.25	0.88	3,882.08	298,206.63	296,321.30



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For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>											
JPMORGAN CHASE & CO CORPORATE NOTES DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	395,000.00	A-	A2	05/24/21	06/01/21	395,000.00	0.82	1,084.93	395,000.00	393,439.75
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025	06051GFS3	275,000.00	A-	A2	08/18/20	08/20/20	314,011.50	0.93	1,776.04	305,224.74	302,940.83
UNITEDHEALTH GROUP INC CORPORATE NOTES DTD 05/19/2021 1.150% 05/15/2026	91324PEC2	325,000.00	A+	A3	05/17/21	05/19/21	324,434.50	1.19	1,370.42	324,476.40	325,236.28
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 1.200% 05/28/2026	04636NAA1	325,000.00	A-	A3	07/16/21	07/20/21	325,390.00	1.17	1,332.50	325,373.67	324,356.50
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/18/2021 1.125% 06/18/2026	89236TJK2	190,000.00	A+	A1	09/08/21	09/13/21	189,578.20	1.17	611.56	189,582.57	189,017.13
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 06/16/2020 1.319% 06/19/2026	06051GJD2	325,000.00	A-	A2	07/23/21	07/27/21	326,491.75	1.22	1,214.58	326,422.56	324,197.90
<b>Security Type Sub-Total</b>		<b>6,630,000.00</b>					<b>6,737,992.15</b>	<b>1.64</b>	<b>36,328.80</b>	<b>6,704,390.53</b>	<b>6,817,729.52</b>
<b>Commercial Paper</b>											
SUMITOMO MITSUI TRUST NY COMM PAPER DTD 05/05/2021 0.000% 11/01/2021	86563GY14	800,000.00	A-1	P-1	05/05/21	05/05/21	799,320.00	0.17	0.00	799,882.89	799,945.60
CREDIT SUISSE NEW YORK COMM PAPER DTD 04/29/2021 0.000% 01/24/2022	2254EBAQ4	800,000.00	A-1	P-1	04/29/21	04/30/21	798,386.00	0.27	0.00	799,310.00	799,642.40
<b>Security Type Sub-Total</b>		<b>1,600,000.00</b>					<b>1,597,706.00</b>	<b>0.22</b>	<b>0.00</b>	<b>1,599,192.89</b>	<b>1,599,588.00</b>
<b>Certificate of Deposit</b>											
SOCIETE GENERALE NY CERT DEPOS DTD 02/19/2020 1.800% 02/14/2022	83369XDL9	400,000.00	A-1	P-1	02/14/20	02/19/20	400,000.00	1.80	940.00	400,000.00	402,212.00





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For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

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<b>Certificate of Deposit</b>											
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.980% 02/25/2022	55379WZU3	375,000.00	A-1	P-1	02/27/19	02/28/19	375,000.00	2.96	6,736.04	375,000.00	379,303.88
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	380,000.00	A-1	P-1	07/10/20	07/14/20	380,000.00	0.70	628.06	380,000.00	381,466.42
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 08/29/2019 1.850% 08/26/2022	65558TLL7	400,000.00	A-1+	P-1	08/27/19	08/29/19	400,000.00	1.84	740.00	400,000.00	405,903.60
SKANDINAV ENSKILDA BANK LT CD DTD 09/03/2019 1.860% 08/26/2022	83050PDR7	400,000.00	A-1	P-1	08/29/19	09/03/19	400,000.00	1.85	744.00	400,000.00	405,939.60
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	400,000.00	AA-	Aa2	12/04/19	12/06/19	400,000.00	2.03	2,742.67	400,000.00	408,469.60
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	300,000.00	A+	A1	03/19/21	03/23/21	300,000.00	0.59	944.00	300,000.00	300,898.80
<b>Security Type Sub-Total</b>		<b>2,655,000.00</b>					<b>2,655,000.00</b>	<b>1.72</b>	<b>13,474.77</b>	<b>2,655,000.00</b>	<b>2,684,193.90</b>
<b>Asset-Backed Security</b>											
TAOT 2018-B A3 DTD 05/16/2018 2.960% 09/15/2022	89238TAD5	10,408.72	AAA	Aaa	05/09/18	05/16/18	10,408.56	2.96	13.69	10,408.68	10,417.63
ALLYA 2018-3 A3 DTD 06/27/2018 3.000% 01/15/2023	02007JAC1	5,179.49	AAA	Aaa	06/19/18	06/27/18	5,179.14	3.00	6.91	5,179.39	5,183.89
HAROT 2018-4 A3 DTD 11/28/2018 3.160% 01/15/2023	43815AAC6	68,542.03	AAA	Aaa	11/20/18	11/28/18	68,531.79	3.16	96.26	68,538.83	68,955.62
NAROT 2018-C A3 DTD 12/12/2018 3.220% 06/15/2023	65478NAD7	110,959.45	AAA	Aaa	12/04/18	12/12/18	110,938.18	3.22	158.80	110,951.41	111,835.34
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	200,000.00	AAA	Aaa	01/21/20	01/29/20	199,976.58	1.85	113.06	199,985.33	202,629.48
COMET 2019-A2 A2 DTD 09/05/2019 1.720% 08/15/2024	14041NFU0	800,000.00	AAA	NR	08/28/19	09/05/19	799,798.56	1.73	611.56	799,883.00	810,475.44
MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	195,000.00	AAA	NR	06/22/21	06/29/21	194,985.28	0.40	34.67	194,986.40	194,991.13



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

**SACRAMENTO SUBURBAN WATER DISTRICT - 76850100**

<b>Security Type/Description</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Asset-Backed Security</b>											
BMWLT 2021-2 A4 DTD 09/15/2021 0.430% 01/27/2025	09690AAD5	370,000.00	NR	Aaa	09/08/21	09/15/21	369,986.01	0.43	70.71	369,986.19	369,540.05
GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	50,000.00	AAA	NR	05/18/21	05/26/21	49,995.79	0.41	6.26	49,996.16	49,857.09
VWALT 2020-A A4 DTD 12/03/2020 0.450% 07/21/2025	92868VAD1	265,000.00	AAA	NR	11/24/20	12/03/20	264,945.20	0.45	36.44	264,954.99	265,147.02
CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	150,000.00	AAA	NR	10/14/20	10/21/20	149,966.99	0.50	33.33	149,973.46	150,356.10
GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	135,000.00	AAA	NR	10/06/20	10/14/20	134,971.15	0.38	21.38	134,976.89	135,131.54
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	95,000.00	AAA	NR	04/20/21	04/28/21	94,990.01	0.38	16.04	94,990.98	94,939.97
NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	410,000.00	AAA	Aaa	06/15/21	06/23/21	409,993.07	0.33	60.13	409,993.51	409,717.96
TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	450,000.00	AAA	NR	06/08/21	06/14/21	449,951.54	0.26	52.00	449,954.81	448,662.69
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	65,000.00	AAA	NR	01/20/21	01/27/21	64,987.16	0.34	9.82	64,988.94	64,854.58
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	145,000.00	AAA	NR	04/13/21	04/21/21	144,968.75	0.52	33.51	144,971.64	145,231.16
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	275,000.00	AAA	Aaa	07/21/21	07/28/21	274,954.76	0.55	67.22	274,956.41	274,762.87
GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	170,000.00	AAA	NR	07/13/21	07/21/21	169,989.49	0.48	34.00	169,989.91	169,789.64
COMET 2021-A1 A1 DTD 07/22/2021 0.550% 07/15/2026	14041NFW6	415,000.00	AAA	NR	07/15/21	07/22/21	414,983.19	0.55	101.44	414,983.85	414,054.34
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	250,000.00	AAA	Aaa	09/20/21	09/27/21	249,946.48	0.58	16.11	249,946.60	249,359.83



**Managed Account Detail of Securities Held**

For the Month Ending **September 30, 2021**

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
<b>Security Type Sub-Total</b>		<b>4,635,089.69</b>					<b>4,634,447.68</b>	<b>0.84</b>	<b>1,593.34</b>	<b>4,634,597.38</b>	<b>4,645,893.37</b>
<b>Managed Account Sub-Total</b>		<b>41,710,630.23</b>					<b>41,931,058.17</b>	<b>1.23</b>	<b>147,241.78</b>	<b>41,921,199.40</b>	<b>42,330,379.29</b>
<b>Securities Sub-Total</b>		<b>\$41,710,630.23</b>					<b>\$41,931,058.17</b>	<b>1.23%</b>	<b>\$147,241.78</b>	<b>\$41,921,199.40</b>	<b>\$42,330,379.29</b>
<b>Accrued Interest</b>											<b>\$147,241.78</b>
<b>Total Investments</b>											<b>\$42,477,621.07</b>

**Directors Compensation and Expense Accounting  
Third Quarter, September 30, 2021**

**Directors Expense Report  
Calendar Year 2021  
Current Quarter**

<b>Event/Purpose</b>	<b>Jones</b>	<b>Locke</b>	<b>McPherson</b>	<b>Thomas</b>	<b>Wichert</b>	<b>Total</b>
Local Meeting Mileage						-
Reimbursed by District						
Local Meeting Expenses						
Reimbursed by District						
Paid Directly by District						
Conferences						
Reimbursed by District						-
Paid Directly by District						-
<b>Total</b>	-	-	-	-	-	-

**Directors Expense Report  
2021 Year to Date**

<b>Event/Purpose</b>	<b>Jones</b>	<b>Locke</b>	<b>McPherson</b>	<b>Thomas</b>	<b>Wichert</b>	<b>Total</b>
Local Meeting Mileage						-
Reimbursed by District						-
Local Meeting Expenses						-
Reimbursed by District						
Paid Directly by District						
Conferences						
Reimbursed by District						
Paid Directly by District						
Refunded by Director						
Refunded Directly by Vendor						
<b>Total</b>	-	-	-	-	-	-

This report meets the reporting requirements of Government Code sections 53065.5 and 53232.3 and is in conformance with District Policy. Per section 300.10 of the Director's Compensation and Expense Reimbursement Policy (PL-BOD003), a Director's total annual reimburseable expenses, excluding registration fees, may not exceed \$4,000.00.

Sacramento Suburban Water District  
Paid Board of Directors Meetings Attended (1)  
Pay Rate per Diem is \$100.00  
**3rd Quarter 2021**

Director Thomas:

07/07/2021 SSWD and CWD Ad Hoc Meeting  
07/08/2021 Regional Water Authority Meeting  
07/13/2021 Webinar – Drought Signals of Climate Change  
07/14/2021 Webinar – Delta Conveyance Project  
07/19/2021 SSWD Regular Board Meeting  
07/21/2021 Aerojet CAG  
07/28/2021 SSWD Regular Board Meeting  
08/02/2021 Finance and Audit Committee Meeting  
08/06/2021 Meeting with Dan York  
08/10/2021 Webinar – Storm Water Workshop  
08/11/2021 SSWD Regulatory Compliance  
08/12/2021 SGA Meeting  
08/16/2021 SSWD Regular Board Meeting  
08/21/2021 Meeting with Director McPherson  
08/24/2021 Carmichael/SSWD 2x2 Meeting  
08/25/2021 RWA Executive Meeting  
08/26/2021 Water Forum WFSE Planary

Director Jones:

07/07/2021 SSWD and CWD Ad Hoc Meeting  
07/08/2021 Regional Water Authority Meeting  
07/15/2021 RWA Special Board Meeting - Drought  
07/19/2021 SSWD Regular Board Meeting  
07/23/2021 Carmichael/SSWD 2x2 Meeting  
07/28/2021 Harassment Training  
08/02/2021 Facilities and Operations Committee Meeting  
08/03/2021 Webinar – Ethics  
08/11/2021 Regulation Committee Meeting  
08/12/2021 SGA Meeting  
08/16/2021 SSWD Regular Board Meeting  
08/24/2021 Carmichael/SSWD 2x2 Meeting

Director McPherson:

No Pay – Verbal Report

Director Locke:

07/06/2021 Del Paso Manor Board Meeting  
07/07/2021 Carmichael/SSWD 2x2 Meeting  
07/08/2021 RWA Board Meeting  
07/14/2021 Webinar – Delta Conveyance Project  
07/21/2021 Aerojet CAG  
07/23/2021 Carmichael/SSWD 2x2 Meeting  
07/27/2021 State Water Board Workshop  
07/28/2021 SSWD Regular Board Meeting  
08/03/2021 Webinar – Delta Conveyance Project  
08/10/2021 Operations Performance Management for Leak Detection  
and energy conservation in distribution systems  
08/12/2021 SGA Board Meeting  
08/16/2021 SSWD Regular Board Meeting  
08/18/2021 A Water Operators Guide to Getting Everything  
08/20/2021 Meeting with Dan York  
08/24/2021 Carmichael/SSWD 2x2 Meeting  
08/25/2021 RWA Executive Meeting  
08/27/2021 RWA Coffee with Ami Bera  
08/29/2021 PWX- City of Joliet Alternative Water Source Program  
09/07/2021 Del Paso Manor Water Meeting  
09/08/2021 CWEA – Developing your Leadership Course  
09/09/2021 RWA Meeting  
09/15/2021 Aerojet CAG  
09/16/2021 Meeting with Director Nelson – Carmichael Water District  
09/20/2021 SSWD Regular Board Meeting  
09/21/2021 WWA – Machine Intelligent non Acoustic Leak Detection  
09/22/2021 ACWA Groundwater Committee  
09/23/2021 Citizens Initiative Prop 2018  
09/29/2021 Carmichael/SSWD 2x2 Meeting

Director Wichert:

No Pay – Verbal Report

(1) Meetings attended during the current month as reported by individual Directors that were paid.  
This report meets the reporting requirements of Government Code section 53065.5. This information will be included with the agenda materials for each regular monthly Board of Directors meeting.



## Agenda Item: 4

**Date:** October 18, 2021

**Subject:** 2021 Audit Engagement Letter and Contract

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### Recommended Board Action:

Approve 2021 Audit Engagement Letter and Contract, Master Services Agreement, and Task Order 2, with Maze & Associates Accountancy Corporation and grant authorization for the Committee Chair to execute the Engagement Letter, Master Services Agreement and Task Order 2as recommended by the Finance and Audit Committee at the October 5, 2021, Committee meeting.

### Background:

Per the District’s “Engagement of Auditor Policy” (PL – Fin 001), “the Finance and Audit Committee is responsible for recommending the District’s independent auditor to the full Board for appointment and compensation, and administering the relationship between the District and independent auditor during the course of the audit...” At the October 5, 2021 Committee meeting, the Committee approved the Audit Engagement Letter, Master Services Agreement and Task Order 2, and recommended for full Board approval at the October 18, 2021 Board meeting.

### Discussion:

The District has received the “Engagement Letter” for the December 31, 2021, audit from Maze & Associates Accountancy Corporation (Attachment 1). The 2021 Engagement Letter is the scope of work for the audit and serves as Attachment 1 to Task Order 2 (Attachment 3). The Master Services Agreement (MSA) (Attachment 2) between the District and the auditors is for the full five-year term, unless terminated by either party.

Staff has reviewed the Engagement Letter and confirmed it meets all the services requested by the Board in previous years, including the expanded expenditure testing that has been requested for the past fourteen years over and above what is required for a standard public agency audit, and the Federal Grant Single Audit, if necessary. The Chair of the Committee needs authorization to sign the Engagement Letter, MSA and Task Order 2.

### Fiscal Impact:

\$41,036 for the audit, comprised of \$35,497 for the financial statement audit and \$5,539 for the District requested additional procedures. An additional \$4,284 may be needed if a Federal Grant Single Audit is deemed necessary.



2021 Audit Engagement Letter and Contract

October 18, 2021

Page 2 of 2

**Strategic Plan Alignment:**

**Goal B**            Optimize Operational and Organizational Efficiencies

**Goal C**            Ensure Fiscal Responsibility and Affordable Rates

**Attachments:**

- 1) Engagement Letter
- 2) Master Services Agreement
- 3) Task Order 2



September 22, 2021

Kevin M. Thomas, Chair  
Finance and Audit Committee  
Sacramento Suburban Water District  
3701 Marconi Avenue, Suite 100  
Sacramento, CA 95821

Dear Chair Thomas,

We are pleased to confirm our understanding of the services we are to provide for the Sacramento Suburban Water District as of and for the year ended December 31, 2021. The services we have been engaged to provide are outlined below, but we are also available to provide additional services at your request:

1. Audit of the Basic Financial Statements, preparation of the Memorandum on Internal Control and issuance of our reports thereon.
2. Extended audit procedures as outlined in section 3e of the RFP for Professional Auditing Services dated May 2021.
3. Single Audit, if needed.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis, to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

If the District's financial statements are accompanied by supplementary information other than RSI, we will subject the supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

Other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information.

**Accountancy Corporation**  
3478 Buskirk Avenue, Suite 215  
Pleasant Hill, CA 94523

T 925.930.0902  
F 925.930.0135  
E [maze@mazeassociates.com](mailto:maze@mazeassociates.com)  
W [mazeassociates.com](http://mazeassociates.com)

## **Audit Objective**

The objective of our audit is to express opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of accompanying supplementary information when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our audit of the District's financial statements. Our reports will be addressed to the Board. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with District management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of waste and abuse is subjective, *Governmental Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of cash, investments and certain other assets and liabilities by correspondence with selected customers, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill the District for responding to this inquiry. At the conclusion of our audit we will also require certain written representations from management about management's responsibilities for the financial statements; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures - Internal Control**

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and the Board internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures - Compliance**

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the District has complied with federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each major program. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement, identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Management Responsibilities**

Management is responsible for designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (1) access to all information of which management is aware is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. We understand that the District will provide us with the Closing Checklist information required for our audit and that the District is responsible for the accuracy and completeness of that information.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that it complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements, or abuse that we report.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Maze & Associates, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent will be a separate engagement. With regard to an exempt offering document with which Maze & Associates is not involved, you agree to clearly indicate in the exempt offering document that Maze & Associates is not involved with the contents of such offering document.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the representation letter that: (1) management is responsible for presentation of the supplementary information in accordance with GAAP; (2) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objective section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or other studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Management agrees to assume all management responsibilities relating to the financial statements and any other nonaudit services we provide. Management will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes and any other nonaudit services we provide and that you have reviewed and approved the financial statements and related notes and any other nonaudit services we provide prior to their issuance and have accepted responsibility for them. Further, management agrees to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is our property and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maze & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We will retain audit documentation for this engagement for seven years after the report release date pursuant to state regulations. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in January 2022 and to issue our reports no later than April 2022. David Alvey is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

To ensure that Maze & Associates' independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are billed based on our contract with the District. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the District's account becomes thirty days or more overdue and may not be resumed until the District's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

These fees are based on anticipated cooperation from District personnel, the completion of schedules and data requested on our Checklists by District personnel, preparation of audit confirmations we request by District personnel, location of any documents selected by us for testing, and the assumption that there will be no unexpected increases in work scope, such as new Single Audit Act major programs, new debt issues, etc., or delays which are beyond our control, as discussed on the Fees Attachment to this letter. If significant additional time is necessary, we will discuss it with District management and arrive at a new fee before we incur any additional costs.

We understand you will provide us with basic workspace sufficient to accommodate the audit team assigned to your audit. We understand the basic workspace will be equipped with a telephone and direct Internet access, preferably a temporary network outside of your network, a public IP address and a wired connection. We understand you will also provide us with access to a fax machine and read only access to your general ledger system.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

Our most recent peer review report accompanies this letter.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return the entire copy to us.



Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of the District.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Sacramento Suburban Water District Engagement Letter  
Fees Attachment  
December 31, 2021**

Our fees for the work described in the attached engagement letter will be as follows, unless they are adjusted for one or more of the items below.

Service	Fees
Comprehensive Annual Financial Report	\$35,497
Memorandum on Internal Control	Included above
Other Items:	
Expanded Audit Procedures	\$5,539
Single Audit (Per tested program), if needed	4,284
	\$45,320

**2021 Fees** – Our fees have been based on our Proposal with the District dated June 24, 2020.

**Additional Services** - The above fees are for audit and assurance services described in the accompanying engagement letter. They do not include fees for assisting with closing the books nor providing other accounting services. Should the District require assistance beyond audit services we will provide a cost estimate before proceeding.

**Post-Closing Client Adjusting Entries** - The first step in our year-end audit is the preparation of financial statement drafts from your final closing trial balance. That means any entries you make after handing us your closing trial balance must be handled as audit adjustments, or in extreme cases, by re-inputting the entire trial balance, even if the amounts are immaterial. If you make such entries and the amounts are in fact immaterial, we will bill you for the costs of the adjustments or re-input at our normal hourly rates.

**Recurring Audit Adjustments** - Each year we include the prior year’s adjusting entries as new steps in our Closing Checklist, so that you can incorporate these entries in your closing. If we are required to continue to make these same adjustments as part of this year’s audit, we will bill for this service at our normal hourly rates.

**Grant Programs Requiring Separate Audit** - Grant programs requiring separate audits represent a significant increase in work scope, and fees for these audits vary based on the grant requirements. If you wish us to determine and identify which programs are subject to audit, we will bill you for that time at our normal hourly rates.

**Changes in District Personnel** - Our experience is that changes and /or reductions in Finance Department staff can have a pronounced impact on costs of performing the audit. If such changes occur, we will meet with you to assess their impact and arrive at a new fee before we begin the next phase of our work. However, we reserve the right to revisit this subject at the conclusion of the audit, based on your actual performance and our actual costs.





www.CoughlanNapaCPACo.com  
Company@CoughlanNapaCPACo.com

## **Report on the Firm's System of Quality Control**

February 9, 2021

To Maze & Associates Accountancy Corporation and the Peer Review  
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

190 Camino Oruga, Suite 1 • Napa, CA 94558 • telephone: 707.255.0677 • fax: 707.255.0687  
Member: American Institute of CPAs • California, Hawaii, & Oregon Societies of CPAs

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Maze & Associates Accountancy Corporation in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maze & Associates Accountancy Corporation has received a peer review rating of *pass*.

*Coughlan Napa CPA Company, Inc.*

Coughlan Napa CPA Company, Inc.

## **Sacramento Suburban Water District Master Services Agreement**

This Master Services Agreement (“Agreement”) is entered into as of the date last signed and dated below by and between Sacramento Suburban Water District, a local government agency (“District”), and Maze & Associates Accountancy Corporation, a California Professional Corporation (“Contractor”), who agree as follows:

### **1 Scope of Work**

This Agreement is a Master Services Agreement for Contractor to perform services for District. Contractor shall perform the work and render the services described in individual task orders issued by the District and agreed to by Contractor (the “Work”). Contractor shall provide all labor, services, equipment, tools, material and supplies required or necessary to properly, competently and completely perform the Work. Contractor shall determine the method, details and means of doing the Work.

### **2 Payment**

2.1 District shall pay to Contractor a fee based on the fee arrangement described in each task order. There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by District. Contractor’s fee includes all of Contractor’s costs and expenses related to the Work.

2.2 At the end of each month, Contractor shall submit to District an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), payment due, and an itemization of any reimbursable expenditures. If the Work is satisfactorily completed and the invoice is accurately computed, District shall pay the invoice within 30 days of its receipt.

### **3 Term**

3.1 This Agreement shall take effect on the above date and continue in effect until June 30, 2025, unless sooner terminated as provided below. Time is of the essence in this Agreement. If each individual task order includes a schedule or deadline, then Contractor must complete the work required by the task order in accordance with the specified schedule or deadline, which may be extended by District for good cause shown by Contractor. If each individual task order does not include a schedule or deadline, then Contractor must perform the work required by the task order diligently and as expeditiously as possible, consistent with the professional skill and care appropriate for the orderly progress of the Work.

3.2 This Agreement may be terminated at any time by District upon 10 days advance written notice to Contractor. In the event of such termination, Contractor shall be fairly compensated for all work performed to the date of termination as calculated by District based on the above fee and payment provisions. Compensation under this section shall not include any termination-related expenses, cancellation or demobilization charges, or lost profit associated with the expected completion of the Work or other such similar payments relating to Contractor’s claimed benefit of the bargain.

#### **4 Professional Ability of Contractor**

4.1 Contractor represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the Work provided by this Agreement. District has relied upon Contractor's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Contractor shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily to be expected of competent professionals in Contractor's field.

#### **4.2 *Intentionally omitted***

#### **5 Conflict of Interest**

Contractor (including principals, associates and professional employees) represents and acknowledges that (a) it does not now have and shall not acquire any direct or indirect investment, interest in real property or source of income that would be affected in any manner or degree by the performance of Contractor's services under this agreement, and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Contractor is not a designated employee within the meaning of the Political Reform Act and District's conflict of interest code because Contractor will perform the Work independent of the control and direction of the District or of any District official, other than normal contract monitoring, and Contractor possesses no authority with respect to any District decision beyond the rendition of information, advice, recommendation or counsel.

#### **6 Contractor Records**

6.1 Contractor shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and invoice preparation and support for a minimum period of three years (or for any longer period required by law) from the date of final payment to Contractor under this Agreement. District may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.

6.2 In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California State Auditor for three years following final payment under the Agreement.

#### **7 Ownership of Documents**

All works of authorship and every report, study, spreadsheet, worksheet, plan, design, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, computer software and any other document or thing prepared, developed or created by Contractor under this Agreement and provided to District ("Work Product") shall be the property of District, and District shall have the rights to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Contractor or any other party. Contractor may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and

prepare derivative and additional documents or works based on any Work Product; provided, however, that Contractor shall not provide any Work Product to any third party without District's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Contractor may copyright the same, except that, as to any Work Product that is copyrighted by Contractor, District reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If District reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then District shall hold Contractor harmless against all claims, damages, losses and expenses arising from such reuse or modification. For any Work Product provided to District in paper format, upon request by District at any time (including, but not limited to, at expiration or termination of this Agreement), Contractor agrees to provide the Work Product to District in a readable, transferable and usable electronic format generally acknowledged as being an industry-standard format for information exchange between computers (e.g., Word file, Excel spreadsheet file, AutoCAD file).

## **8 Confidentiality of Information**

8.1 Contractor shall keep in strict confidence all confidential, privileged, trade secret, and proprietary information, data and other materials in any format generated, used or obtained by the District or created by Contractor in connection with the performance of the Work under this Agreement (the "Confidential Material"). Contractor shall not use any Confidential Material for any purpose other than the performance of the Work under this Agreement, unless otherwise authorized in writing by District. Contractor also shall not disclose any Confidential Material to any person or entity not connected with the performance of the Work under this Agreement, unless otherwise authorized in advance in writing by District. If there is a question if Confidential Material is protected from disclosure or is a public record or in the public domain, the party considering disclosure of such materials shall consult with the other party concerning the proposed disclosure.

8.2 Contractor, and its officers, employees, agents, and subcontractors, shall at all times take all steps that are necessary to protect and preserve all Confidential Material. At no time shall Contractor, or its officers, employees, agents, or subcontractors in any manner, either directly or indirectly, use for personal benefit or divulge, disclose, or communicate in any manner, any Confidential Material to any person or entity unless specifically authorized in writing by the District or by order of a court or regulatory entity with jurisdiction over the matter. Contractor, and its officers, employees, agents, and subcontractors shall protect the Confidential Material and treat it as strictly confidential in accordance with applicable law, District policies and directives, and best industry security practices and standards.

8.3 If any person or entity, other than District or Contractor, requests or demands, by subpoena, discovery request, California Public Records Act request or otherwise, Confidential Material or its contents, the party to whom the request is made will immediately notify the other party, so that the parties may collectively consider appropriate steps to protect the disclosure of those materials. The parties agree to take all steps reasonably necessary to preserve the confidential and privileged nature of the Confidential Material and its content. In the event that the parties cannot agree whether to oppose or comply with a disclosure demand, the opposing party may oppose the demand at its sole cost and expense,

in which event the party favoring disclosure will refrain from disclosing the demanded Confidential Material until such time as a final agreement regarding disclosure is reached or, if an agreement is not reached, a judicial determination is made concerning the demand.

8.4 Unless otherwise directed in writing by the District, upon contract completion or termination, Contractor must destroy all Confidential Materials (written, printed and/or electronic) and shall provide a written statement to the District that such materials have been destroyed.

## 9 Compliance with Laws

9.1 General. Contractor shall perform the Work in compliance with all applicable federal, state and local laws and regulations. Contractor shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Work. Contractor shall comply with all federal, state and local air pollution control laws and regulations applicable to the Contractor and its Work (as required by California Code of Regulations title 13, section 2022.1). Contractor shall be responsible for the safety of its workers and Contractor shall comply with applicable federal and state worker safety-related laws and regulations.

9.2 *Intentionally omitted*

## 10 Indemnification.

10.1 Contractor shall indemnify, defend, protect, and hold harmless District, and its officers, employees and agents (“Indemnitees”) from and against any claims, liability, losses, damages and expenses (including attorney, expert witness and Contractor fees, and litigation costs) (collectively a “Claim”) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor or its employees, agents or subcontractors. The duty to indemnify, including the duty and the cost to defend, is limited as provided in this section. However, this indemnity provision will not apply to any Claim arising from the sole negligence or willful misconduct of District or its employees or agents. Contractor’s obligations under this indemnification provision shall survive the termination of, or completion of Work under, this Agreement.

10.2 *Intentionally omitted*

## 11 Insurance

Types & Limits. Contractor at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

<i>Type</i>	<i>Limits</i>	<i>Scope</i>
Commercial general liability	\$2,000,000 per occurrence & \$4,000,000 aggregate	at least as broad as Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations,

		property damage, bodily injury, personal and advertising injury
Automobile liability	\$1,000,000 per accident	at least as broad as ISO Business Auto Coverage (Form CA 00 01)
Workers' compensation	Statutory limits	
Employers' liability	\$1,000,000 per accident	
Professional liability*	\$1,000,000 per claim	

\*Required only if Contractor is a licensed engineer, land surveyor, geologist, architect, doctor, attorney or accountant.

11.1 **Other Requirements.** The general and automobile liability policy(ies) shall be endorsed to name District, its officers, employees, volunteers and agents as additional insureds regarding liability arising out of the Work. Contractor's coverage shall be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. District's insurance or self-insurance, if any, shall be excess and shall not contribute with Contractor's insurance. Each insurance policy shall be endorsed to state that coverage shall not be canceled, except after 30 days (10 days for non-payment of premium) prior written notice to District. Insurance is to be placed with admitted insurers with a current A.M. Best's rating of A:VII or better unless otherwise acceptable to District. Workers' compensation insurance issued by the State Compensation Insurance Fund is acceptable. Contractor agrees to waive subrogation that any insurer may acquire from Contractor by virtue of the payment of any loss relating to the Work. Contractor agrees to obtain any endorsement that may be necessary to implement this subrogation waiver. The workers' compensation policy must be endorsed to contain a subrogation waiver in favor of District for the Work performed by Contractor.

11.2 **Proof of Insurance.** Upon request, Contractor shall provide to District the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer(s), and certifying the additional insured coverage.

## 12 General Provisions

12.1 **Entire Agreement; Amendment.** The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Work. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the Work, except those other documents (if any) that are expressly referenced in this Agreement. This Agreement may be amended only by a subsequent written contract approved and signed by both parties.

12.2 **Independent Contractor.** Contractor's relationship to District is that of an independent contractor. All persons hired by Contractor and performing the Work shall be Contractor's employees or agents. Contractor and its officers, employees and agents are not

District employees, and they are not entitled to District employment salary, wages or benefits. Contractor shall pay, and District shall not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Contractor's employees. Contractor shall, to the fullest extent permitted by law, indemnify District, and its officers, employees, volunteers and agents from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the federal Internal Revenue Service, California Franchise Tax Board, other federal or state agency, or court concerning Contractor's independent contractor status or employment-related liability.

12.3 **Subcontractors.** No subcontract shall be awarded nor any subcontractor engaged by Contractor without District's prior written approval. Contractor shall be responsible for requiring and confirming that each approved subcontractor meets the minimum insurance requirements specified in section 11 of this Agreement. Any approved subcontractor shall obtain the required insurance coverages and provide proof of same to District in the manner provided in section 11 of this Agreement.

12.4 **Assignment.** This Agreement and all rights and obligations under it are personal to the parties. The Agreement may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by either party without the prior written consent of the other party. Any transfer, assignment, delegation, or subcontract in violation of this provision is null and void and grounds for the other party to terminate the Agreement.

12.5 **No Waiver of Rights.** Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by District to Contractor shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

12.6 **Severability.** If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

12.7 **Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where District's office is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

12.8 **Notice.** Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt, or (d) by email with confirmed receipt. Such notices, etc. shall be addressed as follows:

District:

Sacramento Suburban Water District  
 Attn: Jeff Ott, Director of Finance and Administration  
 Sacramento Suburban Water District, 3701 Marconi Avenue #100, Sacramento, CA  
 95821



E-mail: jott@sswd.org

Contractor:  
Maze & Associates  
Attn: David Alvey  
3478 Buskirk Ave, Suite 215  
Pleasant Hill, CA, 94523  
E-mail: davida@mazeassociates.com

Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) on the date of delivery as shown on the overnight courier service receipt, or (d) upon the sender's receipt of an email from the other party confirming the delivery of the notice, etc. Any party may change its contact information by notifying the other party of the change in the manner provided above.

12.9 **Signature Authority.** Each party warrants that the person signing this Agreement is authorized to act on behalf of the party for whom that person signs. The Parties may execute and deliver this Agreement and documents necessary to perform it, including task orders and amendments, in any number of original or facsimile counterparts. When each Party has signed and delivered at least one counterpart to the other Party, each counterpart shall be deemed an original and, taken together, the counterparts shall constitute one and the same document, which shall be binding and effective.

\_\_\_\_\_

Sacramento Suburban Water District:

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Kevin M. Thomas  
Chair, Finance and Audit Committee

Maze and Associates:

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
David Alvey  
Vice President

**Task Order 2 to Master Services Agreement (MSA)  
Between Sacramento Suburban Water District and  
Maze & Associates Dated October XX, 2021**

This Task Order 2 (Task Order) is issued by the Sacramento Suburban Water District (“District”) to the Contractor listed above (“Contractor”), who agrees as follows:

**1 General Provisions**

- 1.1 Terms and Conditions: This Task Order is governed by all of the terms, conditions, and stipulations as stated in the MSA referenced above.
- 1.2 Order of Precedence: The MSA will take precedence for any conflicts between this Task Order and the MSA.

**2 Scope of Work**

The following is the agreed to scope of work:

- 2.1 Audit the District's basic financial statements in accordance with Generally Accepted Auditing Standards (GAAS) in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts.
- 2.2 Express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the District and the changes in financial position and cash flows in conformity with generally accepted accounting principles (GAAP), and issue an independent auditors' report stating this opinion.
- 2.3 Test internal controls over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with Government Auditing Standards and those issue by the Comptroller General of the United States, and issue an independent auditors' report on their consideration.
- 2.4 Apply limited procedures related to the Required Supplementary Information (RSI), Management's Discussion and Analysis (MD&A) and the additional Supplementary Information contained in the CAFR, which is prepared by District staff.
- 2.5 Perform additional procedures by expanding the scope of your expense testing to include additional sample sizes for general cash disbursements, payroll disbursements, wire and ACH transfers, petty cash, and purchasing card payments. This testing will include verifying payments to District employees and Board members on a sample basis. Payment verification will include verifying the pay rates for at least one period of senior management, finance staff, anyone involved in the payroll processing function and a sample of 10 other employees.
- 2.6 Prepare a “Single Audit” Report and issue a related audit opinion, if necessary, for federal grant monies received and expenses made.

- 2.7 Prepare a Report to the Board of Directors which identifies significant audit findings, difficulties encountered in performing the audit, identify any corrected and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies and material weaknesses, if any, and your recommendations for improvements in accounting and administrative controls.
- 2.8 Present and discuss the results of the audit and the annual financial statements to the Finance and Audit Committee of the Board and the full Board of Directors during one of its regularly scheduled meetings before June.
- 2.9 Communicate immediately and in writing all irregularities and illegal acts, or indications of illegal acts, of which the auditor becomes aware, to the appropriate level of management and/or Directors of the District.
- 2.10 Provide general consultation as required, during the year, on financial accounting and reporting matters.
- 2.11 Present to the F&A Committee a written statement indicating the independence of the Contractor as required by generally accepted auditing standards.

**3 Cost**

The total compensation for the services provided under in this Task Order shall be on a Fixed Fee basis as follows. Comprehensive Annual Financial Report and Management Letter, \$35,497; Expanded Audit Procedures, \$5,539; and, Single Audit (if necessary), \$4,284. Compensation shall be based on scope of work as stated above. There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by District. Contractor’s fee includes all of Contractor’s costs and expenses related to the Scope of Work.

**4 Term**

This Task Order shall take effect on the date fully executed below, and continue in effect until the earlier of the work being completed or December 31, 2022, unless sooner terminated as provided in the MSA.

<b>Sacramento Suburban Water District:</b>	Maze & Associates:
Dated: _____	Dated: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____



## Agenda Item: 5

**Date:** October 18, 2021

**Subject:** Policy Review - Engagement of Auditor Policy (PL – Fin 001)

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### **Recommended Board Action:**

Ratify Engagement of Auditor Policy (PL – Fin 001) without changes, as recommended by the Finance and Audit Committee (Committee) at the October 5, 2021, Committee meeting.

### **Background:**

The Engagement of Auditor Policy (PL – Fin 001) (Policy) is scheduled for its biennial review. The Policy was adopted by the Board on March 21, 2005, and was last reviewed by the Board on August 19, 2019. Staff have reviewed the Policy and are not recommending any changes to the Policy. The Policy was reviewed and approved by the Committee at the October 5, 2021 Committee meeting as is recommended for full Board approval at the October 18, 2021 regular Board meeting.

### **Discussion:**

As the Committee charged with managing the relationship between the District and the independent auditor, the Committee needs to review and approve the Policy before submitting to the full Board for approval. This policy was not reviewed by legal counsel.

### **Fiscal Impact:**

There is no fiscal impact related to the changes in this policy.

### **Strategic Plan Alignment:**

**Goal B** Optimize Operational and Organizational Efficiencies

**Goal C** Ensure Fiscal Responsibility and Affordable Rates

### **Attachments:**

- 1) Engagement of Auditor Policy PL – Fin 001 – clean

Sacramento Suburban Water District

## **Engagement of Auditor Policy**

Adopted: March 21, 2005  
Approved without Changes: October 18, 2021

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### **100.00 Purpose of the Policy**

The purpose of this policy is to ensure objective auditing of the District's financial statements by an external independent auditor. Independence requires that the District's auditor maintain the highest level of independence at all times as defined by the U.S. General Accountability Office's "Government Auditing Standards."

As an audit is dependent on the individual auditor's assessment of risk in the District's control procedures and financial statement disclosures and is designed to provide reasonable, but not absolute, disclosure of such risk, changing auditors periodically may provide the District with a different risk assessment and, perhaps, a different approach to testing risk in the District's control procedures and financial statement disclosures as defined in the Statements on Auditing Standards (SAS) "risk assessment" standard No. 122.

The Finance and Audit Committee is responsible for recommending the District's auditor to the full Board of Directors (Board) for appointment and compensation, and administering the relationship between the District and auditor during the course of the audit, as set forth in the Finance and Audit Committee Mission Statement and Charter and per the requirements of SAS 115, "Communicating Internal Control Related Matters Identified in an Audit."

### **200.00 Maintaining Auditor Independence**

The Board recognizes the importance of ensuring the independence of the District's auditor and ensuring effective communication between the auditor and the Board and Finance and Audit Committee. The Finance and Audit Committee shall evaluate the auditor's independence annually in connection with its determination to engage the auditor for the ensuing year.

To ensure the auditor's independence from the District, the Finance and Audit Committee shall, at least annually, obtain and review a formal written statement from the auditor delineating all relationships between the auditor and the District and discuss with the auditor the auditor's methods and procedures used for ensuring independence.

### **300.00 Auditor Services**

The Finance and Audit Committee shall recommend the auditor provide only Audit and Audit-Related Services for the District. The Finance and Audit Committee shall pre-approve all Audit and Audit-Related Services, in order to assure that the provision of such services do not impair the auditor's independence.

Audit Services means all services and accounting consultation necessary to perform an audit of the District's financial statements, and other attest services required by statute, regulation, contracts, agreements or grants.

Audit-Related Services means assurance and related services that are reasonably related to the performance of the annual audit of the District's financial statements or that are traditionally performed by the auditor, including employee benefit plan audits, due diligence related to mergers, accounting consultations, internal control reviews and attest services not required by statute or regulation.

### **400.00 Prohibited Services**

The following accounting, finance and professional services shall not be performed for the District by the auditor.

1. Bookkeeping or other services related to accounting records.
2. Financial Information Systems design and implementation.
3. Appraisal or valuation services.
4. Actuarial services.
5. Internal audit outsourcing services.
6. Management functions.
7. Human resource functions.
8. Broker-dealer or investment advisory functions.
9. Legal services.
10. Expert services unrelated to the audit.

### **500.00 Auditor Rotation**

In accordance with Government Code section 12410.6 (b) the District shall not employ a public accounting firm to provide audit services if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, have performed audit services for the District for six consecutive years. Accordingly, the Finance and Audit Committee shall seek proposals from potential auditors no greater than every six years. The District's current auditor shall be considered in the proposal process if the past performance of the auditor has proven satisfactory to the District and a new lead audit partner is assigned. Selection of an auditor shall be performed in accordance with the District's Procurement Policy requirements (PL - Fin 005.)

**600.00 Policy Review**

This policy shall be reviewed at least biennially.



## Agenda Item: 6

**Date:** October 18, 2021

**Subject:** Resolution No. 21-14 Nominating San Juan Water District's Pam Tobin for President of the Association of California Water Agencies (ACWA) Board of Directors

**Staff Contact:** Dan York, General Manager

### **Recommended Board Action:**

Adopt Resolution No. 21-14 supporting the nomination of Pam Tobin for Association of California Water Agencies (ACWA) Board President and authorize the General Manager to submit the resolution to San Juan Water District's office and ACWA's office.

### **Discussion:**

Staff received a letter from ACWA Vice President, Pam Tobin (Ms. Tobin) requesting the Board support her nomination to be President of ACWA for the 2022-2023 term. If the Board chooses to support the nomination, staff will submit a resolution to the SJWD and ACWA. Please see attached letter from Ms. Tobin (Attachment 1).

The ACWA is seeking candidates for the President and Vice President positions for the 2022-2023 term. Eligible candidates must be an elected or appointed member of the governing body, or commission of a member agency of (ACWA).

Candidates will be reviewed by ACWA's Nominating Committee. Typically, a slate for President and Vice President is submitted at the general membership meeting during the ACWA fall conference, November 30 through December 2, 2021.

### **Fiscal Impact:**

No fiscal impact.

### **Strategic Plan Alignment:**

**Goal B** - Optimize Operational and Organizational Efficiencies.



## **RESOLUTION NO. 21-14**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT PLACING IN SUPPORT OF THE NOMINATION OF PAM TOBIN FOR PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BOARD OF DIRECTORS**

BE IT RESOLVED by the Board of Directors of Sacramento Suburban Water District as follows:

A. Recital

1. WHEREAS, ACWA has announced that a Nominating Committee has been formed to develop a slate for the Association's statewide positions of President and Vice President; and
2. WHEREAS, the individual who fills an officer position will need to have a working knowledge of water industry issues and concerns, possess strength of character and leadership capabilities, and be experienced in matters related to the performance of the duties of the office; and
3. WHEREAS, this person must be able to provide the dedication of time and energy to effectively serve in this capacity; and
4. WHEREAS, Pam Tobin has expressed interest in being a candidate for President of the ACWA Board of Directors for the 2022-2023 term; and
5. WHEREAS, Pam Tobin has served in a leadership role as a member of ACWA Board of Directors since 2018; has served on the ACWA Region 4 Board since 2016 including Region 4 Chair; and has served on the ACWA Federal Affairs Committee and the ACWA Local Government Committee since 2014; and has served on the ACWA Board of Directors' Steering Committee for Long-Term Strategic Planning in 2019, and currently serves as ACWA Vice President; and
6. WHEREAS, Pam Tobin is committed to advancing ACWA's Policy Principles and finding common ties between members to develop a long-term strategy that provides a sustainable water future for all members and their constituents;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF SACRAMENTO SUBURBAN WATER DISTRICT, does hereby place its full and unreserved support of the nomination of Pam Tobin as President of the Association of California Water Agencies for the 2022-2023 term.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 18<sup>th</sup> day of October, 2021 by the following vote:

AYES:  
NOES:  
ABSENT:

By: \_\_\_\_\_  
Robert Wichert  
President, Board of Directors  
Sacramento Suburban Water District

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I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 18<sup>th</sup> day of October, 2021.

(SEAL)

By: \_\_\_\_\_  
Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

## Pam Tobin

Dear ACWA Member Board Presidents and General Managers:



I am both humbled and proud to have been unanimously recommended by the Nominating Committee to be President of the Association of California Water Agencies (ACWA) for the 2022-2023 term. While this is an important milestone, I now need to secure your support and vote in the fall election.

As you know, I have served as ACWA Vice President over the past two years. Additionally, I bring more than 17 years of experience in California water at the local, regional, state, and federal levels, including ACWA committees and the ACWA- ACWA-Joint Powers Authority board and committees. For more information about my qualifications, please visit [SJWD.org/Pam-Tobin-for-ACWA-President](https://SJWD.org/Pam-Tobin-for-ACWA-President).

Throughout my various leadership roles, I have prioritized connecting, listening, learning, and collaborating to solve critical issues. I strive for cooperation and transparent, open communication. I strongly believe in advancing inclusion and diversity, including differing viewpoints.

That's why, as ACWA Vice President, I created the highly successful "Leadership-to-Leadership" virtual town hall-meetings throughout ACWA's regions during the COVID-19 Pandemic. I plan to continue – and even expand – those meetings in the future. I also actively engaged in ACWA's efforts to shape California's 2020 Water Resilience Portfolio and worked

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with the ACWA Board to develop a five-year Strategic Plan to guide the association's future.

As President, I will devote my expertise in water and other professional and personal strengths to advance ACWA's mission and priorities. I have always believed that ACWA's strength is derived from its members, who serve the public. We have many challenges before us – but also opportunities. I know through the collective expertise and experience of ACWA's members we can tackle any problem. When ACWA members speak with one voice, we maximize our effectiveness.

I hope I can count on your support – and your vote. You'll find more information about my candidacy at [www.sjwd.org/pam-tobin-for-acwa-president](http://www.sjwd.org/pam-tobin-for-acwa-president). If you have any questions or thoughts, feel free to call my cell at (916) 275-0875 or email me at [petpyrs@surewest.net](mailto:petpyrs@surewest.net).

Sincerely,

A handwritten signature in black ink, appearing to read "Pam", with a large, stylized flourish above the name.

Pamela Tobin

ACWA Vice President

ACWA-JPIA Board of Directors: Executive and Liability Committees

San Juan Water District Board President

RWA Board of Directors/Executive Committee

SGA Board of Directors

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## Agenda Item: 7

**Date:** October 18, 2021

**Subject:** Capital Budget Transfer Request

**Staff Contact:** Matt Underwood, Assistant General Manager  
Jeff Ott, Director of Finance and Administration  
Dana Dean, P.E., Engineering Manager

### Recommendation:

1. Approve transfer from Operations and Maintenance (O&M) Budget to Capital Budget of \$540,000 in order to accelerate construction of new groundwater wells (Well 80; and Wells 81A, B, C) in the North Service Area (NSA) to restore lost production capacity; and
2. Approve the use of \$350,000 of Well Property Acquisition Reserves to complete two planned 2021 well property acquisitions previously approved by the Board (Antelope/Don Julio; and Walerga).

### Summary:

The NSA has steadily lost groundwater production capacity over the last decade, largely due to groundwater contamination issues. In many cases, factors associated with well age and site limitations have precluded water quality mitigation at impacted facilities. The efforts to replace lost capacity in recent years have become increasingly urgent, as the historical excess capacity (“buffer”) no longer exists.

Currently, the District does not have the production capacity required by the State’s Division of Drinking Water (DDW) to meet Maximum Day Demand in one of the NSA pressure zones. In fact, this summer the District had to use San Juan Water District (SJWD) surface water to meet water supply demand. Additionally, there is a high potential that existing and/or future regulatory requirements will affect the water supplies; in addition, due to the average age of wells in the NSA it is very difficult to predict when failures may occur.

Replacement of lost production capacity requires construction of new wells and associated pump stations. Staff is recommending that the Board approve additional Capital funding in CY2021 to facilitate staff’s plan to accelerate construction of new NSA groundwater wells to restore capacity. This will help accomplish two goals:

- Accelerate planning/design work on Well 80 to bring on-line in mid-2022 through a compressed schedule.
- Accelerate planning/design work on Well 81A, B, C to bring on-line in mid- to late-2023 through a compressed schedule.

Unused budget from the surface water purchase budget will be utilized to complete this budget transfer request.

At the end of 2020, \$350,000 of unspent well property acquisition budget was transferred to the Well Property Acquisition Reserve. Staff is now requesting to utilize this reserve fund to complete planned well property acquisitions for 2021. This request will increase the 2021 Capital Budget (OCP – Well Property Acquisition) by \$350,000.

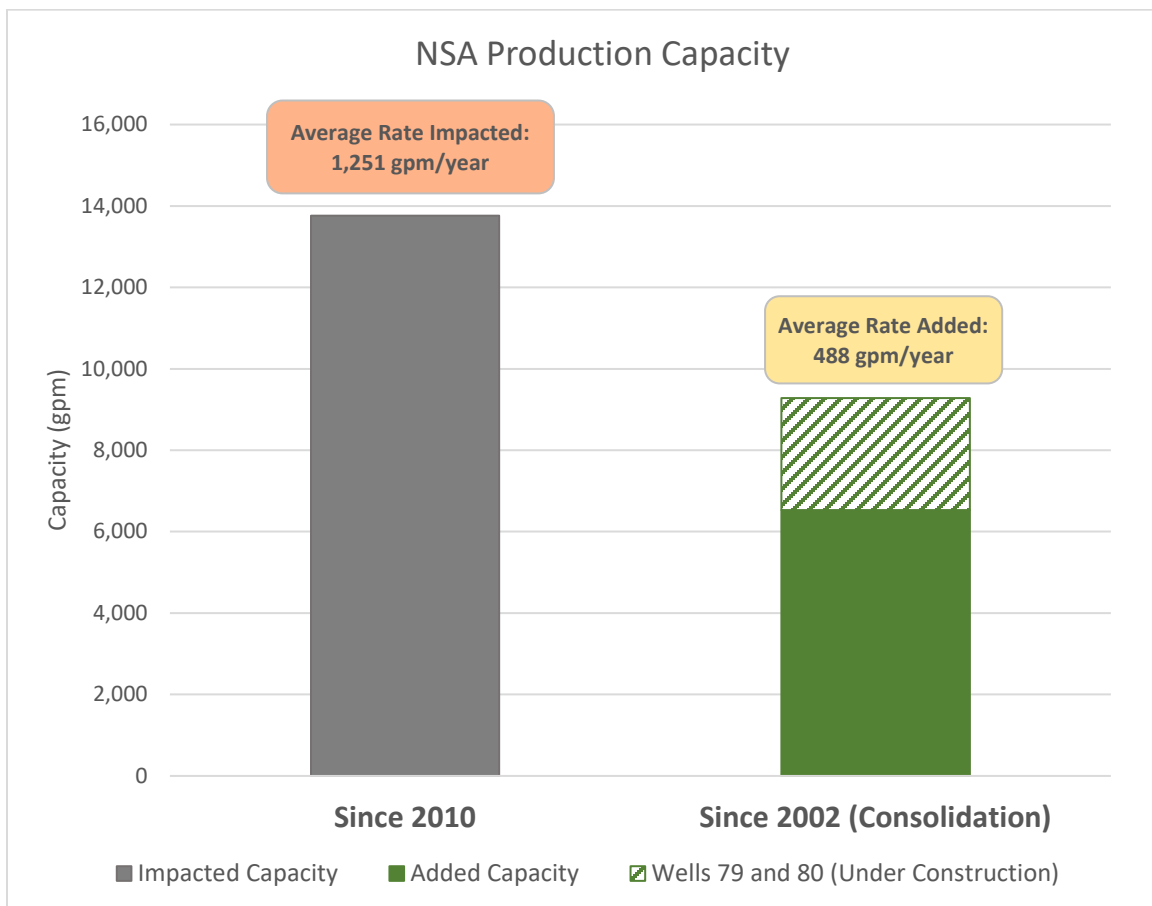
**Discussion:**

**1. Causes of Lost Production Capacity**

*Capital Program*

There has been a long-term decline in excess (“buffer”) production capacity as the District’s Capital efforts were focused largely on replacement of old, leak-prone distribution pipelines for many years.

Impacts to groundwater wells has outpaced new well construction, which has contributed to the erosion of the excess capacity. In fact, only five NSA wells have been constructed since the consolidation in 2002. However, two additional wells are currently under construction in the NSA. One of these new wells is anticipated to be online in Q1 2022 and the other is anticipated to be online in Q4 2022. Supply capacity is becoming critical, such that demands cannot be met solely with groundwater supplies in certain peak demand situations.



*Contamination and State Regulations*

Since 2010, the NSA’s capacity has been significantly reduced as 16 wells have been impacted, 15 of which were due to contamination (as summarized in the following table). While some were due to a change in water quality, most were the result of new regulations on the acceptable level of a contaminant in potable water. Unfortunately, many of the older wells are located on landlocked and/or very small parcels that precludes construction of a treatment facility. Furthermore, the condition of aged wells often does not warrant the substantial investment of a treatment plant. The result is most often a well that must be taken out of service – a loss in production capacity. Examples of source contamination include, but are not limited to:

Chrome-6 – Currently, the State is reviewing the threshold for the permissible level of hexavalent chromium (chrome-6) in drinking water. The forthcoming regulation is expected to be established within the next year and it may return at the same level it was prior to it being suspended (no change). However, if the new level is even 20% lower, the District could have an additional 1,400-3,000 gpm of NSA production capacity impacted.

Per- and polyfluoroalkyl substances (PFAS) – Recently, the State has been issuing sampling orders for PFAS compounds, which are undergoing the regulatory process for establishment of permissible levels in drinking water. Staff anticipates additional sampling orders will be issued in the near future which are expected to reveal new impacted sources (thereby reducing NSA capacity).

Unregulated Contaminants – Contaminants of emerging concern may be subject to future regulation, as we have seen with PFAS, which may affect NSA capacity.

**NSA Production Capacity Impacted Since 2010**

<b>Category</b>	<b>Number of Wells</b>	<b>Capacity (gpm)</b>	<b>Reason</b>
Water Quality	6	4,210	Chrome-6 detections above former MCL (pending reestablishment)
	1	1,060	PFAS detections above Notification Level
	2	1,940	1,2,3-TCP detections above MCL
	1	840	TCE detections above MCL
	4	3,620	Severe/chronic bacteriological issues
	1	1,140	Manganese detections above MCL
<b>Subtotal</b>	<b>15</b>	<b>12,810</b>	
Other	1	950	Degraded well condition resulting in sediment production
<b>Total</b>	<b>16</b>	<b>13,760</b>	

MCL = Maximum Contaminant Level

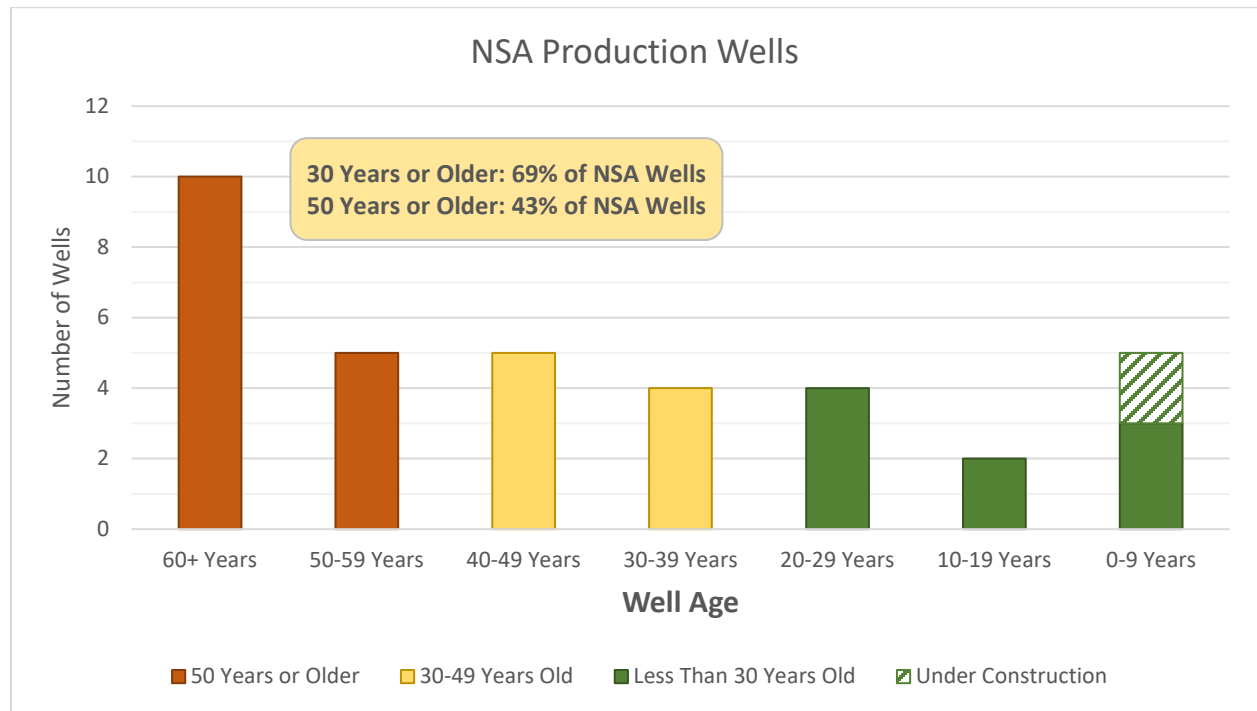
TCE = Trichloroethylene

TCP = Trichloropropane

Of the 16 wells impacted since 2010, five of them were lost within the last five years. The locations of impacted sources are shown in Attachments 2 and 3.

*Well Aging*

Wells become less reliable with age and particularly so for the below-ground portion. The majority of the District’s wells are in the second half of their life and this puts them in the “high-maintenance” and “less reliable” categories as compared with newer wells. The result is all too often a sudden and unplanned loss of capacity of a temporary nature – typically lasting 4 to 6 months, but can last more than 12 months depending on complexity. In some cases, the wells have become structurally compromised over time and, as a result, rehabilitation is not a viable option.

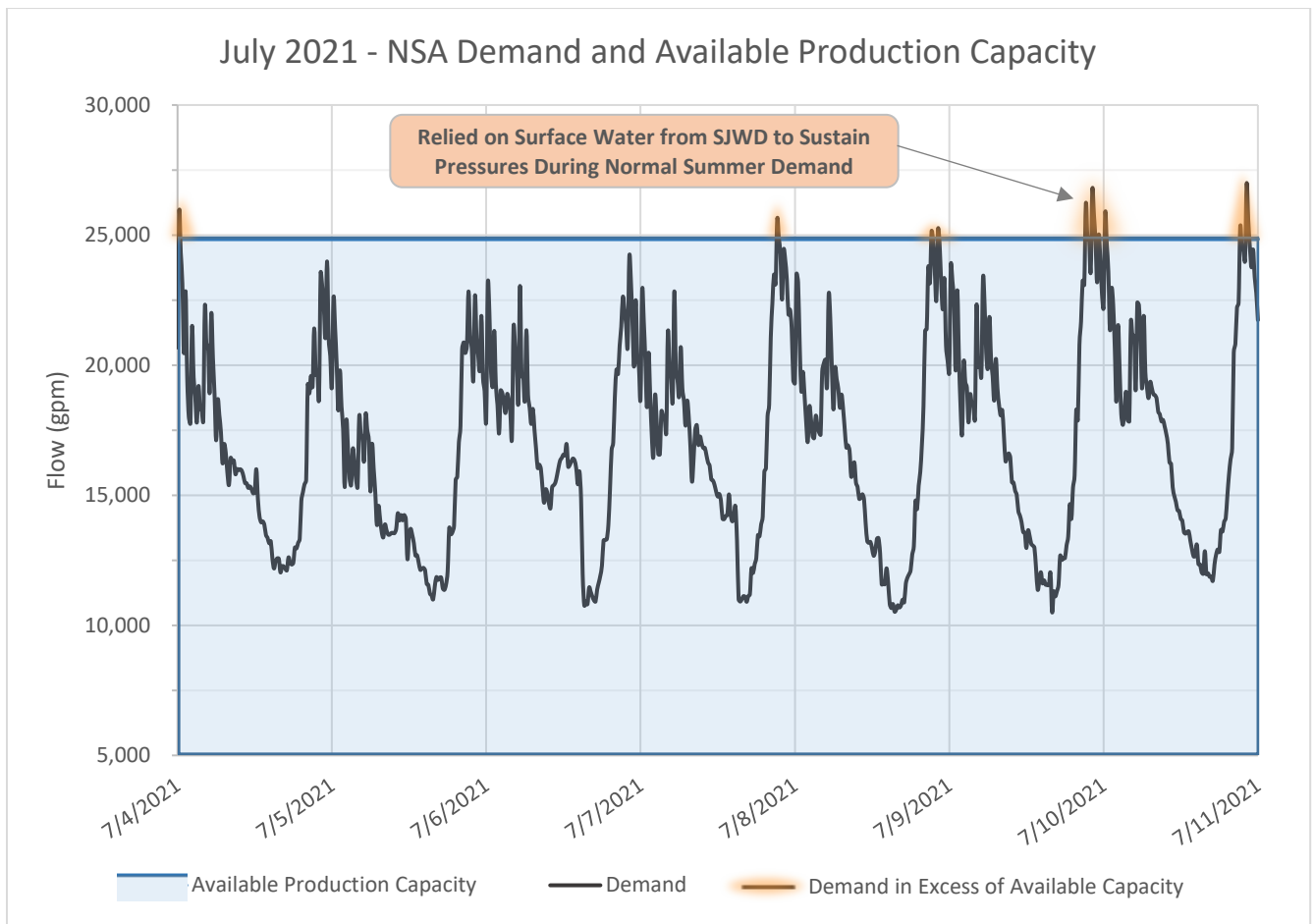


**2. Impacts from Lost Production Capacity**

Limitations in available capacity has created a very difficult, often tenuous, situation when it comes to addressing unplanned repair needs and maintaining ability to simultaneously meet peak demands:

Summer Peak Demand July 2021 – Lack of adequate capacity was acute in the summer of 2021 when on numerous occasions the District was forced to rely on surface water from SJWD. As depicted in the following chart that shows one week’s data, the District did not have enough available capacity to meet typical summer demands in July 2021.





### 3. Strategies to Mitigate Loss of Capacity

Options consist of either addressing conditions at an existing well to make it a viable facility once again, or construct a new well to replace its loss. Approaches to addressing conditions at existing wells consist of the following:

**Modify the Well** – This is essentially “repair” and is the first approach in most cases as it is generally both fastest and cheapest, and is consistent with the District’s strategy of maximizing an asset’s useful life. However, this approach is not always feasible based on limitations associated with the well’s original construction and current condition.

**Blending** – If another well is nearby and has non-detected or low levels of contaminants it can be feasible to combine (blend) two or more wells’ water. The goal is to reduce contaminants of the combined water to below compliance levels prior to placing into the distribution system as potable water. There are very few opportunities to do this without the necessity of significant new raw water pipeline.

**Treatment** – This means constructing a treatment plant on the site, or on a nearby site requiring a new raw water pipeline. As mentioned above, most sites are too small and nearby land is generally not available.

The District makes every effort to mitigate water quality issues wherever feasible, and inactivation of the source is only taken as a last resort.

#### **4. Financing for Construction of New Wells**

As Directors will recall, the 2019 Water Rate Study was based in part on a plan to construct two new wells every three years. While this remains staff's plan over the long-run, in the short-term staff needs to accelerate this pace until adequate capacity is restored.

The goals of accelerating construction of new production capacity are as follows:

- a) Regulatory compliance (be able to meet DDW's capacity requirements)
- b) Restore capacity to be capable of weathering unexpected issues with older wells
- c) Avoid a repeat of the emergency need for surface water experienced in 2021

#### **5. Budget Implications in 2021**

*Impacts from COVID-19 Pandemic and District Goal No. 6*

The Board's 2021 District Goal No. 6 of expending between 95% and 100% of the approved CIP budget remains a focus for staff. However, as most recently discussed at the September Regular Board Meeting, the COVID-19 pandemic has created worldwide economic conditions that continue to place new hurdles to completing CIP projects on a conventional schedule. Notwithstanding these significant and unprecedented challenges, staff is cautiously optimistic that this Goal can be achieved this year.

*Budget Augmentation Does Not Guarantee Achieving Goal No. 6*

The situation discussed above, in all likelihood, will remain for all of 2021 regardless of whether this budget transfer is authorized. The existing approved capital budget is largely allocated to ("tied-up" with) existing project contracts and it is not available for the new well projects that staff would like to start this year (hence the requested budget transfer). So, it is important to understand that it is possible that even if the Board approves a budget transfer this year Goal No. 6 may not be achieved.

#### **Fiscal Impact:**

##### **1. Approve transfer from Operations and Maintenance (O&M) Budget to Capital Budget**

The 2021 O&M Budget for surface water purchases would be reduced by \$540,000 and the 2021 Capital Budget for new well construction would be increased by \$540,000.

There is a potential that the District may receive funding for lost capacity as part of ongoing litigation related to groundwater contamination.

##### **2. Approve the use of \$350,000 of Well Property Acquisition Reserves**

The Well Property Acquisition Reserve will be decreased by \$350,000 and will have a new balance of \$0.00. This will increase the 2021 Capital Budget (OCP – Well Property Acquisition) by \$350,000.

Capital Budget Transfer Request

October 18, 2021

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**Strategic Plan Alignment:**

**Goal A:** Provide a High Quality Reliable Water Supply by Ensuring it is Sustainable, Clean, and Safe.

**Goal B:** Optimize Operational and Organizational Efficiencies

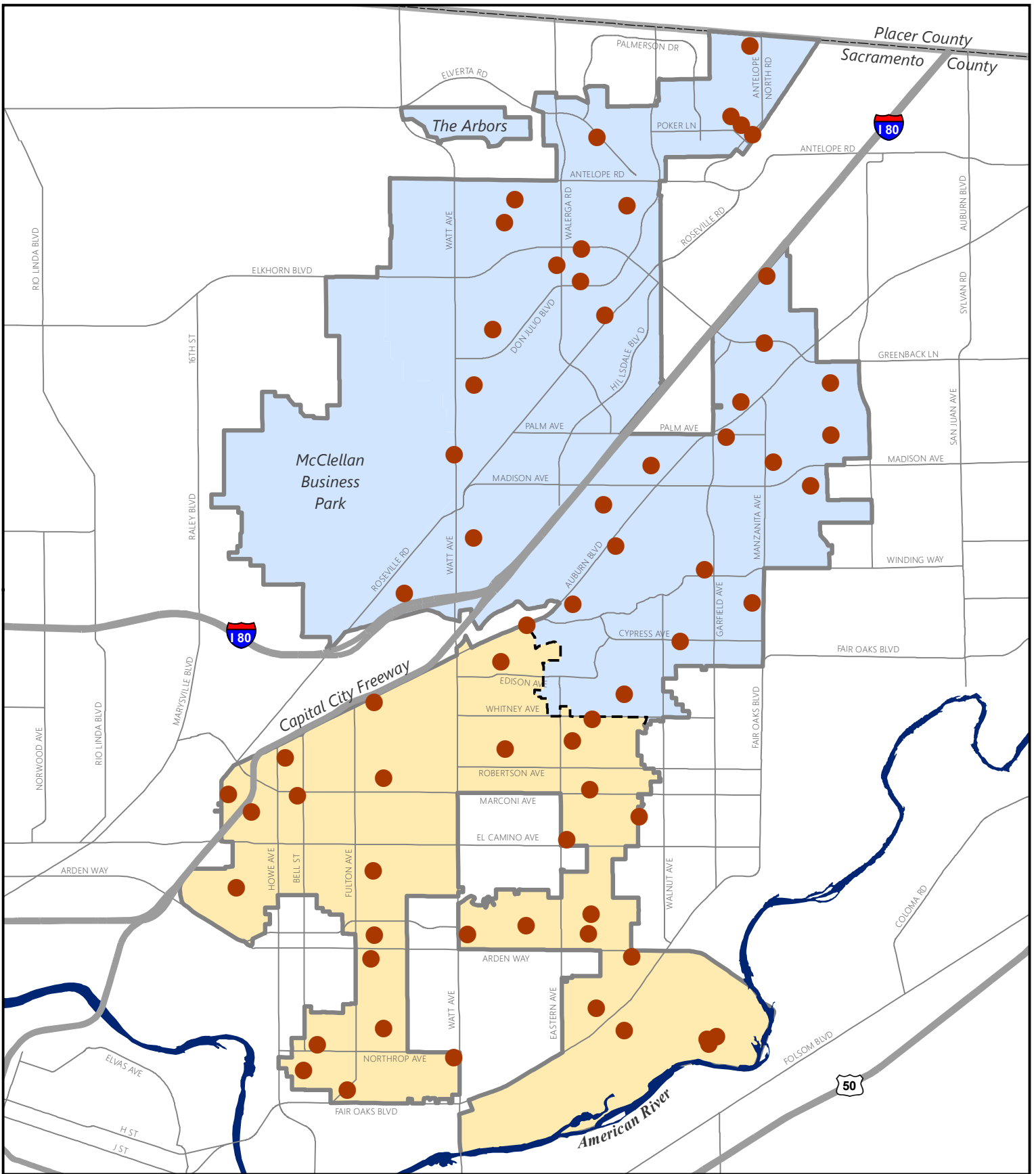
**Goal D:** Maintain Excellent Customer Service

**Attachments:**

1 – District Service Areas Map

2 – NSA Groundwater Wells Impacted and Added Capacities Map

3 – NSA Groundwater Wells Available Capacity (July 2021) Map



**Legend**

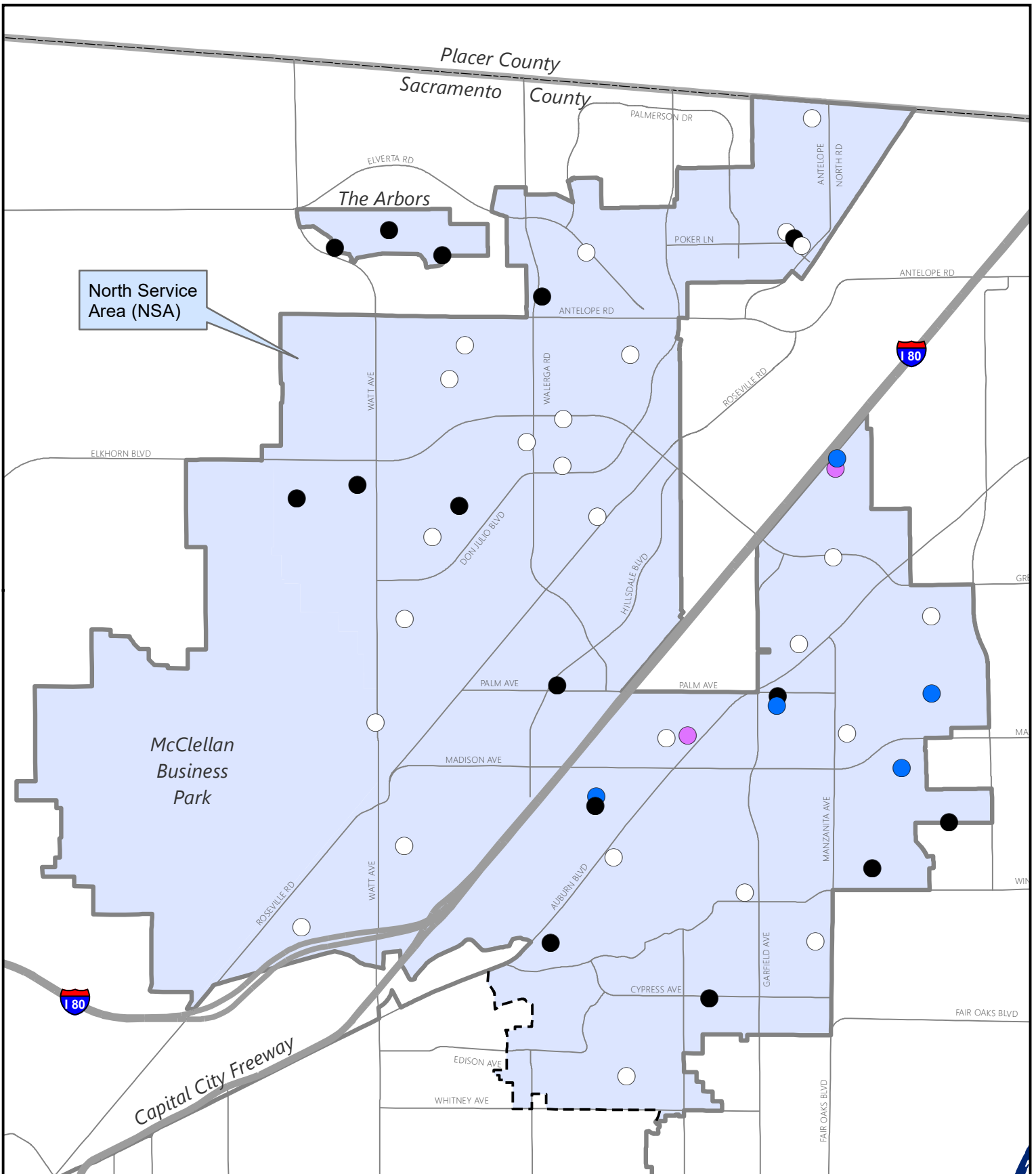
- Active Well
- North Service Area (NSA)
- South Service Area (SSA)



**District Service Areas**

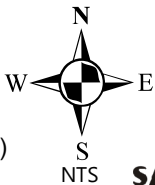


Drawn by: JWS-SSWD  
 Date: September 24, 2021  
 File: District Service Areas-Wells.mxd



**Legend**

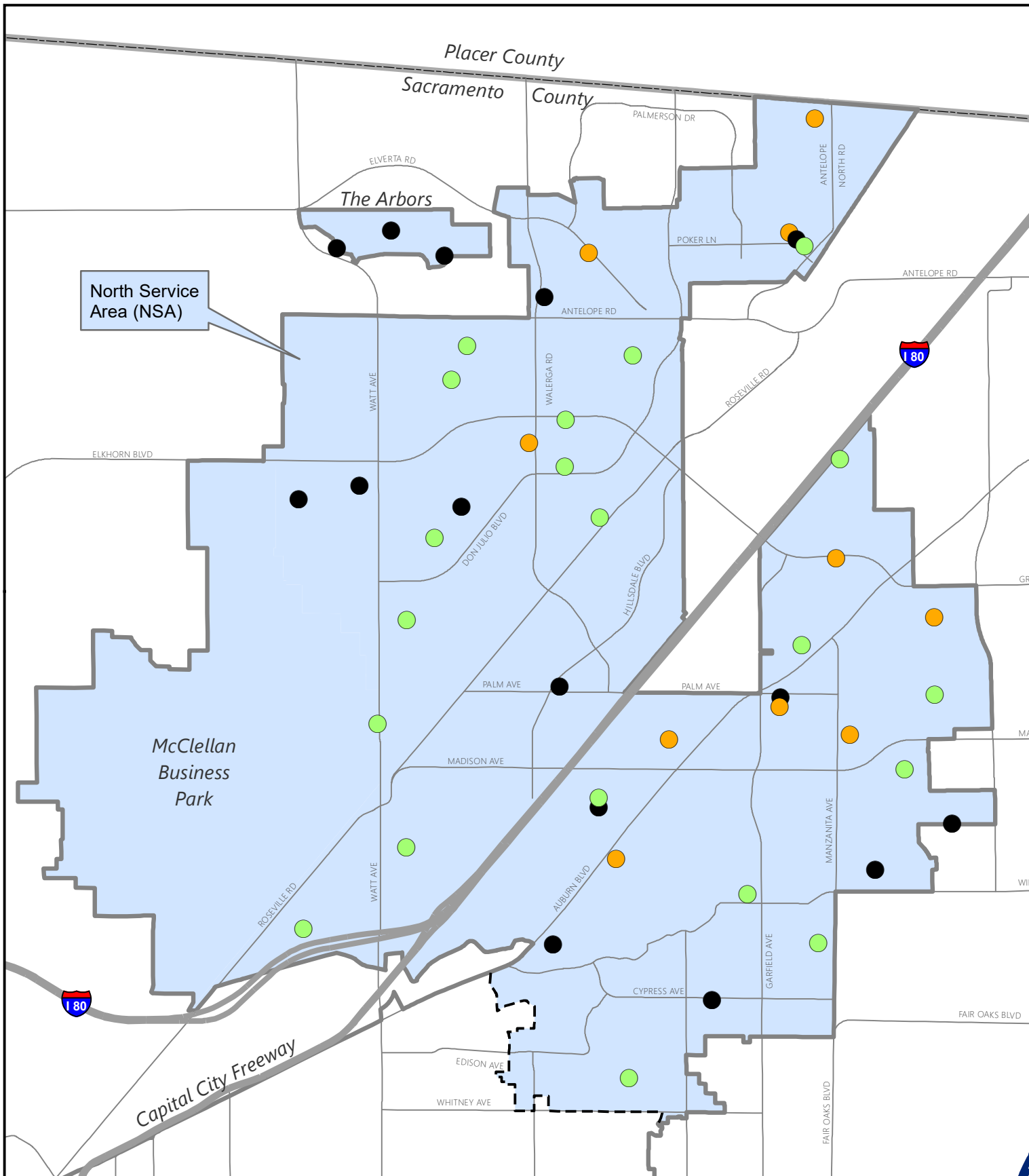
- Impacted Well (Since 2010)
- Active Well (Prior to Consolidation)
- Active Well Added Since 2002 (Consolidation)
- New Well Under Construction



**NSA Groundwater Wells  
Impacted and Added Capacities**

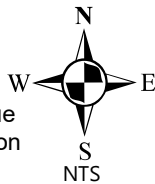


Drawn by: JWS-SSWD  
 Date: September 24, 2021  
 File: North Service Area-Wells.mxd



**Legend**

- Impacted Well (Since 2010)
- Offline During the Month of July 2021 Due to Failures Requiring Repairs/Remediation
- Available Well



**NSA Groundwater Wells Available Capacity (July 2021)**



Drawn by: JWS-SSWD  
 Date: September 24, 2021  
 File: NSA Operational Capacity-Wells.mxd



## Agenda Item: 8

**Date:** October 18, 2021

**Subject:** Budget Rollovers

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration  
Dana Dean, P.E., Engineering Manager

### **Recommended Board Action:**

Approve the use of budget rollovers.

### **Summary:**

Staff are seeking concurrence from the Board with the practice of budget rollovers. The budget rollover has proven to be an invaluable tool in the management of multi-year project budgets by providing significant improvements to organizational efficiency.

The previous practice of budgeting for a single year's expenditures for multi-year projects (without rollover) always created budgeting issues for subsequent year's budgets. As budgets are prepared in August and September of each year, Engineering staff must estimate, with a high level of certainty, how existing projects will expend funds between August and December in order to be able to properly budget for the expenditures required in the next year. Many times this estimate proves to be inaccurate, and with good reason as project dynamics can change substantially in a few months (particularly likely to impact schedule).

The budget rollover allows Engineering staff to set a realistic budget for a year's expenditures and if that estimate proves to be inaccurate it does not require Engineering staff to scramble to find funds from other projects to make up any shortfall.

The budget rollover also has no effect on established spending goals for performance management purposes. Spending goals are completely independent of how projects are budgeted. Engineering staff can still be evaluated based on actual expenditures regardless of the budget rollover.

### **Background:**

The budget rollover is a process of allowing planned and active projects to carry the excess of budgeted funds over spent funds to the next year (and beyond if necessary). This is only allowed for active projects that have been planned and budgeted and the rollover funds may only be used for that project (they may not be reallocated to another project). Any remaining rollover funds will be returned to reserves as they would be for any other project completed without utilizing all of the budgeted funds. Staff have developed reporting tools to track and manage the rollover budget amounts and monitor the status of all projects that utilize rollover budget amounts.

### Prior to Calendar Year 2020

Prior to calendar year 2020, budget rollovers were not allowed, and any unspent funds at the end of the year were moved into reserves. During budgeting, Engineering staff would estimate the amount of carryforward needed at year-end. These estimates were then added to the next year's budget. This created three significant issues:

1. Unplanned changes to reserves require recalculating reserve requirements already calculated and budgeted for the next year as the carryover estimates were often inaccurate.
2. Estimates calculated during budget preparation were usually different from actual amounts needed for carryover at year-end.
3. Projects that were underspent from estimates would then require additional budget funds in the next year to complete the tasks that were underspent in the current year (as these funds were not anticipated when the budget was prepared for the next year).

As a result, every year Finance staff would need to re-evaluate reserves after year-end for the effect of the unspent funds; and Engineering staff would need to analyze where additional budget funds could be obtained to provide the needed funding for the projects that were underspent in the previous year.

### Calendar Year 2020

In calendar year 2020, budget rollover was allowed for the first time and significant benefit resulted. At the end of 2020 there was approximately \$3.8 million in budgeted CIP funds that were rolled over to 2021. If Engineering staff had had to move \$3.8 million from budgeted 2021 projects to complete the 2020 rollover projects there would have been \$3.8 million less available to complete the planned 2021 projects.

However, the 2020 to 2021 rollover prevented this and provided three primary benefits:

1. Increased completion of Board-approved CIP projects.
2. Increased organizational efficiencies as Engineering, Finance, and Executive staff were much less involved in moving funds amongst projects than in prior years.
3. Eliminated need for re-evaluation of reserve balances and addressing unplanned reserve additions.

### Example Project

*This realistic yet hypothetical project example is intended to highlight issues created when rollover is not used, and contrast that with the benefits of using rollover.*

The District has a three-year well project. The plan is to: a) design in year 1; b) start construction in year 2; and c) complete construction in year 3. Assume design is \$1.0 million and start construction is \$2.0 million.

The project starts in July. It is anticipated that design will take 9 months, and staff estimates that \$0.7 million will be spent in the current year. During budgeting for the next year (year 2), staff budgets \$0.3 million (the remainder) to complete the design, and \$2.0 million for starting construction.



*The problem*

However, design delays occur and design only spends \$0.5 million in the first year (\$0.2 million underspent). Since the year 2 budget only includes another \$0.3 million for the design, design funding is then short by \$0.2 million.

To complete the design, Engineering staff has two options: either a) use \$0.2 million from the start construction budget, or b) transfer funds from another project. This could then leave the construction budget short of funds in year 2 causing a delay, or cause delay of other project(s) if funds were reallocated from them to fund the example project.

*The solution*

Use budget rollover. With budget rollover no additional adjustments to the budget are required since the unspent \$0.2 million for design is rolled over to year 2 and the entire \$2.0 million for start construction remains available.

Compound this by the approximately 60 active projects and a lot of staff (Finance, Engineering, and Executive) time is consumed in adjusting budgets. Staff views this as an unnecessary and unbeneficial use of resources.

Budget rollover has proven to be an effective tool in managing project delivery. There is really no impact to reserves and so there is no actual “down-side” to continuing to utilize budget rollover as a tool to manage approved Capital funds. Said another way, rollover provides advantages without disadvantages.

**Discussion:**

The benefits of budget rollover presented above are clearly directly supportive of the District’s strategy to *Optimize Operational and Organizational Efficiencies*.

Staff desires to have the Board provide direction on the use of budget rollovers for the capital budget. District goals can still be tied to the amount of CIP spending of the annual budget each year while also allowing budget rollovers for the efficiency it brings. Staff are very committed to the budget rollover as it clearly provides large returns in efficiency in managing the capital budget. Of the approximate \$4.0 million in rollover budget from 2020, approximately \$266,000 remains unspent as of September 30, 2021.

**Fiscal Impact:**

The potential of reducing the amount of capital funds that are transferred to reserves each year. Additionally, avoiding potential budget shortages in subsequent years for projects.

**Strategic Plan Alignment:**

Goal B: Optimize Operational and Organizational Efficiencies



## Agenda Item: 9

**Date:** October 18, 2021

**Subject:** Calendar Year 2022 Budget – First Draft Update

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### Recommended Board Action:

Receive First Draft update of the Calendar Year 2022 Budget presentation and approve one or more of the following actions:

1. Direct staff to update the Calendar Year 2022 Budget and return to Board at the November 15, 2021 Board meeting.
2. Approve Calendar Year 2022 Budget as presented with any recommended updates so motioned.
3. Approve staff request for Environmental Compliance Technician position with 2022 budgeted cost of \$114,000. This will add \$114,000 to the Operations and Maintenance Budget.
4. Approve staff request for Sr. Hydrogeologist/Sr. Engineer with 2022 budgeted cost of \$176,000. This will add \$176,000 to the Operations and Maintenance Budget.
5. Approve staff request for SCADA Systems Analyst with 2022 budgeted cost of \$140,000. This will add \$140,000 to the Operations and Maintenance Budget.

### Summary:

Staff presented to the Board at the October 11, 2021, Special Board Workshop, its first draft of the Calendar Year 2022 Budget for review and comment. The information requested by the Board has been integrated into a First Draft Update and is being presented to the Board at the October 18, 2021, regular Board meeting. Staff will seek additional direction from the Board up to and including approval of the budget as presented with any motioned changes and approval of one or more of the requested new staff positions.

### Background:

Staff presented the Calendar Year 2022 Budget – First Draft to the Board at the October 11, 2021, Special Board Workshop meeting. Staff received various requests and comments from the Directors in attendance and stated they would update the presentation and report to the Board at the October 18, 2021 regular Board meeting.

### Discussion:

Staff will address each of the comments and requests from the October 11, 2021, Special Board Workshop meeting. The following are staff changes and the comments and requests from the Board with the staff response.

1. Staff have added an additional item to the Calendar Year 2022 Budget First Draft Update. An additional \$72,000 was added to the Administration department budget for consulting

services (account 02-54506) related to a combination study with Carmichael Water District.

2. President Wichert asked for a breakout of the consulting costs included in the budget.

Staff have included two new slides (48 & 49) that break out all of the budgeted outside services costs, which includes consulting.

3. President Wichert asked for a graph on how the 2019 Rate Study projected reserve balances compare to actual balances.

Staff have updated the graph on slide 14 to include the planned reserve balances for 2020 – 2022. Staff also updated slide 15 to include the planned reserve balances compared with reserve projections for 2023-2025.

4. President Wichert asked for a slide to breakout the Administrative budget.

Staff have added this information on slide 50.

5. Director McPherson asked for a slide showing the salary of the new positions being requested including pay band, taxes and benefits as separate items.

Staff have added three new slides (41, 42, 43) that list this information for each new position being requested.

6. President Wichert asked staff to provide information on how consulting dollars will be reduced by the addition of the new staff position.

Staff have included narrative details on the anticipated reductions in consulting expenses for the Sr. Hydrogeologist/Sr. Engineer and SCADA Systems Analysts positions on slides 42 and 43.

7. Director McPherson requested information on how much the District spends on hydrogeologist related consulting and suggested providing a five year average.

Staff will need additional time to gather this information as these costs are included with the design and construction costs that are part of each contract the District enters into with consultants/contractors.

8. President Wichert requested staff provide clarification on the 2018 Compensation Study regarding the used market values for salaries.

Staff have reviewed the 2018 Compensation Study and the staff report requesting approval of the study's results. The Board approved study results had staff salaries set at market median and the upper salary band set at the mid-point of the third quartile (62.5%) of market. Slides 44 & 45 have been updated with this information.

Staff have updated the presentation made to the Board at the October 11, 2021, Special Board Workshop. The presentation attached to this staff report includes all previous slides and those slides added or updated.

**Fiscal Impact:**

If adopted as presented, the 2022 O&M budget would be \$23.6; the 2022 Capital budget would be \$24.8 million, and the 2022 debt service budget would be \$7.5 million. The total of all three budgets would be \$55.8 million. Revenues are projected to be \$51.4 million (if customer rates per the Study remain) resulting in a use of reserves of \$4.5 million.

If the three requested positions are approved the O&M Budget will increase \$430,000 resulting in a use of reserves of \$4.9 million.

**Strategic Plan Alignment:**

Goal C – Ensure Fiscal Responsibility and Affordable Rates.

**Attachments:**

1 – 2022 Proposed Draft 1 Budget Update

2 – 2022 Budget Presentation Update

## 2022 BUDGET

<b>Revenue Budget</b>	<b>2022 Budget</b>
Revenue from Customers	\$ 49,957,000
Other Revenue	1,404,000
<b>Total 2022 Revenue</b>	<b>\$ 51,361,000</b>

<b>Reserve Use</b>	<b>\$ 4,453,000</b>
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<b>Total 2022 Sources</b>	<b>\$ 55,814,000</b>
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<b>Operations and Maintenance Budget</b>	<b>2022 Budget</b>
Board of Directors Total	\$ 53,000
Administrative Total	2,654,000
Finance Total	1,139,000
Customer Services Total	1,418,000
Field Operation Total	468,000
Production Total	7,364,000
Distribution Total	2,941,000
Field Services Total	1,477,000
Maintenance Total	751,000
Conservation Total	680,000
Environmental Compliance Total	715,000
Engineering Total	1,677,000
GIS/CAD Total	410,000
Human Resource Total	364,000
Information Technology Services Total	1,221,000
Community Outreach Total	228,000
<b>Total O&amp;M Budget</b>	<b>\$ 23,559,000</b>

<b>Capital Budget</b>	<b>2022 Budget</b>
<b>Capital Improvement Program ( CIP )</b>	
Meter Retrofit	\$ 22,000
Dist. Main Replacement	5,235,000
Well Replacement	11,357,000
Well Rehab. And Related Capital Costs	2,430,000
Other Re-occurring Annual Capital Costs	2,365,000
SCADA	385,000
Reservoir and Booster P.S.	325,000
Transmission Main	75,000
<b>CIP Subtotal</b>	<b>\$ 22,194,000</b>
<b>Operating Capital Program ( OCP )</b>	
Property Acquisitions	\$ 900,000
Operations	506,000
Vehicles/Fleet/Equipment	389,000
Information Technology	262,000
Maintenance	501,000
<b>OCP Subtotal</b>	<b>\$ 2,558,000</b>
<b>Total Capital Budget</b>	<b>\$ 24,752,000</b>

<b>Debt Service Budget</b>	<b>\$ 7,503,000</b>
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<b>Total 2021 Costs</b>	<b>\$ 55,814,000</b>
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<b>Three Staff Positions Requested</b>	<b>\$ 430,000</b>
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<b>Total 2021 Costs with new Staff Positions</b>	<b>\$ 56,244,000</b>
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<b>Reserve Use with new Staff Positions</b>	<b>\$ 4,883,000</b>
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<b>Capital Improvement Program (CIP) Project</b>	<b>2022</b>	<b>2023</b>
<b>Meter Retrofit</b>		
Meter Retrofit Program (10 meters)	X	
<b>Dist. Main Replacement</b>		
ODS Main Remnants Replacement	X	
Greenberry Complex	X	
Watt Ave Main Extension - From Antelope Rd to The Arbors	X	
MBP Main Replacement - Building 251	X	
MBP Main Replacement - Dudley/Peacekeeper	X	X
Small Improvement Projects	X	X
Mason Target Looping Project	X	
Intertie # 16 Repair/Upgrade	X	
Q Street Main Replacement (Design 2022/ Material 2023)	X	X
Winding Way Creek Crossing		X
Slippery Creek Main Replacement		X
CA & Risk Feasibility of HP Creek Crossing		X
Condition Assessment of Main Replacement Area 18		X
<b>Well Replacement</b>		
Well #80 - Walnut/Auburn (NSA) - Pump Station Design/Construction	X	
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Groundwater Wells Design/Construction	X	
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Pump Stations Design/Construction	X	X
Well #82 (NSA) - Groundwater Well Design/Construction	X	
Well #82 (NSA) - Pump Station Design/Construction	X	X
Well #83 (NSA) - Groundwater Well Design/Construction		X
<b>Transmission Main</b>		
Corrosion Control-Variou Protection and/or Cathodic Protection for existing trans. mains	X	X
<b>Reservoir and Booster P.S.</b>		
Reservoirs/Tanks Annual Repairs/Modifications As Needed	X	X
Hydropneumatic Tanks - Interior Re-coating	X	X
Tank 216 - Inspection ~ 3 years	X	
Capehart Tank - Condition Assessment/Plans for Re-coating ~ 15 years	X	
Enterprise Reservoirs - Condition Assessment/Plans for Re-coating ~ 15 years		X
Antelope Reservoir - Interior/Exterior Re-coating		X
<b>SCADA</b>		
Upgrade Tesco PLC for 10 Sites each year	X	X
SCADA Upgrades	X	X
<b>Well Rehab. And Related Capital Costs</b>		
Well Rehabilitation/Repair/Upgrade - Various Wells	X	X
Condition Assessment - Wells 18, 33A, 66, 74, 56A, N5, N22, N24 in 2022; Wells 43, 20A, 71, 74, N3, N25, N32A in 2023	X	X
Replacement/Rebuild Subersible Pump Motor - 2 Motors for 2022	X	X
Bacteriological Investigation - Well N6A NSA	X	
Pump Testing - Well 79	X	

<b>Capital Improvement Program (CIP) Project (continued)</b>	<b>2022</b>	<b>2023</b>
<b>Well Rehab. And Related Capital Costs (continued)</b>		
Fencing - Well N7	X	
Capacity & Water Quality Investigation - Various Wells	X	X
Chemical Analyzers Installation - All Wells (Design in 2023; Construction 2024-2025)		X
Destroy abandoned wells: 2 - 8 wells in 2022 and 2 wells in 2023	X	X
Well sites demolition -10 sites		X
<b>Other Re-occurring Annual Capital Costs</b>		
Adjust valves boxes for county paving projects	X	X
Right of way/easement acquisitions	X	X
AMI Endpoints Replacements	X	X
Replace obsolete large meters (>3")	X	X
Replace water meters that outlived their useful life	X	X
Replace valves, hydrants and services that outlived their useful life	X	X

<b>Operating Capital Program (OCP) Projects For 2022</b>
<b>Property Acquisitions</b>
Wellsite Acquisitions
<b>Operations</b>
Facility Operations Plan - Well 32A
Fluoride Pump Replacement - 14 Facilities
AMP Implementation: Work Management Program – Phase I (Data)
Water Meter AMP update
Reservoir and Booster Pump Station AMP Update
<b>Vehicles/Fleet/Equipment</b>
Vehicle Replacement - Truck # 94
Vehicle Replacement - Truck # 95
Vehicle Replacement - Truck # 96
Vehicle Replacement - Dump Truck #97
Vehicle Addition - Water Conservation
Electric Vehicle Charging Station - Walnut Location
Equipment Replacement - Tow Behind Air Compressor # 89
<b>Information Technology</b>
Hardware Refresh Program
Software Enhancements/Modules
<b>Maintenance</b>
Building Structural Waterproofing - Marconi Location
HVAC/Roof/Building Repairs
Repave Behind the Gate Area - Walnut Yard
Overlay the Parking lot - Walnut Yard
Gate Operator & New Gate - Walnut Yard
Gate Operator & New Gate - Watt/Elkhorn Site
Gate Operator & New Gate to Facility - Enterprise Well Facility
Gate Operator & Street Gate - Enterprise Well Facility

# 2022 Proposed Budget

October 18, 2021





# 2022 Budget Development Process

- August Board Meeting – 08/16/2021, 6:00 pm
  - Budget Preparation Timeline and Assumptions Approved
- September Board Meeting – 09/20/2021, 6:00 pm
  - Status Report; Provide Direction to Staff
- October Board Workshop – 10/11/2021, 6:00 pm
  - First Draft Presentation; Provide Direction to Staff
- October Board Meeting – 10/18/2021, 6:00 pm
  - Update Board; Provide Direction to Staff
- October Board Workshop – 10/25/2021, 6:00 pm (If necessary)
  - Second Draft Presentation; Provide Direction to Staff
- November Board Meeting – 11/15/2020, 6:00 pm
  - Approve Budget

# 2022 Budget Assumptions

Key Assumptions		2020		2021		2022	
1	Rate Increase (Approved via Prop 218)	Actual	5.00%	Actual	4.00%	Proposed	3.00%
2	Change in SSWD Service Boundaries		None		None		None
3	Service Connections	Actual	46,573	Forecast	46,954	Forecast	47,054
4	Water Production: (A)	Cost/AF	AF	Cost/AF	AF	Cost/AF	AF
	a. Retail Water Production Forecast Based on 5 Year Average	Actual	33,087 AF	Forecast	35,230 AF		32,000 AF
	c. SSA Surface Water (City) (B)	\$ 120.00	7,700 AF	\$ 120.00	3,500 AF	\$ 120.00	2,700 AF
	d. SSA Surface Water (City at NO Cost / 2020 Water Transfer)			\$ -	6,600 AF	\$ -	3,300 AF
	e. SSA Surface Water (Electrical Cost to Lift City's Water)	\$ 15.72		\$ 17.00	10,000 AF	\$ 17.85	6,000 AF
	f. SSA Groundwater (Variable costs)	\$ 87.52	6,250 AF	\$ 113.81	3,700 AF	\$ 127.82	8,000 AF
	g. NSA Surface Water (PCWA Water / BUREAU) (C, H)	\$ 268.07	12,000 AF	\$ 287.43	10,000 AF	\$ 334.96	3,000 AF
	j. NSA Surface Water (SJWD Water) (H)	\$ 260.16		\$ 306.06	AF	\$ 321.36	4,000 AF
	k. NSA Groundwater (Variable costs)	\$ 99.32	6,050 AF	\$ 104.63	7,700 AF	\$ 114.44	11,000 AF
5	Anticipated Outside Water Sales, Net		0		0	Unknown	Unknown
6	Investment Yield		2.15%		2.00%		1.21%
7	Variable Debt Interest Rate		3.86%		3.86%		3.86%
8	Electrical Cost Increase		3.75%		4.50%		1.50%
9	COLA (D)		2.30%		1.80%		5.60%
10	Merit Program		4.00%		5.00%		5.00%
11	Construction Inflation (E)		2.00%		1.20%		5.00%
12	Health Care Cost (F)		6.40%		4.32%		1.10%
13	Tier 1 Pension Cost (Unfunded Lia, % of Salaries)	\$ 594,662	23.77%	\$ 694,888	24.24%	\$ 811,417	24.16%
14	Tier 2 Pension Cost (Unfunded Lia, % of Salaries)	\$ 19,614	17.76%	\$ 25,946	18.13%	\$ 33,648	18.06%
15	Tier 3 Pension Cost (Unfunded Lia, % of Salaries)	\$ 3,087	7.47%	\$ 5,463	7.80%	\$ 6,285	7.75%
16	Unfunded Liability Total Cost	\$ 617,363		\$ 726,296		\$ 851,349	
17	New Hires		-		1		3
18	Prefunding of Post Retirement Benefits (G)		\$ 502,299		\$ 482,500		\$ 313,928
19	Retiree Benefit Payments		\$ 406,134		\$ 418,464		\$ 447,413
20	Reserve Funding/(Uses)		None		None		None
<b>Footnotes:</b>							
(A)	SSA = South Service Area; NSA = North Service Area						
(B)	City Rate at \$120/AF on a trial basis for 9,500 AF from Oct -2019 to Sept 2020. Assume City will extend this trial rate (\$120.00) for 2021 and 2022. Current contract rate is \$500.68/AF.						
(C)	Starting 2021, Take-or-Pay contract reduced to 8,000 AF.						
(D)	District is West - Size Class B/C (2.5 million or less).						
(E)	20 Cities CCI Index, Source: ENR						
(F)	Western Health Advantage(-2.08%), 100/90 Formula Cap (1.1%)						
(G)	Actuarially determined prefunding amounts.						
(H)	2022 Estimated increase of 5%/AF from 2021						

# 2021 Projected Actual and Highlights

	<b>Approved 2021 Budget (\$ Millions)</b>	<b>Projected 2021 Actual (\$ Millions)</b>	<b>Projected Unspent (\$ Millions)</b>	<b>Projected Unspent (%)</b>
Operations & Maintenance Budget	\$ 23.06	\$ 20.65	\$ 2.41	10.5%
Capital Improvement Program	17.12	17.12	-	0.0%
Operating Capital Program	1.88	1.88	-	0.0%
Debt Service Budget	7.53	6.99	0.55	7.2%
<b>Total</b>	<b>\$ 49.60</b>	<b>\$ 46.64</b>	<b>\$ 2.96</b>	<b>6.0%</b>

## 2021 Projected Results:

- Water Deliveries of 35,230 AF to Customers
  - 1,676 AF from Surface Water
  - 33,554 from Ground Water
- Review and assess modified asset management plans:
  - Completed Update to the Urban Water Management Plan
  - Update SCADA Asset Management Plan
  - Update Buildings and Structures Asset Management Plan
- Water infrastructure asset replacements include:
  - Replace up to 0.75 miles of Distribution Main Lines
  - Completed three Condition Assessments of a Main Replacement Areas (MRAs)
  - Continue work on ODS Main Replacement Program
  - Various Well Condition Assessments and Rehabilitations
  - Various Well/Pump Repairs/Modifications

# 2021 Projected Actual and Highlights

## 2021 Projected Results (continued):

- Water infrastructure asset replacements include (continued):
  - Completed the final subdivision within the Meter Retrofit Program (about 900 services)
  - Replace 1,000 Old Meter that have outlived their useful life
  - Replace 10,000 Endpoints that have failed or outlived their useful life.
  - Continued work on new Butano Well and new Panorama Well
  - Began work on new Walnut Well
  - Began work on new Antelope North Well
  - Destroyed 2 Abandoned Well Sites
  - Received Board approval for Acquisition of two properties for Future Well Sites
  - Continue Ongoing Process to Acquire Property for Future Well Sites
- Operations, Customer Service and Administration Accomplishments:
  - Started first year of two year high-traffic valve PM program
  - Implementation of Ground Water Asset Management Program in progress
  - After 30 years of AMR drive-by meter reading, the last of the District's legacy AMR endpoints have been replaced with AMI
  - Customer service area security/safety upgrade
  - Started safety recognition program
  - Replaced four vehicles and two pieces of equipment that met the criteria of the Fleet Asset Management Plan
  - Constructed one high dose chemical trailer

# 2022 Goals

## Budget Will Allow the District to Accomplish the Following:

- Water Deliveries of 32,000 AF to Customers
- Source of Supply
  - 7,000 AF Surface Water ( 3,000 AF from PCWA and 4,000 AF from SJWD)
  - 2,000 AF Surface Water from PCWA (Wheeled to Cal-American)
  - 6,000 AF Surface Water from City of Sacramento (3,300 AF at no cost/Water Transfer and 2,700 AF \$120/AF)
  - 19,000 AF from SSWD Groundwater
- Update Asset Management Plan (AMP)
  - Update Water Meter AMP
  - Update Reservoir and Booster Pump Station AMP
- Water infrastructure asset replacements include:
  - Construct the Greenberry Complex small main replacement project with about 190 services to be metered
  - Continue work on / complete the ODS Main Replacement project
  - Complete the Watt Avenue Main Extension project
  - Complete the Building 251 Main Replacement project (McClellan Business Park)
  - Complete various small main replacement/improvement projects
  - Replace 1,000 Old water meters that have outlived their useful life
  - Continue work on new Walnut well (new production well)
  - Continue work on new Antelope North wells (new production wells)

# 2022 Goals

## Budget Will Allow the District to Accomplish the Following (cont):

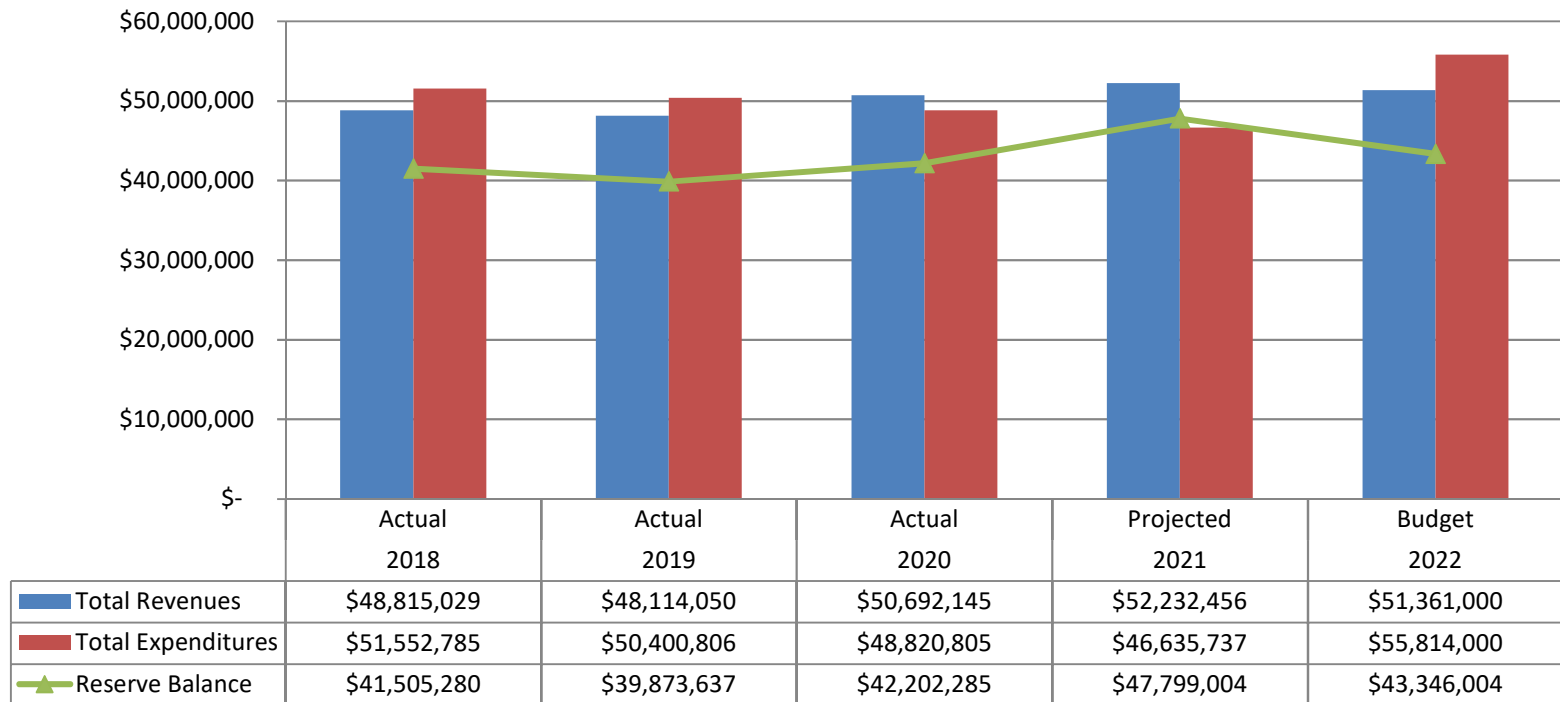
- Water infrastructure asset replacements include (cont):
  - Begin work on new well (new production well – location TBD)
  - Destroy at least two abandoned well sites
  - Continue ongoing process to acquire property for future well sites
- Operations, Customer Service and Administration:
  - Complete two year high-traffic valve PM program
  - SSWD 20 year celebration
  - Complete the replacement of endpoints that are failing or have outlived their useful life (approx. 10,000)
  - Replace four vehicles that meet the criteria of the Fleet Asset Management Plan
  - Improved customer service through robust online training platform. Targeted training based on results of a quality control program.

# 2022 Proposed Budget

	2020 Actual	2020 Approved Budget	2021 Projected	2021 Approved Budget	2022 Proposed Budget
Income From Customers	\$ 47,731,533	\$ 47,843,000	\$ 49,252,239	\$ 48,886,080	\$ 49,957,000
Water Transfers	979,431	-	-	-	-
Total Other Income	1,981,180	2,224,000	2,980,217	2,094,000	1,404,000
Reserve Use	-	1,193,000	-	-	4,453,000
<b>Total Revenue</b>	<b>\$ 50,692,145</b>	<b>\$ 51,260,000</b>	<b>\$ 52,232,456</b>	<b>\$ 50,980,080</b>	<b>\$ 55,814,000</b>
<b>Budgets:</b>					
<b>Operations and Maintenance</b>	21,042,932	23,039,000	20,648,835	23,063,675	23,559,000
<b>Capital</b>	20,505,648	20,795,000	19,001,000	19,001,000	24,752,000
<b>Debt Service (Forecast)</b>	7,272,225	7,426,000	6,985,902	7,531,647	7,503,000
<b>Reserve Funding</b>	1,871,340	-	5,596,719	1,383,758	-
<b>Total Costs</b>	<b>50,692,145</b>	<b>51,260,000</b>	<b>52,232,456</b>	<b>50,980,080</b>	<b>55,814,000</b>
Change in Reserve Balance	-	-	-	-	-
<b>Reserve (Cash) Balance</b>	<b>\$ 42,202,285</b>	<b>\$ 38,680,637</b>	<b>\$ 47,799,004</b>	<b>\$ 43,586,043</b>	<b>\$ 43,346,004</b>

# Total Revenues vs Total Expenditures

## 2018-2020 Actual with 2021 Projected & 2022 Budget



2020 Water usage up 11.0%, water transfer revenue \$0.9m, cost savings from not taking surface water;  
 2021 Water usage up 4.9%, capacity fee revenue up 134%, cost savings from not taking surface water;  
 2022 Lower projected revenues, reserve balance projected to increase slightly ahead of 2019 Rate Study plan,  
 capital spending increase on production assets



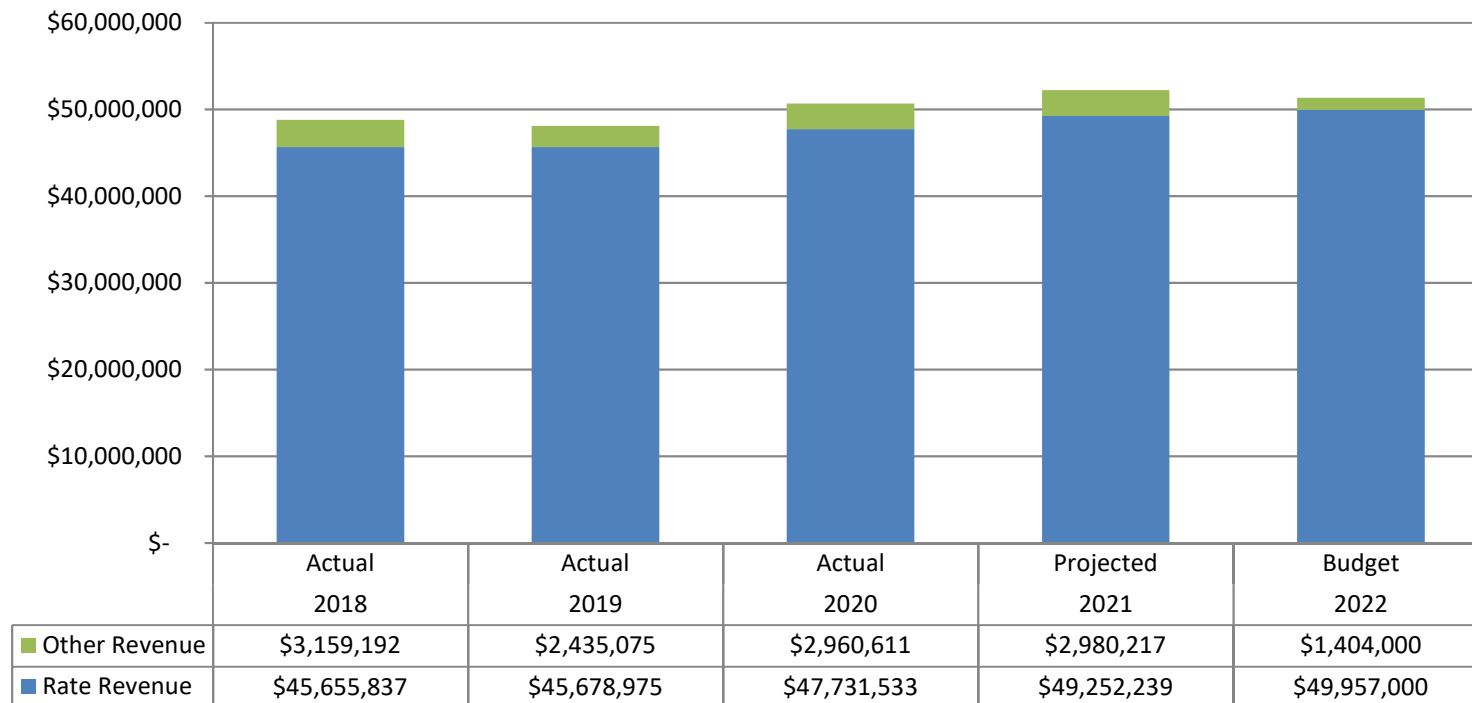
# Total Revenues Detail

## 2018-2020 Actual with 2021 Projected & 2022 Budget

	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Projected	Budget
Water Sales Charge	\$ 13,272,095	\$ 13,250,822	\$ 15,948,172	\$ 15,764,664	\$ 15,465,000
Water Service Charge	30,819,392	30,651,108	31,694,041	33,059,568	34,051,000
(Allowance for Doubtfull Accts)			(516,960)	-	-
Wheeling Water Charge	510,168	643,670	82,748	10,380	11,000
Other Charges for Services	1,054,182	1,133,375	523,531	417,627	430,000
<b>Rate Revenue From Customers</b>	<b>\$ 45,655,837</b>	<b>\$ 45,678,975</b>	<b>\$ 47,731,533</b>	<b>\$ 49,252,239</b>	<b>\$ 49,957,000</b>
			-	-	-
Water Transfers	1,760,900	42,578	979,431	-	-
Interest and Investment Income	766,708	1,076,124	1,077,474	665,955	574,000
Other Income (Leases-Bldg, Cell Towers)	448,684	677,195	403,353	514,262	530,000
Capacity Fees	158,001	287,209	469,993	1,100,000	300,000
Grant Income	24,899	351,969	30,360	700,000	-
<b>Other Revenue</b>	<b>\$ 3,159,192</b>	<b>\$ 2,435,075</b>	<b>\$ 2,960,611</b>	<b>\$ 2,980,217</b>	<b>\$ 1,404,000</b>
<b>Total Revenue</b>	<b>\$ 48,815,029</b>	<b>\$ 48,114,050</b>	<b>\$ 50,692,145</b>	<b>\$ 52,232,456</b>	<b>\$ 51,361,000</b>

# Total Revenues

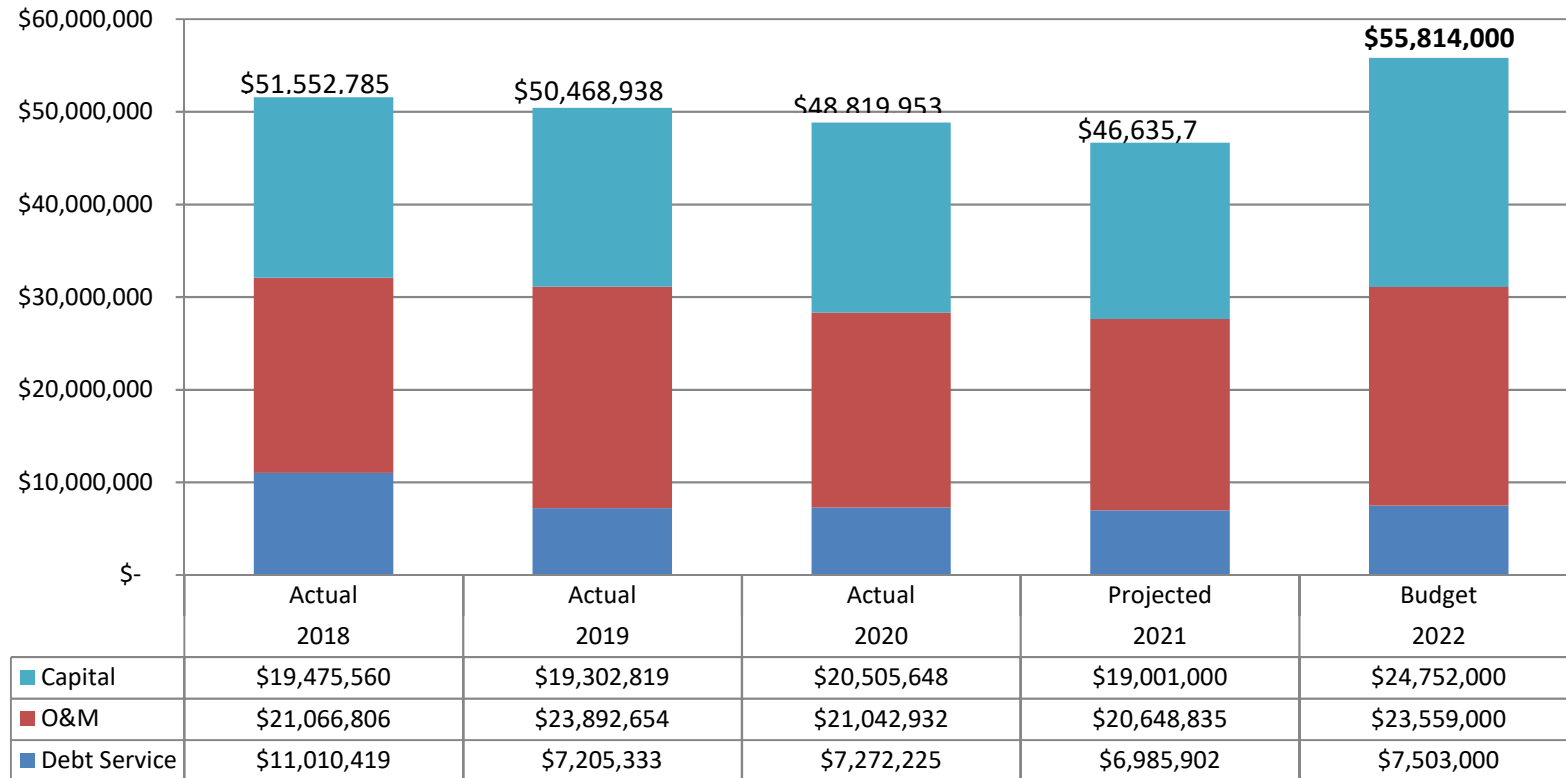
## 2018-2020 Actual with 2021 Projected & 2022 Budget



Other revenue includes: interest, leases & rent, capacity fees, grants and other; 2018 includes \$1.8M for water transfer and 4.0% rate increase; 2019 no rate increase; 2020 includes \$0.9M for water transfer, approved 5.0% rate increase and 11% usage increase; 2021 approved 4% rate increase and projected and 4.9% usage increase (through September); 2022 approved 3% rate increase, lower water sales, lower investment and capacity fee income.

# Total Expenditures

## 2018-2020 Actual with 2021 Projected & 2022 Budget



2018 Debt Service expenditures includes \$3.5 million 2009B refunding;  
 2019 O&M expenditures includes \$2.6 MBP settlement;  
 2020 O&M under budget due to unavailability of surface water (\$1.7m)  
 2021 O&M projected to be under budget due to unavailability of surface water (\$1.9m);  
 2022 O&M increase ~2% from 2021 budget, capital expenditure increase (\$8.3m).

# Reserve Balance Detail

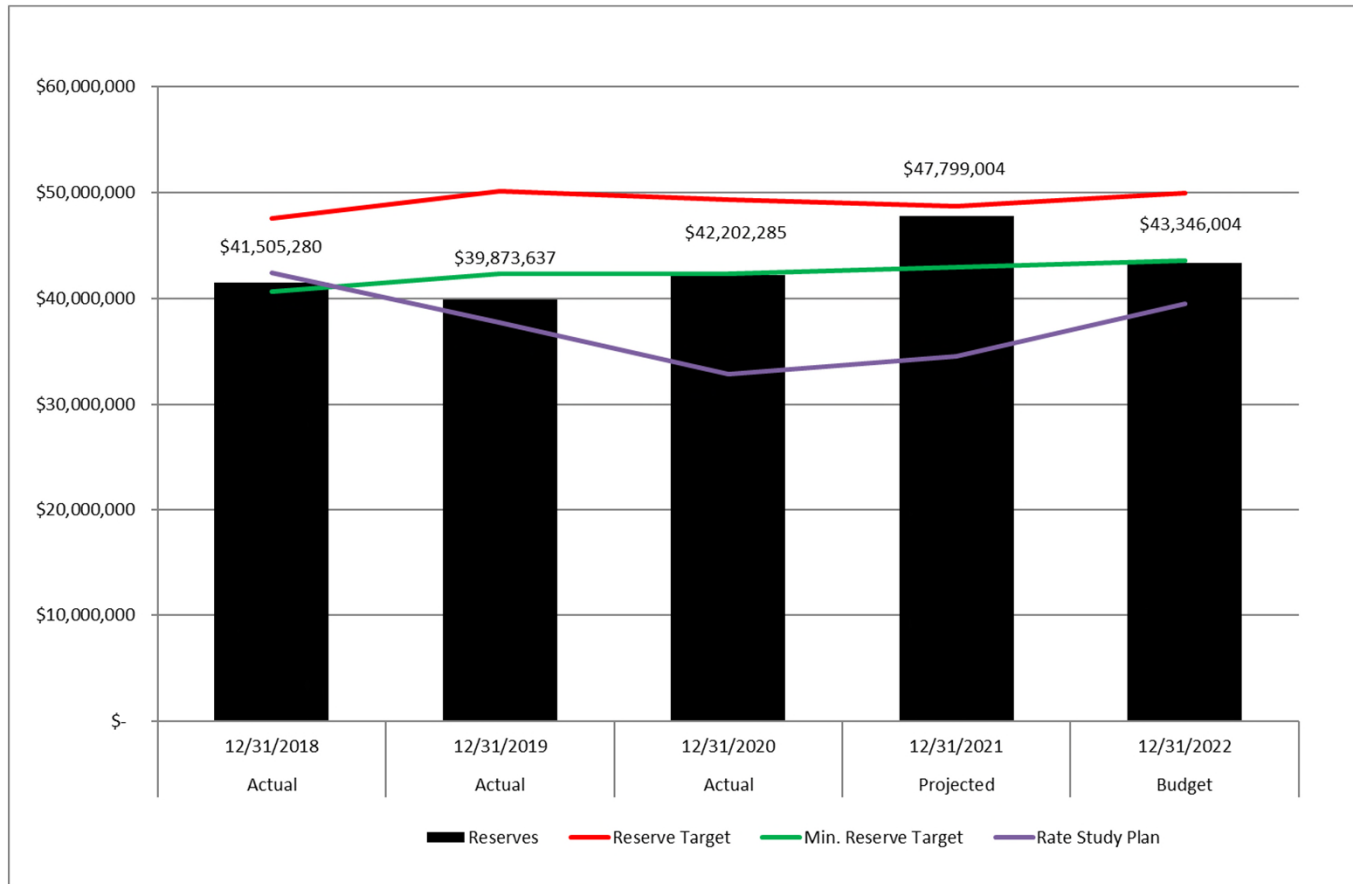
## 2018-2020 Actual with 2021 Projected & 2022 Budget

	Actual	Actual	Actual	Projected	Budget
	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>
<b>Debt Service Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Reimbursement</b>	-	-	-	-	-
<b>Emergency/Contingency</b>	11,255,000	11,905,048	10,872,626	10,825,089	11,089,681
<b>Operating</b>	6,248,175	5,939,161	9,418,409	13,883,118	9,470,545
<b>Rate Stabilization</b>	5,044,500	4,656,400	4,854,850	5,217,769	5,412,750
<b>Interest Rate Risk</b>	-	-	-	-	-
<b>Grant</b>	-	-	500,000	500,000	
<b>Well Property Acquisition</b>			350,000		
<b>Capital Asset</b>	18,957,605	17,373,028	16,206,400	17,373,028	17,373,028
<b>TOTAL</b>	\$ 41,505,280	\$ 39,873,637	\$ 42,202,285	\$ 47,799,004	<b>\$ 43,346,004</b>

Individual reserve account changes for 2019 and 2020 based on Reserve Policy approved on June 17, 2019; 2020 and 2021 rate increases are on track with financial plan to build back up the reserve's target level.

# Reserve Balance

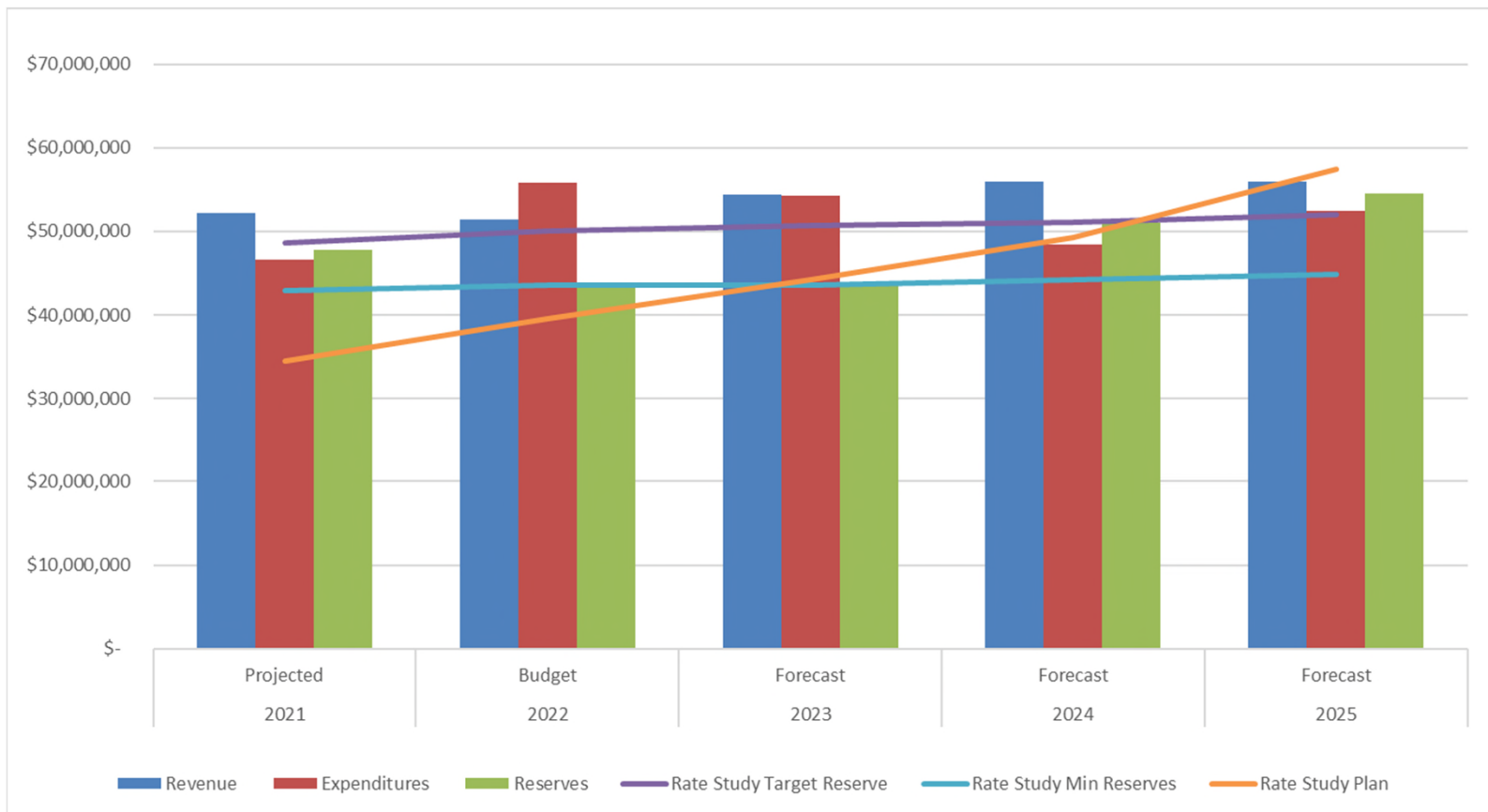
## 2018-2020 Actual with 2021 Projected & 2022 Budget



Reserve balances ahead of plan from 2019 Rate Study.

# Revenues, Expenditures & Reserve

## 3 Year Forecast with 2021 Projected & 2022 Budget



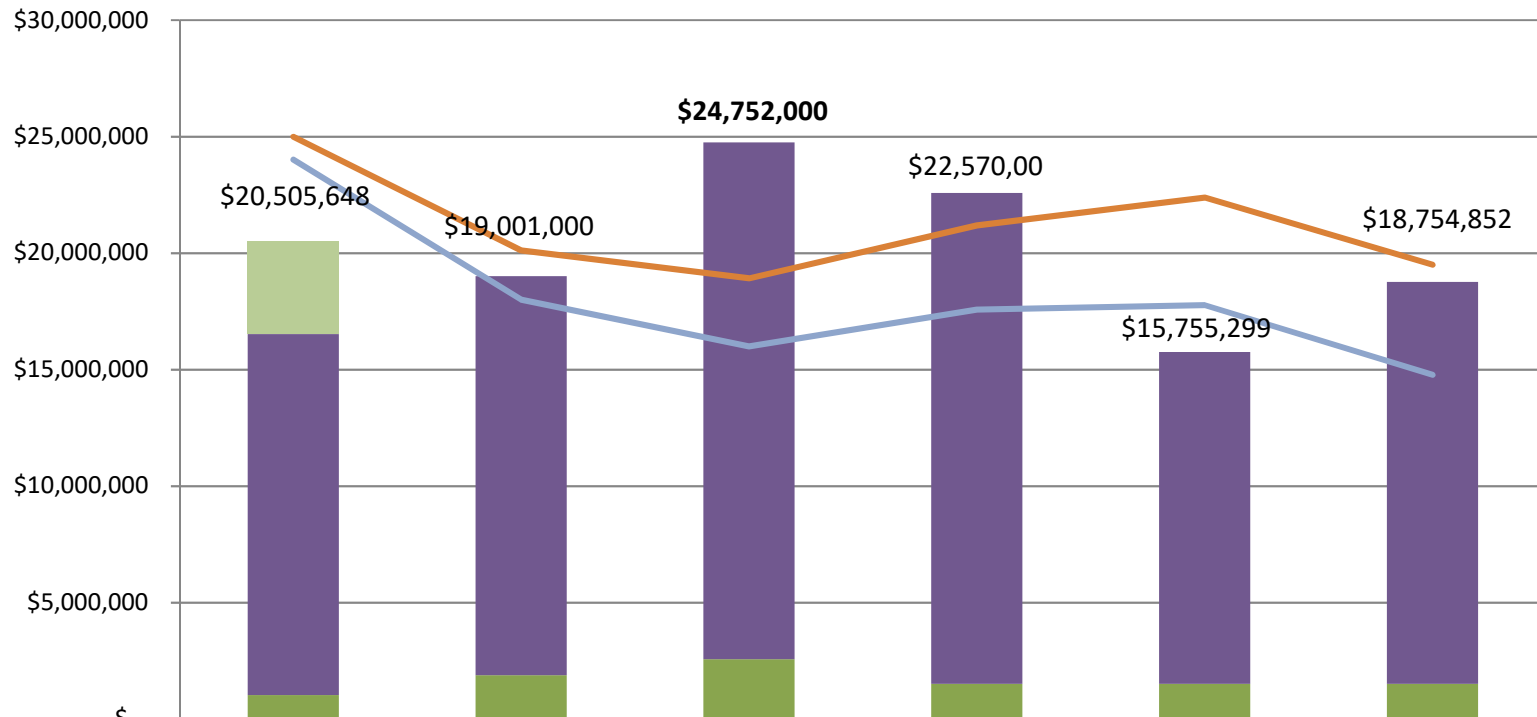
2024 Reserves forecast and target 51.0m vs 49.3m per 2019 rate study.  
2025 First year of next rate study horizon.

# Capital Budget

# Capital Costs

## 2022 Proposed Budget

### By Capital Program

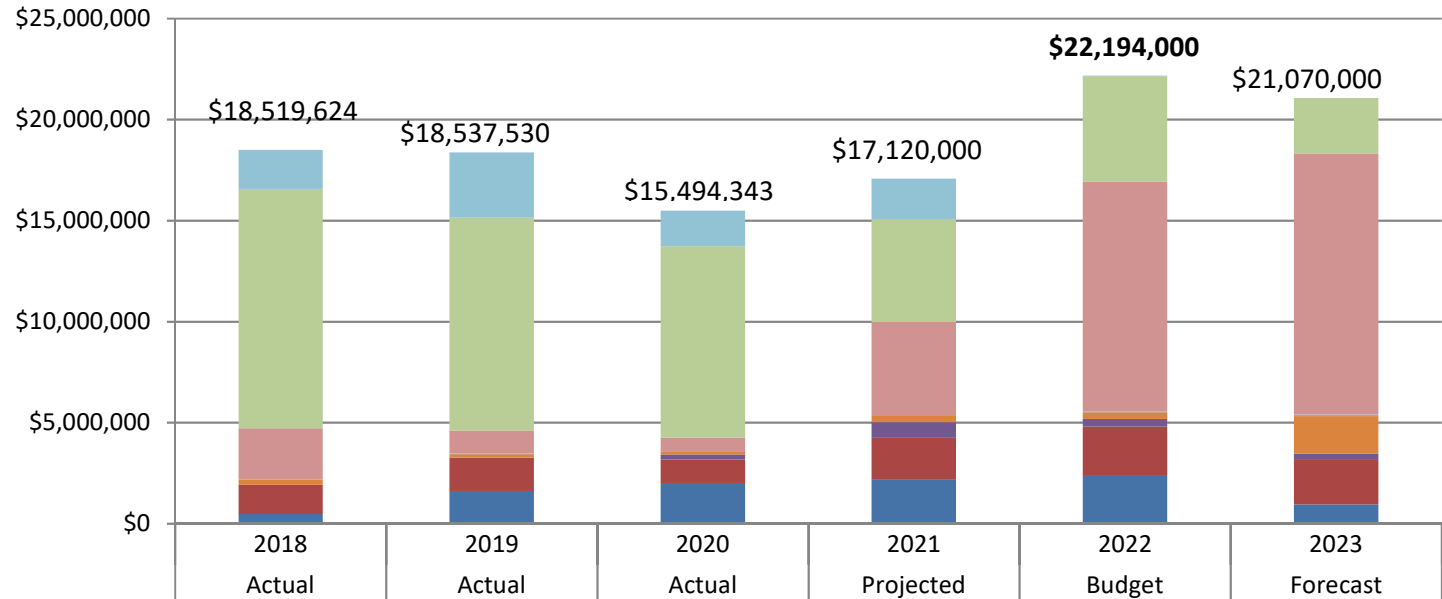


	Actual 2020	Projected 2021	Budget 2022	Forecast 2023	Forecast 2024	Forecast 2025
Rollover	\$3,991,852					
CIP	\$15,494,343	\$17,120,000	\$22,194,000	\$21,070,000	\$14,255,299	\$17,254,852
OCP	\$1,019,453	\$1,881,000	\$2,558,000	\$1,500,000	\$1,500,000	\$1,500,000
2017 AMP	\$24,995,627	\$20,121,330	\$18,919,751	\$21,189,891	\$22,384,373	\$19,504,852
Rate Study Capital Exp	\$24,014,453	\$18,005,000	\$15,995,000	\$17,571,000	\$17,771,000	\$14,780,000



# CIP Project Costs

## 2022 Budget & 2023 Forecast



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget	2023 Forecast
Meter Retrofit AMP	1,935,631	3,236,506	1,759,921	2,000,000	22,000	-
Dist. Main Replacement AMP	11,839,880	10,522,098	9,475,207	5,083,000	5,235,000	2,743,000
Well Replacement AMP	2,546,339	1,154,296	704,541	4,620,000	11,357,000	12,930,000
Transmission Main AMP	-	17,831			50,000	75,000
Reservoir and Booster P.S. AMP	255,892	188,646	139,036	345,000	325,000	1,850,000
SCADA AMP	-		243,883	785,000	385,000	320,000
Well Rehab and Related Capital Costs	1,443,073	1,644,060	1,160,646	2,042,000	2,430,000	2,197,000
Other Re-Occurring Annual Capital Costs	480,978	1,611,924	2,011,109	2,195,000	2,365,000	955,000

# CIP Project Detail

## Distribution Main Replacement Costs

				Budget 2022	Forecast 2023
<b><u>2022/ 2023 Projects</u></b>				<b>\$ 5,235,000</b>	<b>\$ 2,743,000</b>
					-
ODS Main Remnants Replacement				400,000	-
Greenberry Complex				1,770,000	-
Watt Ave Main Extension - From Antelope Rd to The Arbors				1,800,000	-
MBP Main Replacement - Building 251				785,000	-
MBP Main Replacement - Dudley/Peacekeeper				110,000	695,000
Small Improvement Projects				100,000	100,000
Mason Target Looping Project				200,000	-
Intertie # 16 Repair/Upgrade				50,000	
Q Street Main Replacement (Design 2022/ Material 2023)				20,000	798,000
Winding Way Creek Crossing					275,000
Slippery Creek Main Replacement					575,000
CA & Risk Feasibility of HP Creek Crossing					200,000
Condition Assessment of Main Replacement Area 18					100,000
				<b>\$ 5,235,000</b>	<b>\$ 2,743,000</b>

# CIP Project Detail

## Well Replacement Costs

				Budget	Forecast
				2022	2023
<b><u>2022/ 2023 Projects</u></b>				<b>\$ 11,357,000</b>	<b>\$ 12,930,000</b>
Well #80 - Walnut/Auburn (NSA) - Pump Station Design/Construction				<b>3,787,500</b>	-
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Groundwater Wells Design/Construction				<b>2,270,500</b>	-
Wells #81 A, B & C - Antelope N/Poker (NSA) - 3 Pump Stations Design/Construction				<b>3,712,500</b>	8,310,000
Well #82 (NSA) - Groundwater Well & Pump Station Design/Construction				<b>1,586,500</b>	3,593,000
Well #83 (NSA) - Groundwater Well Design/Construction					1,027,000
				<b>\$ 11,357,000</b>	<b>\$ 12,930,000</b>

# CIP Project Detail

## Well Rehabilitation And Related Capital Costs

				Budget 2022	Forecast 2023
<b><u>2022/ 2023 Projects</u></b>				<b>\$ 2,430,000</b>	<b>\$ 2,197,000</b>
Well Rehabilitation/Repair/Upgrade - Various Wells				<b>1,080,000</b>	630,000
Condition Assessment - Wells 18, 33A, 66, 74, 56A, N5, N22, N24 in 2022; Wells 43, 20A, 71, 74, N3, N25, N32A in 2023				<b>610,000</b>	610,000
Replacement/Rebuild Submersible Pump Motor - 2 Motors for 2022				<b>200,000</b>	100,000
Bacteriological Investigation - Well N6A NSA				<b>40,000</b>	-
Pump Testing - Well 79				<b>65,000</b>	-
Fencing - Well N7				<b>30,000</b>	-
Capacity & Water Quality Investigation - Various Wells				<b>80,000</b>	80,000
Chemical Analyzers Installation - All Wells (Design in 2023; Construction 2024-2025)				-	434,000
Destroy abandoned wells: 2-8 wells in 2022 and 2 wells in 2023				<b>325,000</b>	133,000
Well sites demolition -10 sites					210,000
				<b>\$ 2,430,000</b>	<b>\$ 2,197,000</b>

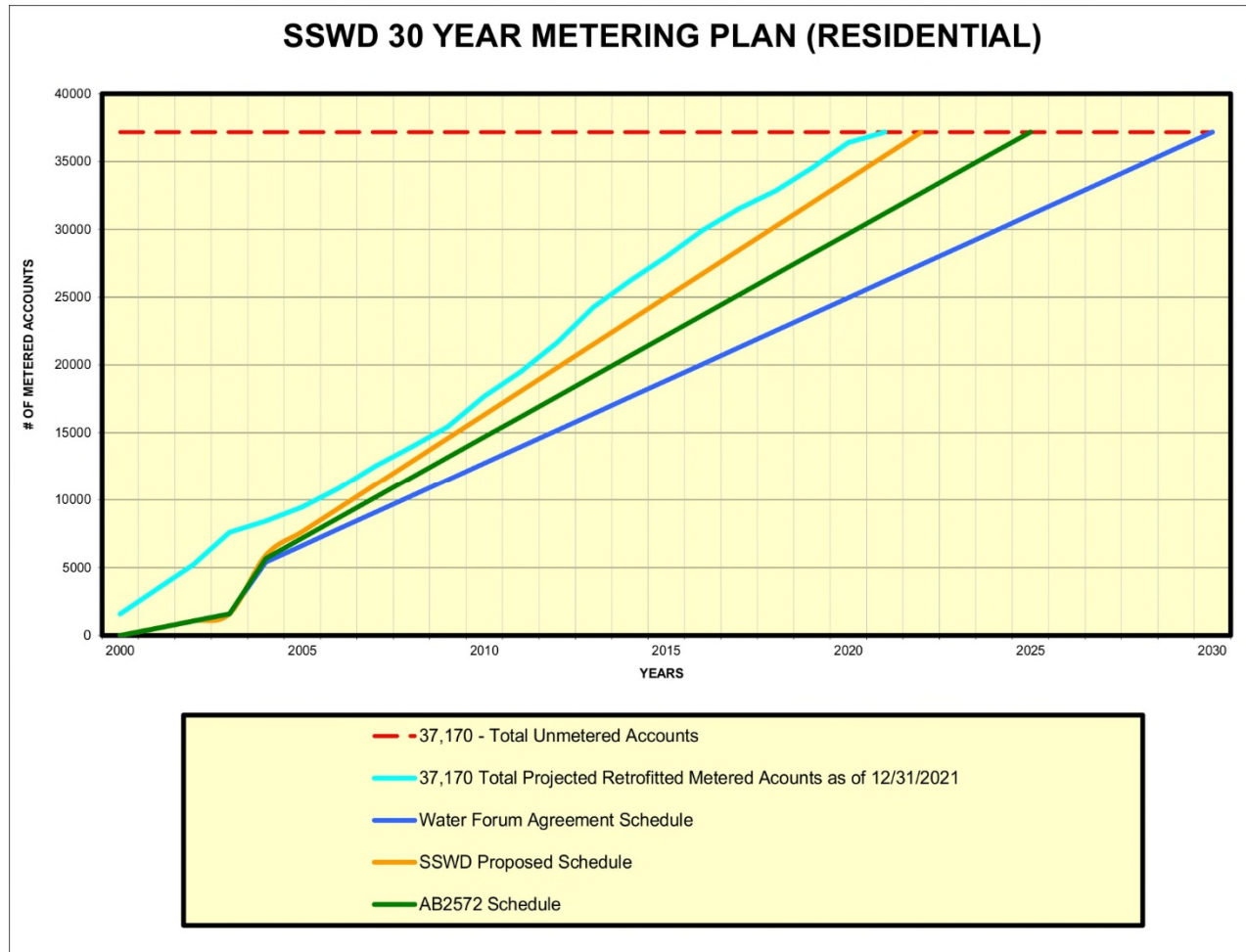
# CIP Project Detail

## Meter Retrofit Costs

				<b>Budget</b>	Forecast
				<b>2022</b>	<b>2023</b>
<b><u>2022/ 2023 Projects</u></b>				<b>\$ 22,000</b>	<b>\$ -</b>
2022 Meter Retrofit Program (10 meters - Complete Retrofit Program)				<b>22,000</b>	-
				-	-
				<b>\$ 22,000</b>	<b>\$ -</b>

# CIP Project Detail

## Meter Retrofit



# CIP Project Detail

## Other Annual Re-Occurring Capital Costs

				Budget	Forecast
				2022	2023
<b>2022/ 2023 Projects</b>				<b>\$ 2,365,000</b>	<b>\$ 955,000</b>
Adjust valves boxes for county paving projects				200,000	200,000
Right of way/easement acquisitions (contingency)				15,000	15,000
AMI Endpoints Replacements				1,400,000	10,000
Replace obsolete large meters (>3")				40,000	20,000
Replace water meters that outlived their useful life				310,000	310,000
Replace valves, hydrants and services that outlived their useful life				400,000	400,000
				<b>\$ 2,365,000</b>	<b>\$ 955,000</b>

# CIP Project Detail

## Reservoir and Booster P.S. Costs

				Budget	Forecast
				2022	2023
<b><u>2022/ 2023 Projects</u></b>				<b>\$ 325,000</b>	<b>\$ 1,850,000</b>
Reservoirs/Tanks Annual Repairs/Modifications As Needed				<b>50,000</b>	50,000
Hydropneumatic Tanks - Interior Re-coating				<b>100,000</b>	100,000
Tank 216 - Inspection ~ 3 years				<b>25,000</b>	-
Capehart Tank - Condition Assessment/Plans for Re-coating ~ 15 years				<b>150,000</b>	-
Enterprise Reservoirs - Condition Assessment/Plans for Re-coating ~ 15 years				-	150,000
Antelope Reservoir - Interior/ Exterior Re-coating					1,550,000
				<b>\$ 325,000</b>	<b>\$ 1,850,000</b>



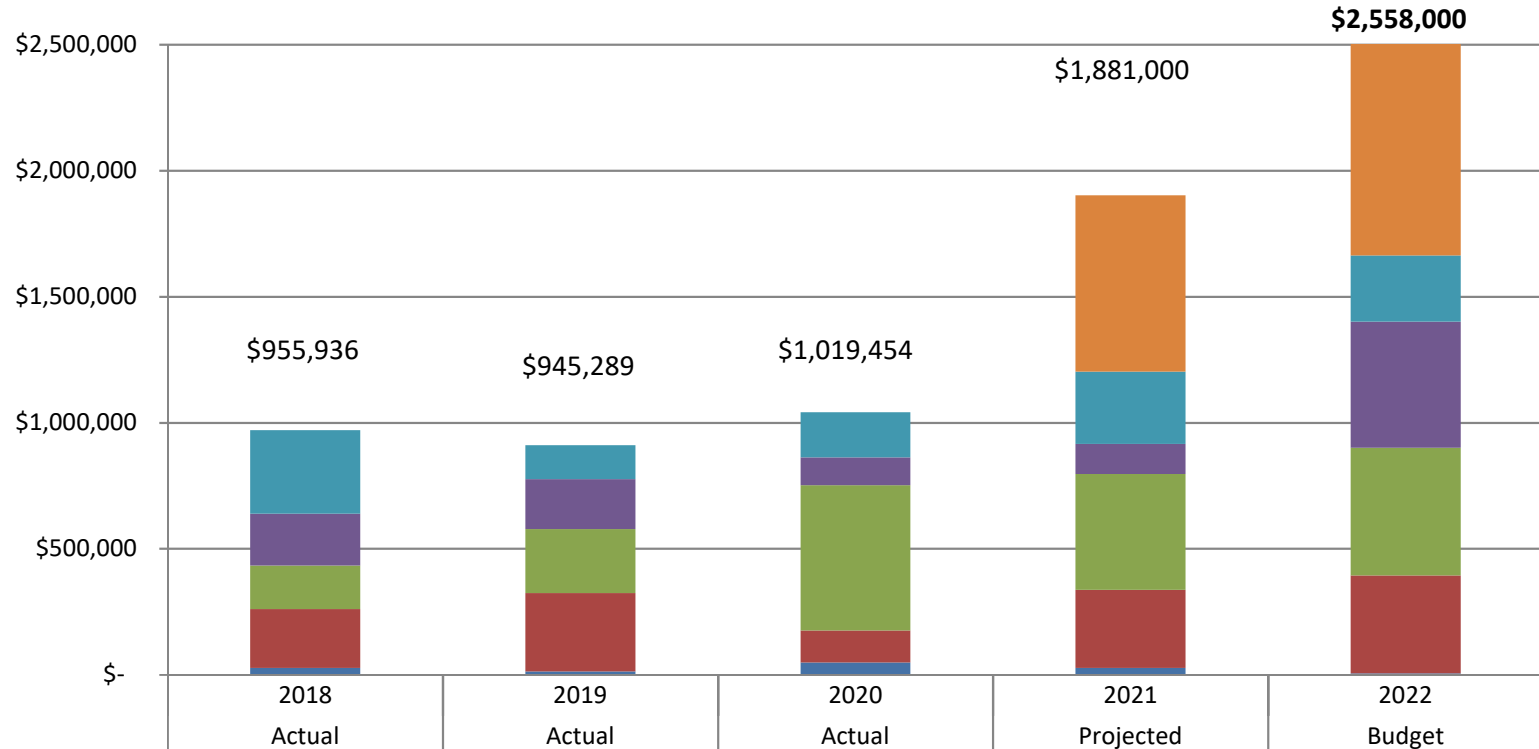
# CIP Project Detail

## SCADA Costs

				<b>Budget</b>	Forecast
				<b>2022</b>	<b>2023</b>
<b><u>2022/ 2023 Projects</u></b>				<b>\$ 385,000</b>	<b>\$ 320,000</b>
Tesco PLC Upgrades - 10 Sites each year				<b>185,000</b>	120,000
SCADA Upgrades				<b>200,000</b>	200,000
				<b>\$ 385,000</b>	<b>\$ 320,000</b>

# OCP Project Costs

## 2022 Proposed Budget



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
Property Acquisitions				\$700,000	\$900,000
Information Technology	\$331,331	\$134,095	\$178,221	\$286,500	\$262,000
Maintenance	\$205,428	\$197,732	\$110,213	\$120,000	\$501,000
Operations	\$173,674	\$253,831	\$577,492	\$459,500	\$506,000
Vehicles/Fleet/Equipment	\$232,721	\$311,690	\$126,936	\$310,000	\$389,000
Office Furniture/Equipment	\$27,182	\$12,782	\$47,941	\$26,592	\$5,000

Discussion of individual line items appear on subsequent pages.

# OCP Project Detail

## Property Acquisition

			Budget
			2022
<b><u>2022 Projects</u></b>			<b>\$ 900,000</b>
Wellsite Acquisitions			900,000
			<b>\$ 900,000</b>

# OCP Project Detail

## Operations Project Costs

			Budget
			2022
<b><u>2022 Projects</u></b>			<b>\$ 506,000</b>
Facility Operations Plan - Well 32A			<b>35,000</b>
Fluoride Pump Replacement - 14 Facilities			<b>21,000</b>
AMP Implementation: Work Management Program – Phase I (Data)			<b>100,000</b>
Water Meter AMP update			<b>150,000</b>
Reservoir and Booster Pump Station AMP Update			<b>200,000</b>
			<b>\$ 506,000</b>

# OCP Project Detail

## Vehicles/Fleet/Equipment

			Budget
			2022
<b><u>2022 Projects</u></b>			<b>\$ 389,000</b>
Vehicle Replacement - Truck # 94			<b>35,000</b>
Vehicle Replacement - Truck # 95			<b>35,000</b>
Vehicle Replacement - Truck # 96			<b>49,000</b>
Vehicle Replacement - Dump Truck #97			<b>200,000</b>
Vehicle Addition - Water Conservation			<b>33,000</b>
Electric Vehicle Charging Station - Walnut Location			<b>17,000</b>
Equipment Replacement - Tow Behind Air Compressor # 89			<b>20,000</b>
			<b>\$ 389,000</b>

# OCP Project Detail

## Information Technology

			Budget
			2022
<b><u>2022 Projects</u></b>			<b>\$ 262,000</b>
Hardware Refresh Program			<b>136,000</b>
Software Enhancements/Modules			<b>126,000</b>
			<b>\$ 262,000</b>

# OCP Project Detail

## Maintenance

		Budget
		2022
<b><u>2022 Projects</u></b>		<b>\$ 501,000</b>
Building Strutral Waterproofing - Marconi Location		<b>100,000</b>
HVAC/Roof/Building Repairs		<b>20,000</b>
Repave Behind the Gate Area - Walnut Yard		<b>157,000</b>
Overlay the Parking lot - Walnut Yard		<b>54,000</b>
Gate Operator & New Gate - Walnut Yard		<b>40,000</b>
Gate Operator & New Gate - Watt/Elkhorn Site		<b>40,000</b>
Gate Operator & New Gate to Facility - Enterprise Well Facility		<b>30,000</b>
Gate Operator & Street Gate - Enterprise Well Facility		<b>60,000</b>
		<b>\$ 501,000</b>

# O&M Budget



# O&M Expense Detail

## 2022 Budget

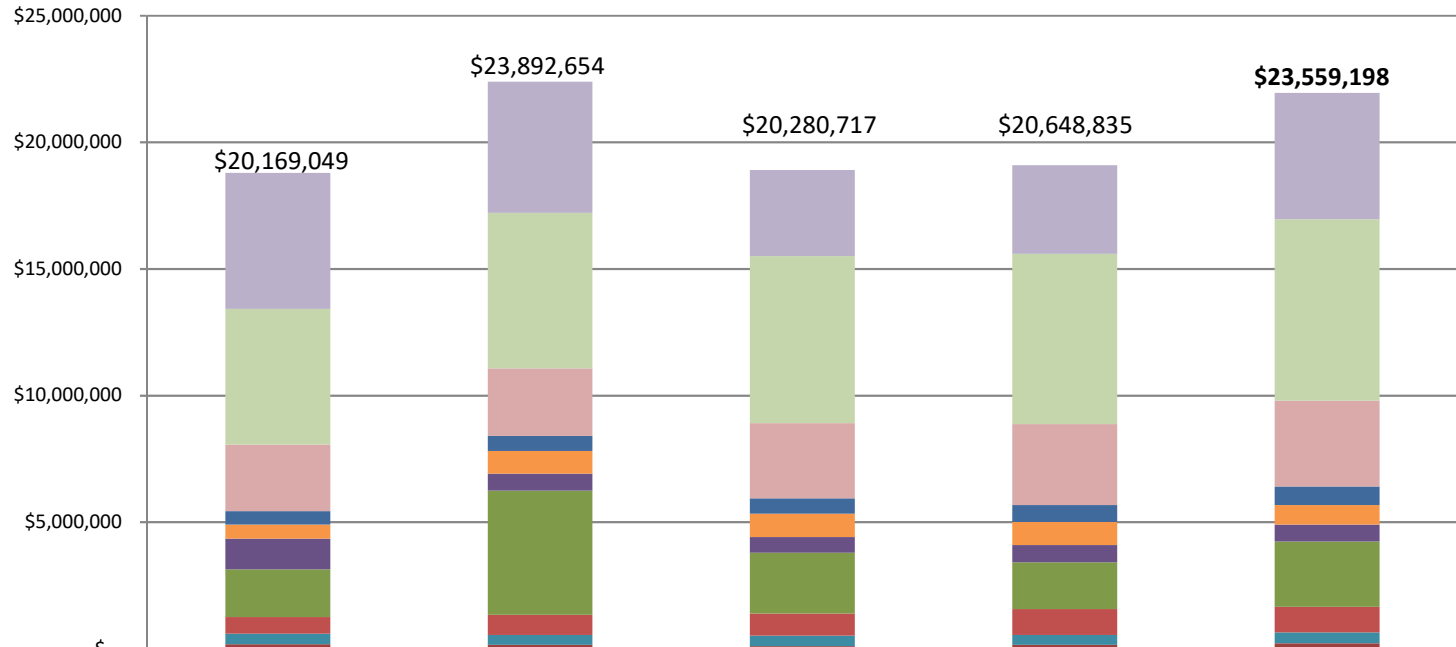
### By Category

	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
OTHER GENERAL & ADMIN	\$ 182,176	\$ 149,715	\$ 99,707	\$ 148,198	\$ 211,491
UTILITIES & COMMUNICATION	\$ 152,749	\$ 284,293	\$ 251,708	\$ 292,300	\$ 311,108
BUILDING, EQUIP & VEHICLE O&M	\$ 416,818	\$ 390,850	\$ 416,567	\$ 393,700	\$ 429,300
POSTAGE, PRINTING & AD	\$ 425,298	\$ 470,378	\$ 439,007	\$ 474,684	\$ 492,370
LICENSES, PERMITS & FEES	\$ 656,653	\$ 802,951	\$ 878,885	\$ 1,030,971	\$ 1,020,513
LEGAL, FINANCE & INSURANCE	\$ 793,104	\$ 748,624	\$ 679,473	\$ 792,887	\$ 799,500
OUTSIDE SERVICES	\$ 1,884,291	\$ 4,900,516	\$ 2,392,509	\$ 1,843,940	\$ 2,570,740
SUPPLIES	\$ 1,202,763	\$ 665,506	\$ 622,941	\$ 680,940	\$ 677,495
OPEB	\$ 557,934	\$ 900,366	\$ 922,353	\$ 900,964	\$ 761,341
OTHER EMPLOYEE COSTS	\$ 535,376	\$ 596,974	\$ 601,991	\$ 676,442	\$ 733,067
EMPLOYEE BENEFITS	\$ 2,624,761	\$ 2,659,715	\$ 2,969,397	\$ 3,193,718	\$ 3,393,985
SALARIES	\$ 5,361,480	\$ 6,151,554	\$ 6,596,320	\$ 6,722,278	\$ 7,156,455
WATER COSTS	\$ 5,375,644	\$ 5,171,213	\$ 3,409,859	\$ 3,497,813	\$ 5,001,833
<b>TOTAL</b>	<b>\$ 20,169,049</b>	<b>\$ 23,892,654</b>	<b>\$ 20,280,717</b>	<b>\$ 20,648,835</b>	<b>\$ 23,559,198</b>

Other Employee Costs includes Employer payroll taxes, training, employee teambuilding & communication, uniforms, temp help, employment recruiting costs, etc.

# O&M Expense Detail

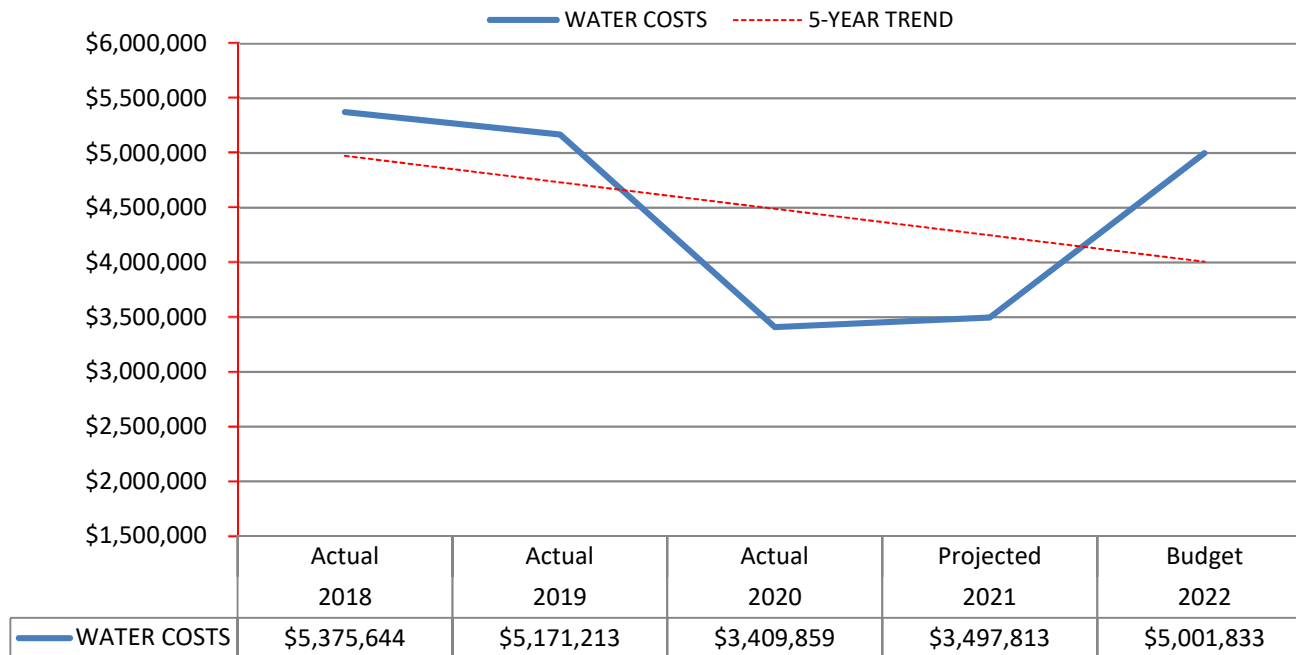
## 2022 Budget - By Category



	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022
WATER COSTS	\$5,375,644	\$5,171,213	\$3,409,859	\$3,497,813	\$5,001,833
SALARIES	\$5,361,480	\$6,151,554	\$6,596,320	\$6,722,278	\$7,156,455
EMPLOYEE BENEFITS	\$2,624,761	\$2,659,715	\$2,969,397	\$3,193,718	\$3,393,985
OTHER EMPLOYEE COSTS	\$535,376	\$596,974	\$601,991	\$676,442	\$733,067
OPEB	\$557,934	\$900,366	\$922,353	\$900,964	\$761,341
SUPPLIES	\$1,202,763	\$665,506	\$622,941	\$680,940	\$677,495
OUTSIDE SERVICES	\$1,884,291	\$4,900,516	\$2,392,509	\$1,843,940	\$2,570,740
LICENSES, PERMITS & FEES	\$656,653	\$802,951	\$878,885	\$1,030,971	\$1,020,513
BUILDING, EQUIP & VEHICLE O&M	\$416,818	\$390,850	\$416,567	\$393,700	\$429,300
OTHER GENERAL & ADMIN	\$182,176	\$149,715	\$99,707	\$148,198	\$211,491

# O&M Expense Detail

## Water Costs



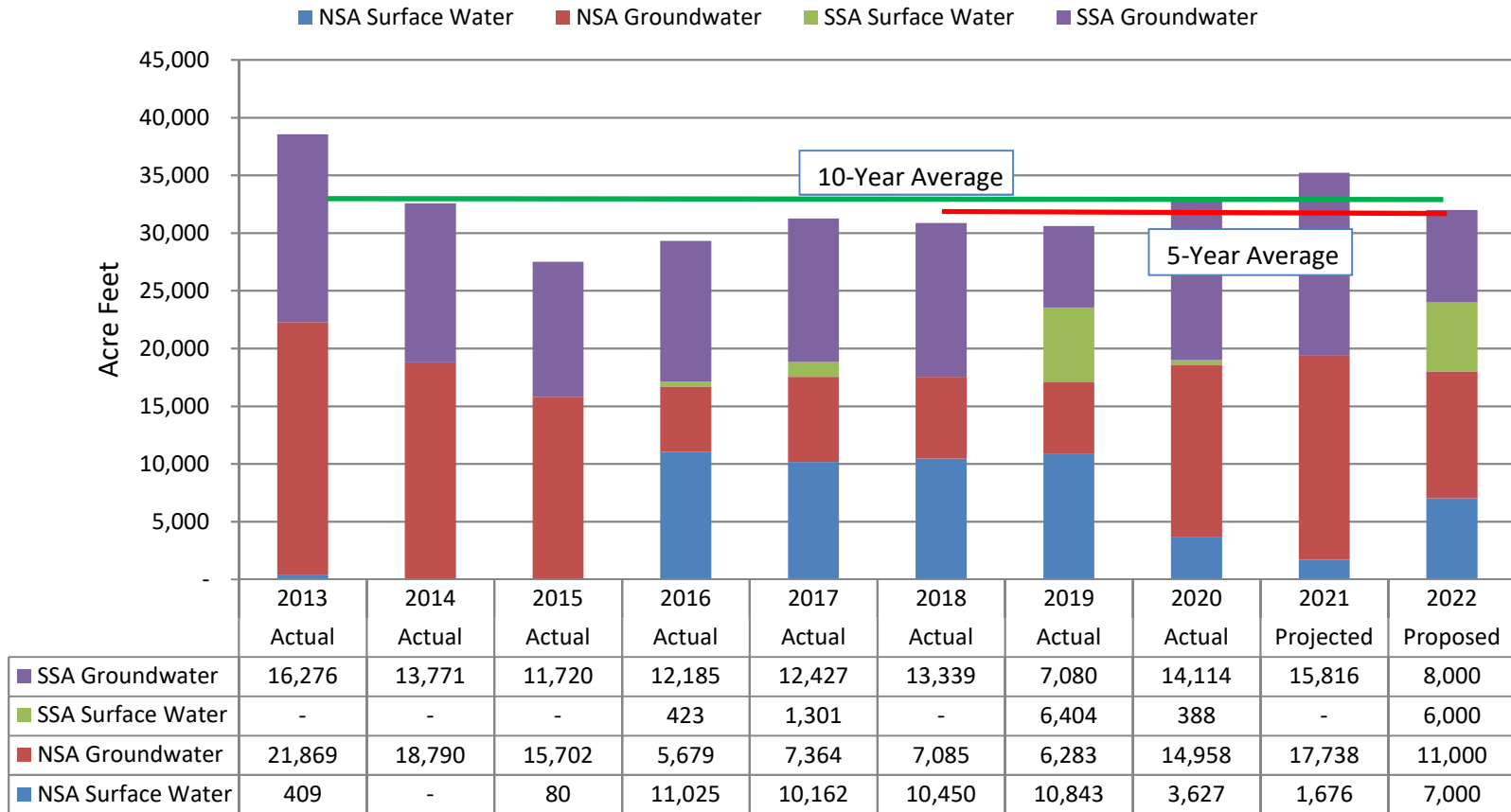
2020 actual and 2021 projected water costs are less than 2019 and 2022 primarily due to utilizing lower GW costs because of unavailability of SW .

2022 increase includes 7,000 AF of SW from PCWA & SJWD in NSA, and increase in SW & GW costs.

SW = Surface Water; GW = Groundwater

# O&M Expense Detail

## Water Production



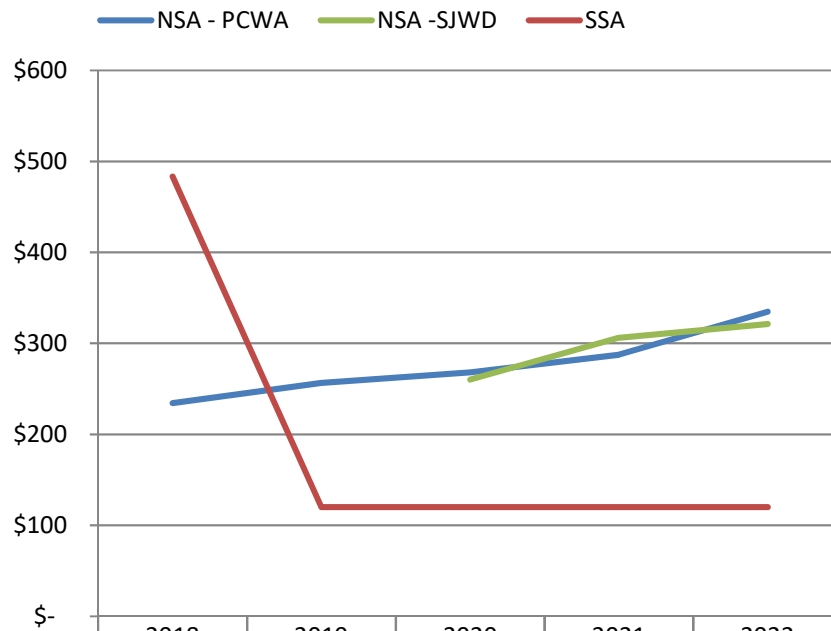
2020 Actual Production – 33,087 AF;

2021 Budgeted Production – 31,400 AF; Projected Actual – 35,230 AF (SSWD Retail);

2022 Estimated Production – 32,000 AF (based on five year average)

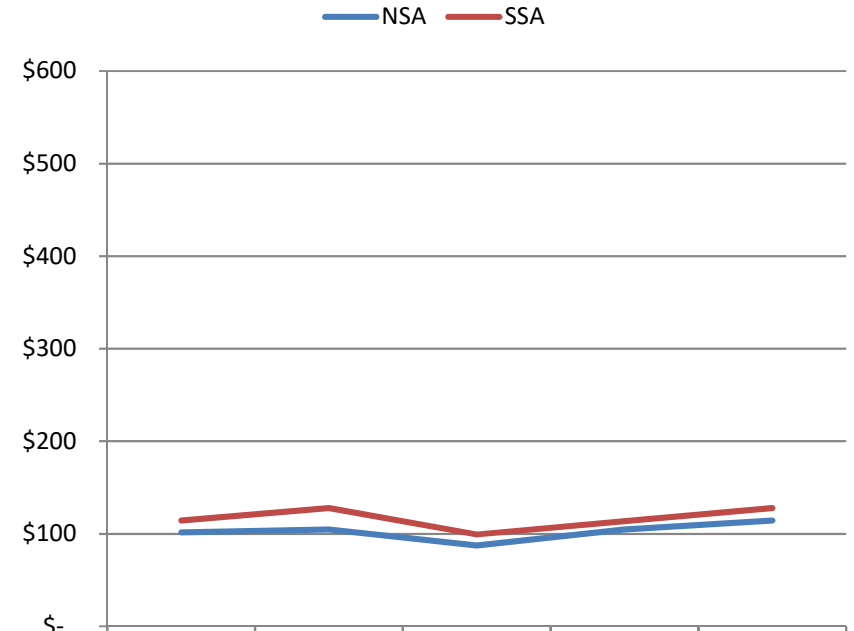
# Surface Water vs Groundwater Costs

## Surface Water Costs



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
NSA - PCWA	\$234	\$256	\$268	\$287	\$335
NSA - SJWD			\$260	\$306	\$321
SSA	\$484	\$120	\$120	\$120	\$120

## Groundwater Costs



	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget
NSA	\$102	\$105	\$88	\$105	\$114
SSA	\$114	\$128	\$99	\$114	\$128

SSA - SW cost is \$120/AF with City of Sacramento on trial basis.

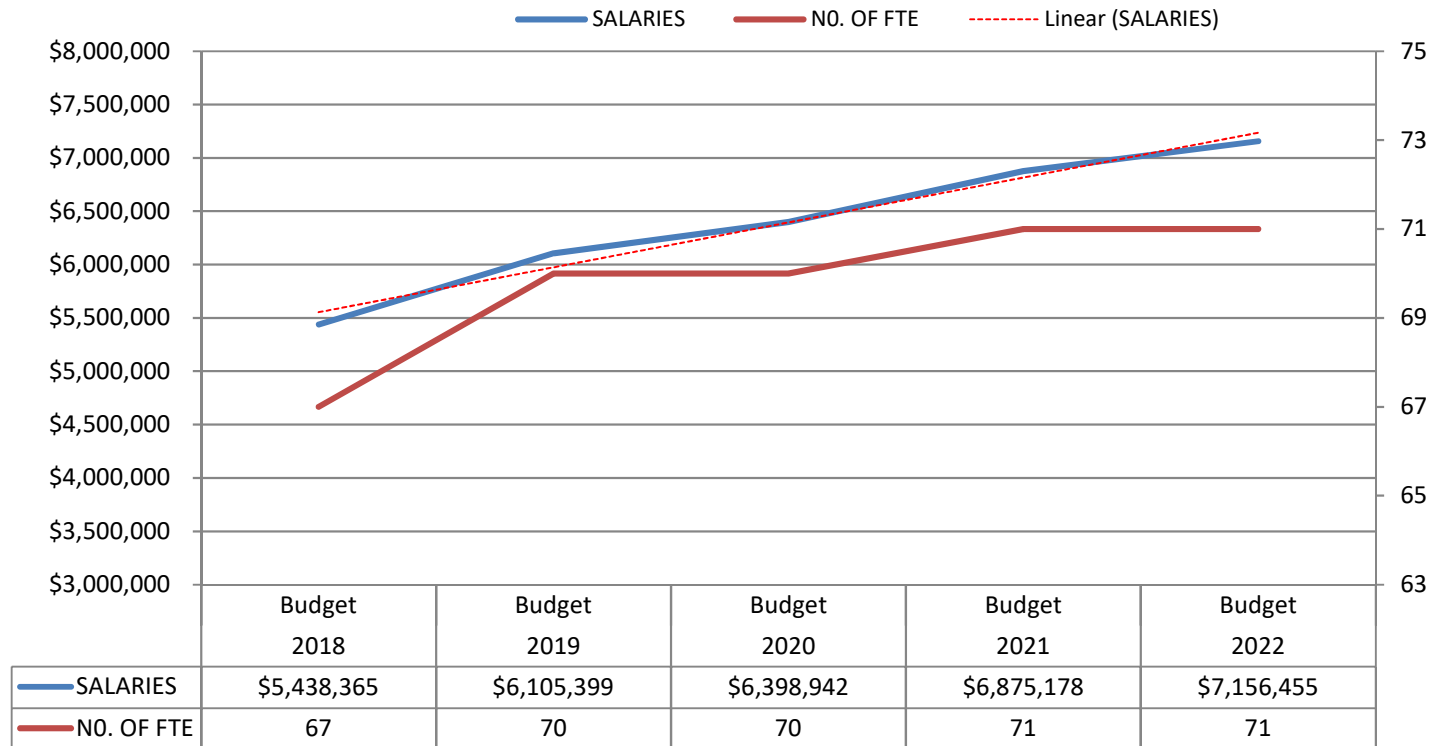
NSA –SW cost for 2022 expected to be \$335/AF with PCWA water and \$321/AF with SJWD.

SSA/NSA - GW costs increasing due to - increases in electricity and chemical costs .

SW = Surface Water; GW = Groundwater

# O&M Expense Detail

## Salaries



2019 increase was 12% and included average 11.3% Compensation Study increase plus 3 additional FTEs;  
 2020 increase was 5%;  
 2021 increase was 7% including one new FTE;  
 2022 increase is 4%, 7% with all 3 new position requests.

# O&M Expense Detail

## New Position Requests

➤ 2022 New Positions Requested by Staff:

		<u>Min. Annual Cost</u>	<u>Max. Annual Cost</u>	<u>Proposed Budget</u>
1	Environ Compliance Technician	\$101,000	\$127,000	\$114,000
2	Sr. Hydrogeologist / Sr. Engineer	\$146,000	\$206,000	\$176,000
3	SCADA System Analyst	\$124,000	\$156,000	\$140,000
	Total Costs	<b>\$371,000</b>	<b>\$489,000</b>	<b>\$430,000</b>

Annual Costs include taxes and benefits;  
Proposed budget amounts are mid-range of the pay band

# O&M Expense Detail

## New Position Requests

### ➤ Environmental Compliance Technician Position

	<u>Min. Annual Cost</u>	<u>Max Annual Cost</u>
Salaries	\$63,606	\$79,507
Taxes	\$4,866	\$6,082
Benefits	\$32,676	\$41,149
<b>Total Annual Costs</b>	<b>\$101,148</b>	<b>\$126,738</b>

1. The Environmental Compliance (EC) group operates as a support function to the Operations and Engineering groups
  - The Environmental Compliance Technician (ECT) integrates EC requirements into the day-to-day operation of the public water system (PWS)
  - This approach is labor intensive and requires an appreciable amount of the current ECT's time
  - The regulatory requirements associated with the operation of a PWS continue to increase, this requires an increasing amount of the ECT's time
2. The ECT functions as an environmental compliance facilitator
  - The ECT is the compliance liaison for the Environmental Compliance Supervisor (ECS) and Operations
  - The ECT works directly with Operations staff to ensure that sampling is completed on time and in accordance with regulatory requirements, and provides technical support and training
  - The ECT provides QA/QC on laboratory data, works with the ECS and Operations staff during investigations, and compiles and summarizes information for the ECS for permitting and reporting purposes
3. An additional ECT will allow the ECS to focus more on the following:
  - The increasing number of wells impacted by groundwater contamination or other operational limitations
  - Keeping up to date on new regulatory requirements and take the necessary steps to ensure District preparedness
  - Investigative monitoring, records research, data review, contaminant mitigation, non-routine reporting and permitting
  - Providing more support to Engineering staff and their consultants to help ensure that the operational and compliance needs of the District are included in project deliverables



# O&M Expense Detail

## New Position Requests

➤ Sr. Hydrogeologist/Sr. Engineer Position

	<u>Min. Annual Cost</u>	<u>Max Annual Cost</u>
Salaries	\$99,759	\$142,513
Taxes	\$7,632	\$10,902
Benefits	\$38,745	\$52,203
<b>Total Annual Costs</b>	<u>\$146,136</u>	<u>\$205,619</u>

1. CIP program in transition – from a focus on pipelines to a focus on groundwater production
  - A hydrogeologist is a groundwater specialist; a missing skill set at SSWD which is a groundwater-dependent purveyor.
2. Our wells are aging – we need in-house capability to manage them and develop new ones
  - A hydrogeologist is key to maintaining existing wells and developing new ones as the old ones reach the end of their useful life.
  - A hydrogeologist or like-skilled engineer will greatly facilitate project delivery both internally and with consultants. It will also significantly lessen (not eliminate) reliance on consultant hydrogeologists.
  - While it is very difficult to predict consultant fee savings, it could be on the order of \$100-200k, or more, per year beginning in two to three years.
3. Engineering Dept. staffing is low compared with area water purveyors
  - Average number of CIP projects per CIP staff is about 6 in the area; it is about 11 at SSWD

# O&M Expense Detail

## New Position Requests

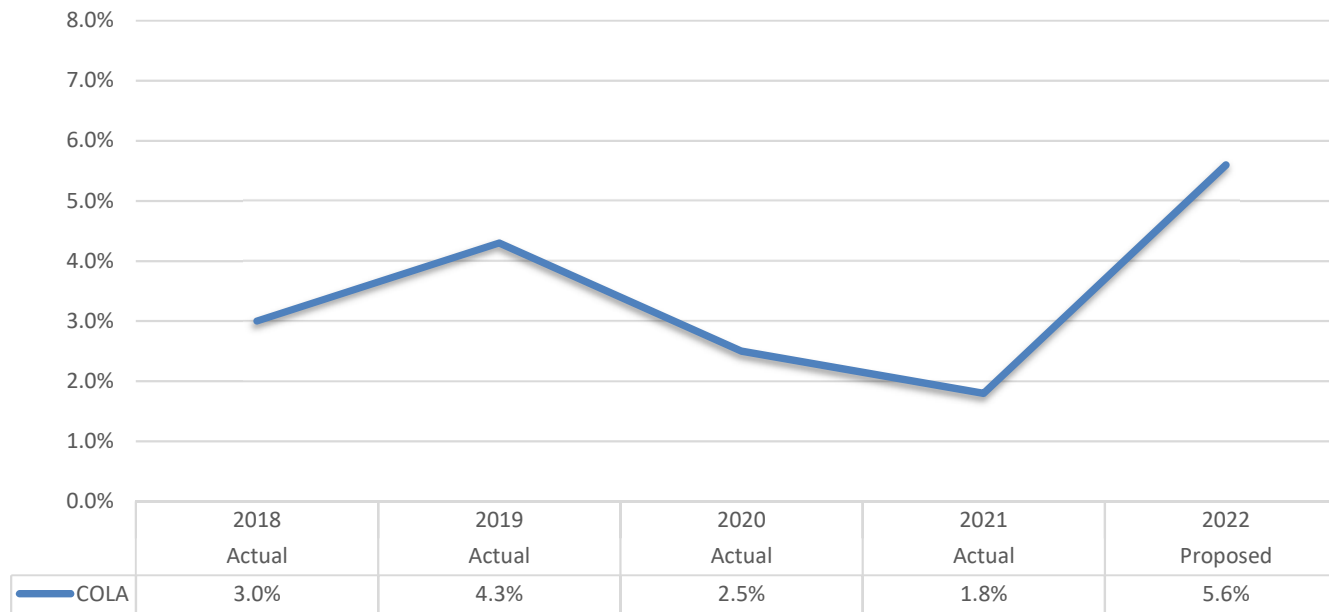
### ➤ SCADA System Analyst Position

	<u>Min. Annual Cost</u>	<u>Max Annual Cost</u>
Salaries	\$82,446	\$103,057
Taxes	\$6,307	\$7,884
Benefits	\$35,515	\$44,987
<b>Total Annual Costs</b>	<b>\$124,268</b>	<b>\$155,928</b>

1. The District operates a complex SCADA network
  - SCADA is an essential tool in providing continuous water service.
  - There is a large volume of critical work associated with managing and maintaining the District's SCADA infrastructure.
2. This position fills critical needs
  - Core duties include: system maintenance, troubleshooting and corrections, data and alarm review, ongoing improvements, and project design support.
  - Facilitate operational efficiency, cybersecurity for operational technology, and data accuracy.
  - Improved quality assurance/project delivery for CIP projects involving SCADA.
3. This position is needed as identified in the 2021 SCADA AMP
  - The AMP identifies that 1.4 FTE is required to perform necessary duties not presently covered by a staff position.
  - The AMP also identified this position as critical to be completed by Q1 of 2022.
  - Outsourcing the necessary work would cost approximately \$240,000 per year. A SCADA System Analyst could reduce consultant expenditures by an estimated \$80,000 - \$100,000 per year after at least one year.

# O&M Expense Detail

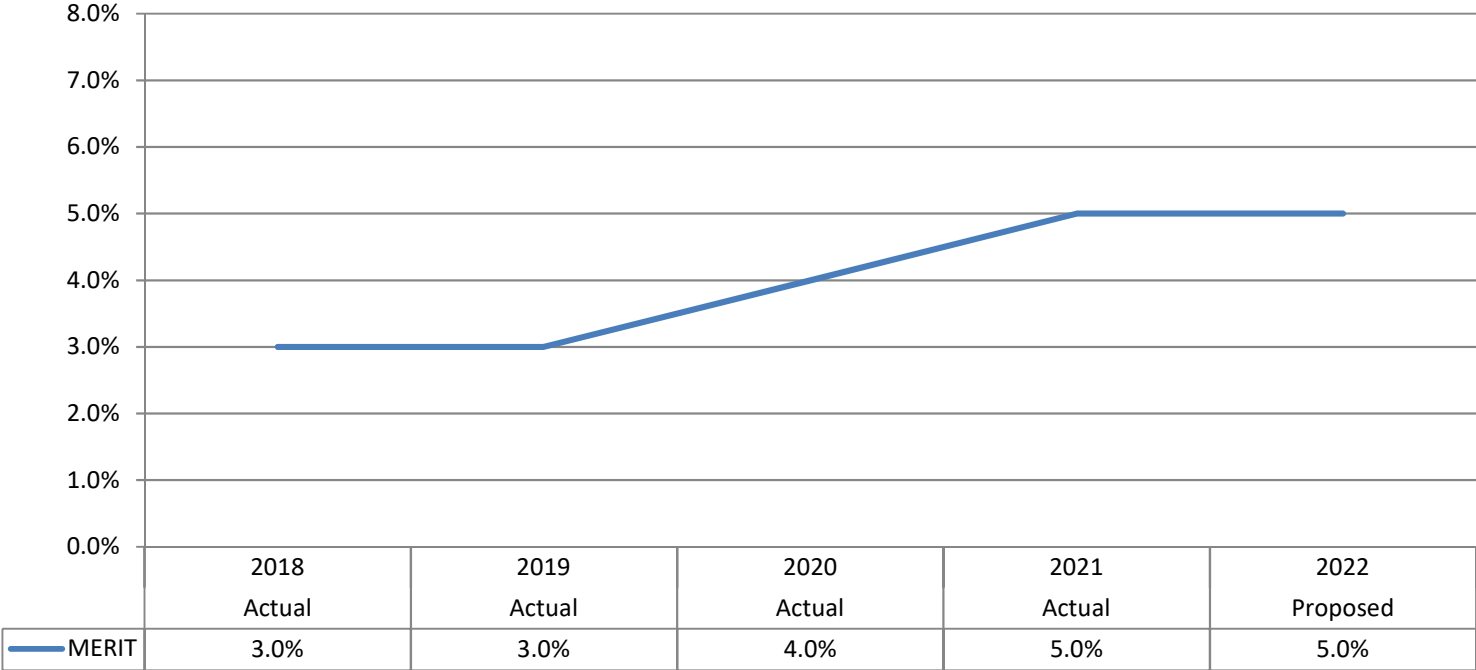
## COLA



2019 approved COLA was 4.3%; however, final salaries were based on market median, upper bands based on 62.5% of market as per 2018 compensation study;  
 2021-2022 COLA is currently based on August Western Cities – B/C Index.

# O&M Expense Detail

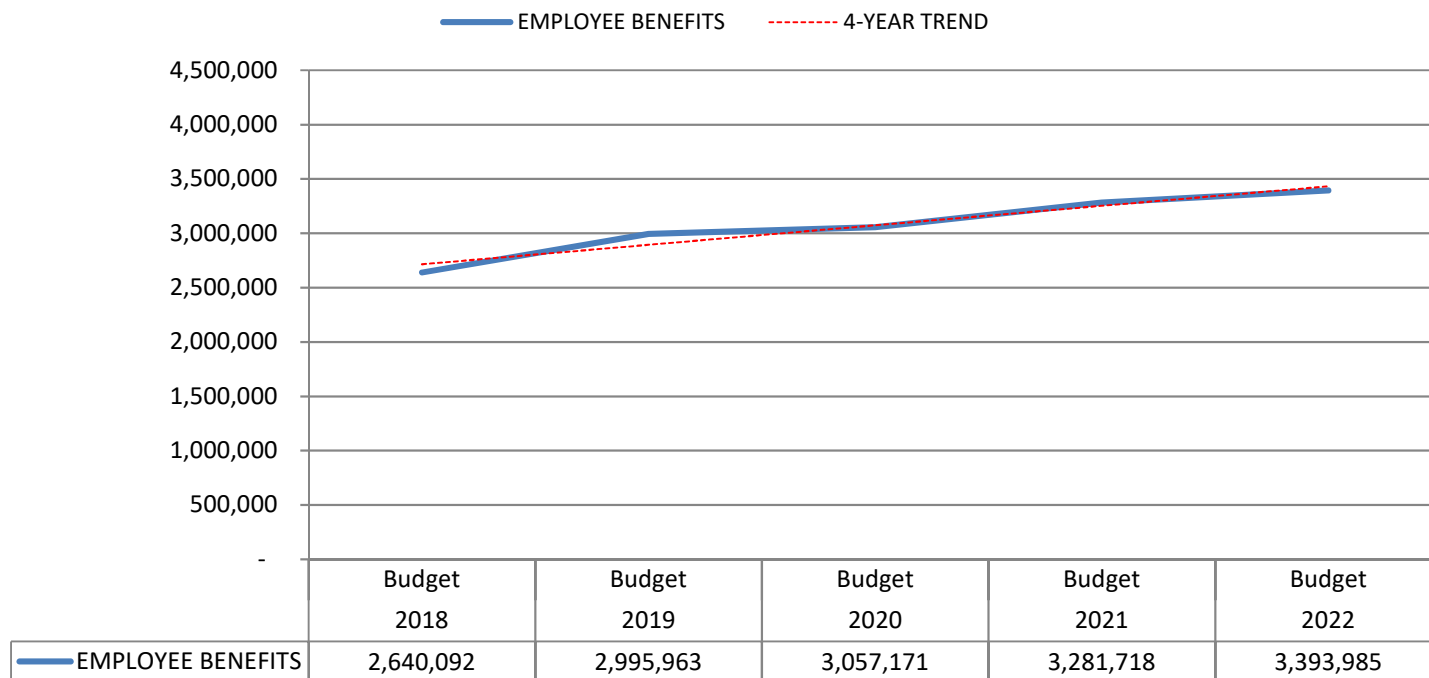
## Merit



2019 approved merit was 3%, However, final salaries were based on market median, upper bands based on 62.5% of market as per 2018 compensation study;  
2022 1% increase equals ~\$61K

# O&M Expense Detail

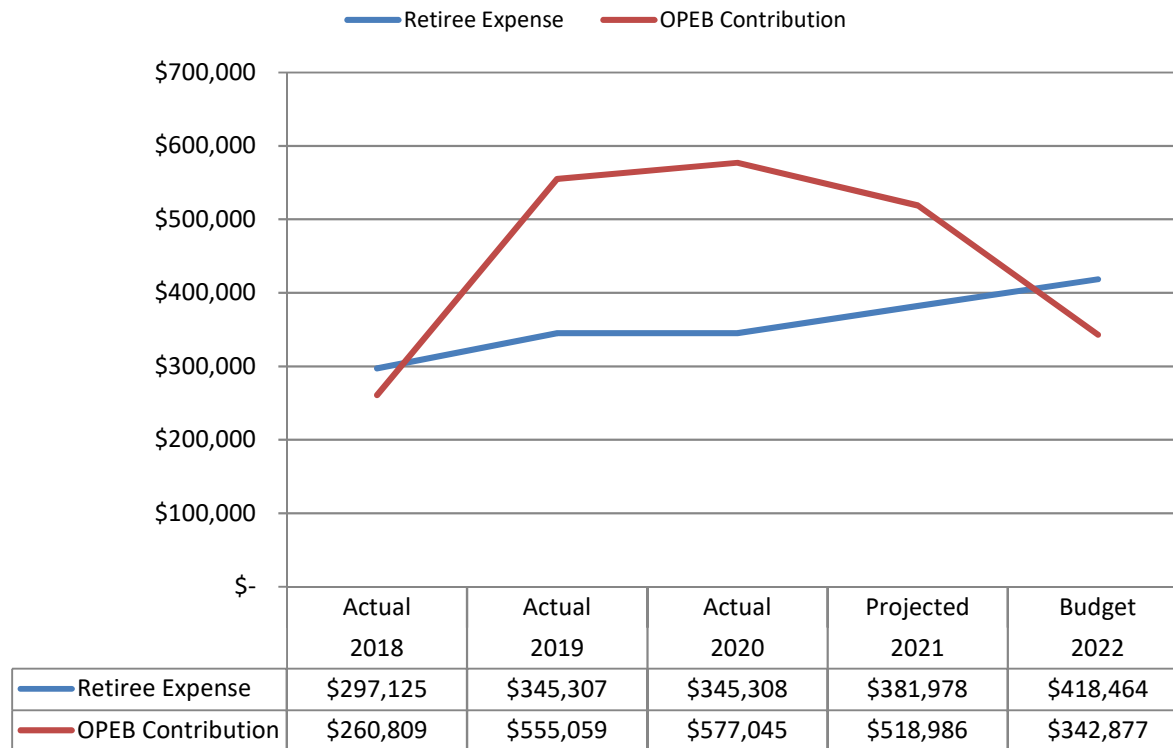
## Employee Benefits



2022 increase 3% due primarily to increased pension, 5% with three new position requests; Average increase from 2018-2022 is ~4.0% per filled FTE.

# O&M Expense Detail

## OPEB



2019 increase due to implementation of GASB 75 and new actuarial analysis;  
 2022 actuarial analysis allows reduction in OPEB contribution by ~\$176K

# O&M Expense Detail

## 2021 vs 2022 Budgeted Outside Services

<b>OUTSIDE SERVICES</b>	<b>2021</b>	<b>2022</b>
Consulting Services	641,336.00	620,000.00
Construction Services	422,400.04	391,600.00
Contract Services	615,644.00	1,179,840.00
Inspection & Testing	121,260.00	204,300.00
Service Laterals	-	-
Misc. Repairs	175,000.00	175,000.00
	<b>1,975,640.04</b>	<b>2,570,740.00</b>

Increase of \$595k broken out on next slide

# O&M Expense Detail

## 2022 Budgeted Outside Services

Department	Consulting Services	Construction Services	Contract Services	Inspection & Testing	Misc. Repairs
Board of Directors	-	-	-	-	-
Administrative	262,000	-	-	-	-
Finance	38,000	-	-	-	-
Customer Services	-	-	241,600	-	-
Field Operation	-	-	-	-	-
Production	-	42,600	437,850	-	-
Distribution	-	300,000	388,720	-	175,000
Field Services	-	46,000	-	-	-
Maintenance	-	-	11,000	1,500	-
Conservation	105,000	-	84,540	-	-
Environmental Compliance	-	-	-	202,800	-
Engineering	150,000	3,000	-	-	-
GIS/CAD	-	-	4,930	-	-
HR	35,000	-	-	-	-
MIS	30,000	-	-	-	-
CO	-	-	11,200	-	-
<b>Total:</b>	<b>\$620,000</b>	<b>\$391,600</b>	<b>\$1,179,840</b>	<b>\$204,300</b>	<b>\$175,000</b>

Environmental Compliance increase (\$83k) due to water quality monitoring services;  
 Distribution increase (\$390k) due to 2<sup>nd</sup> year of high-traffic valve PM;  
 Production increase (\$68k) due to ICE PM/repair, SCADA programming;  
 Conservation increase (\$105k) due to SB606/AB1668 requirements



# O&M Expense Detail

## Administrative Costs

Administrative Departments	2021 Budget	2022 Budget	Difference	%
SALARIES	2,670,687	2,956,238	\$285,551.21	
EMPLOYEE BENEFITS	1,233,148	1,417,595	\$184,446.84	
OTHER EMPLOYEE COSTS	288,763	312,948	\$24,184.63	
OPEB	900,964	761,341	(\$139,623.00)	
SUPPLIES	46,295	40,530	(\$5,765.00)	
ADVERTISING/PRINTING/POSTAGE	3,000	2,700	(\$300.04)	
UTILITIES & COMMUNICATION	140,400	140,400	\$0.00	
OUTSIDE SERVICES	524,256	522,930	(\$1,326.04)	
LEGAL, FINANCE & INSURANCES	785,667	597,000	(\$188,667.00)	
LICENSES, PERMITS, FEES & DUES	768,839	684,980	(\$83,859.00)	
BUILDING/EQUIPMENT/VEHICLE MAINTENANCE	37,200	34,800	(\$2,400.00)	
OTHER OPERATING EXPENSES	60,780	45,780	(\$15,000.00)	
<b>O &amp; M Total</b>	<b>7,460,000</b>	<b>7,517,242</b>	<b>57,243</b>	<b>0.8%</b>
<b>Non-Employee Costs</b>	<b>3,267,401</b>	<b>2,830,461</b>	<b>(436,940)</b>	<b>-13.4%</b>

Overall increase of 0.8% due to COLA, Merit and Pension increases;  
 Administrative Departments: Board, Admin, Finance, Engineering, GIS/CADD, IT, HR;  
 Non-employee costs **reduced** by 13.4%

# O&M Expense Detail

## 2022 Budget - By Department

Department	Budget 2022
<b>Board of Directors Total</b>	\$53,000
<b>Administrative Total</b>	\$2,654,000
<b>Finance Total</b>	\$1,139,000
<b>Customer Services Total</b>	\$1,418,000
<b>Field Operation Total</b>	\$468,000
<b>Production Total</b>	\$7,364,000
<b>Distribution Total</b>	\$2,941,000
<b>Field Services Total</b>	\$1,477,000
<b>Maintenance Total</b>	\$751,000
<b>Conservation Total</b>	\$680,000
<b>Environmental Compliance Total</b>	\$715,000
<b>Engineering Total</b>	\$1,677,000
<b>GIS/CAD Total</b>	\$410,000
<b>Human Resource Total</b>	\$364,000
<b>Information Technology Services Total</b>	\$1,221,000
<b>Community Outreach Total</b>	\$228,000
<b>Grand Total</b>	<b>\$23,559,000</b>

Department budgets include all costs including salaries & benefits.

# Debt Service Budget

# Debt Service Budget

5-Year Low	5-Year High	5-Year Average	<b>Budget 2022</b>	
\$ 6,985,902	\$ 7,766,285	\$ 7,372,648	<b>\$ 7,502,765</b>	
Actual 2018	Actual 2019	Actual 2020	Projected 2021	Forecast <b>2022</b>
\$4,425,000	\$4,625,000	\$4,790,000	\$4,965,000	<b>\$ 5,120,000</b>
3,208,495	2,580,334	2,482,225	2,020,902	<b>2,382,765</b>
<b>\$7,633,495</b>	<b>\$7,205,334</b>	<b>\$7,272,225</b>	<b>\$6,985,902</b>	<b>\$ 7,502,765</b>

2022 Budget assumes a variable interest rate of 3.86%.

# 2022 Budget Summary

	2020 Actual	2020 Approved Budget	2021 Projected	2021 Approved Budget	<b>2022 Proposed Budget</b>
Income From Customers	\$ 47,731,533	\$ 47,843,000	\$ 49,252,239	\$ 48,886,080	<b>\$ 49,957,000</b>
Water Transfers	979,431	-	-	-	-
Total Other Income	1,981,180	2,224,000	2,980,217	2,094,000	<b>1,404,000</b>
Reserve Use	-	1,193,000	-	-	<b>4,453,000</b>
<b>Total Revenue</b>	<b><u>\$ 50,692,145</u></b>	<b><u>\$ 51,260,000</u></b>	<b><u>\$ 52,232,456</u></b>	<b><u>\$ 50,980,080</u></b>	<b><u>\$ 55,814,000</u></b>
<b>Budgets:</b>					
<b>Operations and Maintenance</b>	21,042,932	23,039,000	20,648,835	23,063,675	<b>23,559,000</b>
<b>Capital</b>	20,505,648	20,795,000	19,001,000	19,001,000	<b>24,752,000</b>
<b>Debt Service (Forecast)</b>	7,272,225	7,426,000	6,985,902	7,531,647	<b>7,503,000</b>
<b>Reserve Funding</b>	1,871,340	-	5,596,719	1,383,758	-
<b>Total Costs</b>	<b><u>50,692,145</u></b>	<b><u>51,260,000</u></b>	<b><u>52,232,456</u></b>	<b><u>50,980,080</u></b>	<b><u>55,814,000</u></b>
Change in Reserve Balance	-	-	-	-	-
<b>Reserve (Cash) Balance</b>	<b><u>\$ 42,202,285</u></b>	<b><u>\$ 38,680,637</u></b>	<b><u>\$ 47,799,004</u></b>	<b><u>\$ 43,586,043</u></b>	<b><u>\$ 43,346,004</u></b>



## Agenda Item: 10

**Date:** October 18, 2021

**Subject:** Employee Handbook Review – Sick Leave Policy Amendments

**Staff Contact:** Susan Schinnerer, Human Resources Administrator

### **Recommended Board Action:**

Direct the General Manager to make changes to the Employee Handbook regarding sick leave by adopting one of the three options below.

#### **Option #1:**

- a) Remove the sick leave accrual cap of 240 hours for District employees under age 55 (allow “unlimited” sick leave accrual for all employees), to be effective the first pay period of January 2022. The removal of this accrual would eliminate the need for annual payouts for staff who would otherwise qualify to receive payouts under the current “cap.”
- b) Employees may not “run out” or “run down” sick leave to remain off work and in a paid status without proper supporting medical documentation.
- c) In their regular paycheck prior to December 31, 2021, the District will initiate a one-time cash payout at the employee’s current rate of pay to all regular employees for any sick leave hours over the previously allowed cap of 240 hours or allow payment into a deferred compensation plan. The cost to the District would be approximately \$86,415 for 11 employees. Once the sick leave accruals are paid down to 240, moving forward, all employees would be able to accumulate unlimited sick leave hours that would be converted to CalPERS service credit upon retirement only – no cash payouts or payment to deferred compensation accounts.

Effective January 1, 2022, the District will only allow accrued sick leave to be converted to CalPERS service credit upon retirement.

#### **Option #2:**

- a) Remove the sick leave accrual cap of 240 hours for District employees under age 55 (allow “unlimited” sick leave accrual for all employees), to be effective the first pay period of January 2024. At the end of 2023, staff will have the option to receive cash payment or payment into a deferred compensation plan.
- b) Employees may not “run out” or “run down” sick leave to remain off work and in a paid status without proper supporting medical documentation.

- c) This option is similar to item c) above in Option #1, but this option allows employees more time to plan for the use of their sick leave accruals by providing a payout of sick leave benefits over 240 hours by the final pay period of December 2023 via cash payment or payment into a deferred compensation plan.

For qualified employees, the District will offer a one-time cash payout at the employee's current rate of pay for the amount of sick leave hours that they have over the previously allowed cap of 240 hours or payment to a deferred compensation account. This payout will occur by the final pay period of December 2023.

Effective January 1, 2024, the District will only allow accrued sick leave to be converted to CalPERS service credit upon retirement.

**Option #3:**

Items a) and b) above in Option #1, and;

- c) Effective the first pay period of January 2022, for all current employees\*, the District will cease offering both cash payouts and payment to deferred compensation for sick leave.

Instead, accrued sick leave will be converted to CalPERS service credit upon retirement and with the removal of the accrual cap per item a), no annual cash payouts will be made.

\*There are 13 current District employees who are age 55 or older as of this Board meeting who are not pre-consolidation employees, but who are recommended to be exempted from this reduction in benefits. Staff recommends that these retirement-eligible employees be allowed to complete their careers with the District utilizing the benefits that they have been planning on during their tenure. For these 13 employees over 55, the current average number of accrued sick leave hours is approximately 357 hours.

Effective January 1, 2022, the District will only allow accrued sick leave to be converted to CalPERS service credit upon retirement.

Please note that none of these options would apply to employees who were employed with either Arcade Water District or Northridge Water District (considered "pre-consolidation" employees), per the District's LAFCo Resolution No. 1237.

**Summary:**

At the September 20, 2021, regular Board meeting, staff presented the seven (7) options for sick leave policy amendments to the Board. After discussion, the Board directed staff to bring forward the Staff Report Option #4 for Board voting and discussion at the October 18, 2021, regular Board meeting with recommended changes and timing options regarding one-time cashing out of sick leave.

**Background:**

Per Board direction, staff presented options for sick leave policy amendments at the July 19, August 16, and September 20, 2021 regular Board meetings. Staff presented several options for sick leave policy amendments to the Board for their review and consideration. The Board stated that they wanted to review options such as allowing unlimited sick leave with no payouts or conversion to service credit (which, as stated in previous Board reports, the District is required by law to allow conversion to service credit) and a “hybrid” option that allowed for conversion of accrued sick leave to be paid into a deferred compensation account or converted to PERS service credit.

**Discussion:**

The Employee Handbook currently states that District employees 55 and over may accrue unlimited sick leave, or they can receive a cash payout of accumulated sick leave exceeding 240 hours in December of each year at ½ their rate of pay. Employees under age 55 are allowed a maximum of 240 sick leave hours, and are paid out once per year in December at ½ their rate of pay for hours in excess of 240. The District does not pay out sick leave at separation, which is different from retirement.

District staff surveyed comparable agencies and found that the majority allow for unlimited accrual of sick leave; none of them have age restrictions. The agencies who do have a sick leave maximum accrual have a higher maximum allowed than the District’s 240 hours. Some agencies allow cash-outs, but limit the amount of hours that the employee can cash out during active employment. Almost all, the District included, preclude cash-outs at separation. Only one agency provides a cash payout of sick leave upon separation, which is paid on a scale based on years of service.

In addition, staff was able to confirm that all other agencies, including the District, allow sick leave hours to convert to service credit in retirement as part of their contracts with CalPERS. Some agencies allow for cash outs of sick leave accruals at retirement. These allowances for payment and/or conversion of sick leave accrual are used as a tool to maintain longevity among staff, reduce turnover rates, and demonstrate a sense of appreciation to long-term employees.

For staff under 55 who were paid out because they were over the maximum allowed accrual of 240 hours in 2020, 16 staff members were paid out a total of \$18,489. The average hours per payout was 51.56 hours, and the average payout amount was \$1,156 at ½ employee’s normal pay rate.

The cost of under 55 sick leave payouts over the last 5 years averaged .09 percent of the District’s operating budget of \$23.1 million, or \$21,328 annually.

Cost savings or increases will vary depending on the option that the Board chooses. Because there is limited ability to estimate how many hours of sick leave each future staff member will accumulate because there is no way to predict the age and future tenure of District employees, staff is unable to provide a specific dollar amount for any potential savings, but there would be a reduction in cash payouts, which has averaged \$21,328 annually over the last 5 years, if the



District ceases to pay out employees under 55 for sick leave hours over 240 at ½ their rate of pay.

**Fiscal Impact:**

**Option #1:** There will be a one-time cost of approximately \$86,415.

**Option #2:** This cost could vary from the approximate cost of \$86,415 due to employees having more time to accrue balances, but costs could also be spread out over time as employees retire over the next few years.

**Option #3:** If the Board allows those 55 and over to be exempt, the immediate cost would be approximately \$10,610.

There will be no further cash expenditures once the Board opts to convert all sick leave to CalPERS service credit at retirement.

**Strategic Plan Alignment:**

**Goal B**           Optimize Operational and Organizational Efficiencies

**Goal C**           Ensure Fiscal Responsibility and Affordable Rates

**Goal E**           Retain and Recruit a Qualified and Stable Workforce



## Agenda Item: 11

**Date:** October 18, 2021

**Subject:** Rescind the Motion and Subsequent Approval of the Motion Made and Approved at the September 20, 2021, Regular Board Meeting for the District to Request that Sacramento LAFCo Amend Resolution No. LAFC 1237

**Staff Contact:** Dan York, General Manager

### **Recommended Board Action:**

Rescind the motion and approving vote made at the September 20, 2021, regular Board meeting directing the General Manager to meet with LAFCO to ask for relief from the language in LAFCo Resolution No. LAFC 1237 so that the Board can make changes to employee benefits twenty years after the formation of the District.

### **Discussion:**

As part of the discussion about options for making changes to the District's sick leave policy under agenda item 6, Board President Wichert made a motion for the General Manager to meet with LAFCO to ask for relief from the language in LAFCo Resolution No. LAFC 1237 so that the Board can make changes to employee benefits for consolidation-era employees twenty years after the formation of the District. On October 4, 2021, the Board received a letter from Michelle Hirt alleging that the making of this motion and 3-2 vote to approve it violated the Brown Act because there was insufficient agenda notice to the public that this action would be proposed or taken.

Government Code section 54960.1, part of the Brown Act, authorizes any person to object to an action taken by a public agency's governing body that is not properly agendaized for discussion and action. The objection must be made in writing and demand that the agency's governing body either cure and correct the violation within 30 days of receiving the letter, or respond to the letter by explaining why the agency has chosen not to correct the alleged violation. If an agency does not cure and correct an alleged Brown Act violation, and is later sued by the objecting person and a court finds that a violation occurred, the action is invalidated and the agency must pay the objector's attorneys fees and costs incurred for correcting the violation. If the agency cures and corrects the violation, the result is that the violation is expunged and the objector prohibited from taking further action on the removal of the violation.

District legal counsel has reviewed Ms. Hirt's letter, the language of agenda item 6 from the September 20, 2021 board meeting, and the agenda materials supporting that item. He advises that Ms. Hirt's Brown Act claim is correct in light of all facts because there was nothing in the agenda item's language or the agenda materials that gave the public sufficient notice that the

Rescind the Motion and Subsequent Approval of the Motion Made and Approved at the September 20, 2021, Regular Board Meeting for the District to Request that Sacramento LAFCo Amend Resolution No. LAFC 1237

October 18, 2021

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Board might take action to apply to the Sacramento County Local Agency Formation Commission (“LAFCo”) to modify Resolution No. LAFC 1237. The agenda item as written and accompanying agenda materials concerned only making changes to the sick leave policy and mentioned nothing about a modification of the LAFCO resolution. The mention of the resolution in the agenda materials as limiting the Board’s authority to modify sick leave benefits for District employees who were employed by the former water district from which the District was formed does not constitute sufficient notice that the Board might not opt for one of the seven options discussed in the agenda materials and instead apply to LAFCo to modify this limitation. As a result, the Board is required to cure and correct the violation.

The proper method to cure and correct the violation is for the Board to rescind the motion approved at the September 20, 2021 board meeting directing the General Manager to meet with LAFCO and ask for relief from the language in LAFCo Resolution No. LAFC 1237. If the Board wishes to again consider adopting this or a similar motion, the agenda for this meeting contains a separate item in conformance with the Brown Act for that purpose. Staff and counsel recommend that the Board rescind its previous motion to establish that it has corrected the violation. By taking this action, the violation will be cured.



## Agenda Item: 12

**Date:** October 18, 2021

**Subject:** Apply to Sacramento LAFCo to Amend LAFCo Resolution No. LAFC 1237 to Remove Employee Benefits Continuation Provision for Sick Leave Benefits

**Staff Contact:** Dan York, General Manager

### **Recommended Board Action:**

Consider the Board President’s request to meet with LAFCo to ask for relief from the provision in LAFCo Resolution No. 1237 which provides, “The compensation, benefits and other terms and conditions of employment of all of the respective employees of Arcade and Northridge shall not be reduced by virtue of their becoming employees of the consolidated district,” so that the Board can make changes to the sick leave benefits of all employees to respond to the COVID-19 pandemic.

### **Background:**

When the District was formed on February 1, 2002, by consolidating the former Arcade and Northridge Water Districts, LAFCo approved Resolution No. LAFC 1237, as well as the District Board approving Resolution No. 02-02, with both resolutions approving the consolidation. Section 1(f) of Resolution No. LAFC 1237 includes a provision which stipulates that the compensation, benefits and other terms and conditions of employment shall not be reduced for those employees from the former Arcade and Northridge Water Districts who became employees of the District at consolidation. This provision was included verbatim in the two similar resolutions adopted by the Arcade and Northridge boards of directors to initiate the consolidation. District legal counsel has advised on a number of previous occasions that this provision may be read to have created a vested right in consolidation-era employees in the benefits they had upon consolidation for the remainder of their employment with the District.

### **Discussion:**

The Board President requested to add this item to this agenda due to the need to rescind a previous similar action as discussed in agenda item XX. The Board President is asking the Board to consider making a motion that would direct the General Manager to meet with LAFCo to determine the process to request that the LAFCo Commission amend Resolution No. LAFC 1237 to delete the provision in Section 1(f) which continues the benefits of Arcade and Northridge for those employees who became employed by the District upon its formation. The Board President believes that this language should be changes because circumstances have changed in the almost 20 years since consolidation took place. There are thirteen consolidation-era employees remaining at the District who would be affected by this change. The Board already has clear authority to change benefits for later-hired employees and prospective new hires, subject to limits on changes to pension and certain medical benefits.

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## Agenda Item: 13

**Date:** October 18, 2021

**Subject:** Apply to Sacramento LAFCo to Amend LAFCo Resolution No. LAFC 1237  
– Appointing District Spokesperson to Present at LAFCo Meeting

**Staff Contact:** Dan York, General Manager

### Recommended Board Action:

Consider appointing a Director to represent the District at an upcoming Sacramento LAFCo meeting if the Board approves a request to ask for relief from the provision in Section 1(f) of LAFCo Resolution No. 1237 concerning the continuation of employee benefits, so that the Board can make changes to the sick leave benefits of all employees to respond to the COVID-19 pandemic.

### Background:

When the District was formed on February 1, 2002, by consolidating the former Arcade and Northridge Water Districts, LAFCo approved Resolution No. LAFC 1237, as well as the District Board approving Resolution No. 02-02, with both resolutions approving the consolidation. Section 1(f) of Resolution No. LAFC 1237 includes a provision which stipulates that the compensation, benefits and other terms and conditions of employment shall not be reduced for those employees from the former Arcade and Northridge Water Districts who became employees of the District at consolidation. This provision was included verbatim in the two similar resolutions adopted by the Arcade and Northridge boards of directors to initiate the consolidation. District legal counsel has advised on a number of previous occasions that this provision may be read to have created a vested right in consolidation-era employees in the benefits they had upon consolidation for the remainder of their employment with the District.

### Discussion:

The Board President requested to add this item in the event the Board approves a motion to seek relief from Sacramento LAFCo by amending Resolution No. LAFC 1237 to remove the employee benefits continuation language in Section 1(f). If the Board approves that item by majority vote, the General Manager will meet with LAFCo and determine the necessary process to bring this item at an upcoming LAFCo Commission meeting. If this item will be presented to the Commission, the Board President would prefer the Board appoints a Director to represent the Board at that meeting.



## Agenda Item: 14

**Date:** October 18, 2021

**Subject:** Employee Handbook Review

**Staff Contact:** Dan York, General Manager  
Josh Horowitz, General Counsel  
Susan Schinnerer, Human Resources Administrator

### Recommended Board Action:

Approve one of two formatting options for the Employee Handbook as recommended by the Employee Benefits Ad Hoc Committee at the October 4, 2021 meeting:

1. Track Changes (Attachment 1)
2. Footnotes (Attachment 2)

### Background:

As recommended at the October 4, 2021, Benefits Ad Hoc Committee Meeting, staff is providing to the full Board two options to reflect changes to the Employee Handbook (Handbook), specifically regarding a request to add detailed citations that delineate approval dates and Board information to the sections of the Handbook under the Board's authority.

### Discussion:

As directed at the May 17, 2021 regular Board meeting, and the June 16 and September 1, 2021 Employee Benefits Ad Hoc Committee (Committee) meetings, staff provided several options for formatting update options for the Employee Handbook (Handbook) to the Committee at their meeting on October 4, 2021.

After some discussion, the Committee and staff recommended two options be brought to the full Board for review and consideration to approve.

Attachment 1 is an example of changes made to the Handbook that uses track changes for the initial draft only, and would follow a similar process as the Board's current approval process for Board-approved policies.

Attachment 2 is a different option requested by the Committee, which utilizes footnotes as the method to document and delineate changes made to the Handbook.

### Fiscal Impact:

None.

**Strategic Plan Alignment:**

**Goal B**            Optimize Operational and Organizational Efficiencies

**Goal E**            Retain and Recruit a Qualified and Stable Workforce

**Attachments:**

1 – Excerpt from employee Handbook (Section VI. A. – Vacation) with Track Changes re: Adopted Dates that follows current process for Board-approved policies.

2 - Excerpt from employee Handbook (Section VI. A. - Vacation) with Track Changes re: Adopted Dates that documents and tracks changes via footnotes.

## **VACATION (Approved January 1, 2000, Adopted with changes January 1, 2022) (3-2)**

Vacation benefits will accrue starting with the first full pay period following the employee's hire date, with first available usage starting after ninety (90) days of service unless otherwise approved by the employee's department manager. No vacation accrues during a leave of absence except in situations involving a Workers' Compensation leave when vacation will continue to accrue for the first ninety (90) days of such absence. Vacation accruals will recommence when the employee returns to work.

~~Employees who have reached age 55 will be allowed to accumulate unused vacation without limit. There is a 400 hour limit on vacation hours.~~ Employees ~~under age 55~~ will be paid once per year in December for all accumulated vacation exceeding 400 hours at their regular rate of pay, which specifically does not include any temporary pay upgrade for Working Out of Class/Temporary Special Assignments. The amount paid will be included in a regular paycheck prior to December 31<sup>st</sup> unless the employee provides written notification to the Finance Department by November 15<sup>th</sup> that the cash out amount is to be paid 1) by separate paycheck, or 2) into a designated deferred compensation plan provided through the District if the employee has determined that s/he has not yet reached the IRS maximum contribution limit (it is the employee's responsibility to make this determination and then instruct the District as to the amount to be deferred).

An employee may cash out unused vacation at any time, with the approval of the General Manager or his/her designee, so long as the employee has taken at least forty (40) hours of vacation or administrative leave within the prior twelve months. All cash out requests must be in fifteen (15) minute (i.e., .25 hour) increments. The General Manager or his/her designee will have the authority to waive this requirement in the event of a hardship. At separation of employment, the employee will be paid for all unused vacation based on his/her rate of pay at the time of payment.

If an employee becomes ill while on vacation and desires to claim sick leave rather than vacation, the employee must make a request through his/her immediate supervisor as soon as possible after becoming ill. The District may require a medical verification for any period of sick leave requested while the employee was on vacation.

Vacation schedules will be arranged as early as possible each year and time used must be reported on timesheets in fifteen (15) minute (i.e., .25 hour) increments. An employee should request time off for vacation at least fourteen (14) calendar days in advance. Requests for time off exceeding two (2) consecutive weeks require one (1) months' notice, approval from the employee's immediate supervisor, and the General Manager's final approval.

The District will endeavor to grant vacation as requested; however, the District reserves the right to schedule or assign vacation in accordance with its operating needs. If a vacation conflicts with the needs of the District, it will be rescheduled at a mutually agreeable date determined by the General Manager, the employee's immediate supervisor and the employee.



## VACATION

Vacation benefits will accrue starting with the first full pay period following the employee's hire date, with first available usage starting after ninety (90) days of service unless otherwise approved by the employee's department manager. No vacation accrues during a leave of absence except in situations involving a Workers' Compensation leave when vacation will continue to accrue for the first ninety (90) days of such absence. Vacation accruals will recommence when the employee returns to work.

There is a 400 hour limit on vacation hours.<sup>1</sup> Employees<sup>2</sup> will be paid once per year in December for all accumulated vacation exceeding 400 hours at their regular rate of pay, which specifically does not include any temporary pay upgrade for Working Out of Class/Temporary Special Assignments. The amount paid will be included in a regular paycheck prior to December 31<sup>st</sup> unless the employee provides written notification to the Finance Department by November 15<sup>th</sup> that the cash out amount is to be paid 1) by separate paycheck, or 2) into a designated deferred compensation plan provided through the District if the employee has determined that s/he has not yet reached the IRS maximum contribution limit (it is the employee's responsibility to make this determination and then instruct the District as to the amount to be deferred).

An employee may cash out unused vacation at any time, with the approval of the General Manager or his/her designee, so long as the employee has taken at least forty (40) hours of vacation or administrative leave within the prior twelve months. All cash out requests must be in fifteen (15) minute (i.e., .25 hour) increments. The General Manager or his/her designee will have the authority to waive this requirement in the event of a hardship. At separation of employment, the employee will be paid for all unused vacation based on his/her rate of pay at the time of payment.

If an employee becomes ill while on vacation and desires to claim sick leave rather than vacation, the employee must make a request through his/her immediate supervisor as soon as possible after becoming ill. The District may require a medical verification for any period of sick leave requested while the employee was on vacation.

Vacation schedules will be arranged as early as possible each year and time used must be reported on timesheets in fifteen (15) minute (i.e., .25 hour) increments. An employee should request time off for vacation at least fourteen (14) calendar days in advance. Requests for time off exceeding two (2) consecutive weeks require one (1) months' notice, approval from the employee's immediate supervisor, and the General Manager's final approval.

The District will endeavor to grant vacation as requested; however, the District reserves the right to schedule or assign vacation in accordance with its operating needs. If a vacation conflicts with the needs of the District, it will be rescheduled at a mutually agreeable date

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<sup>1</sup> Board Approved January 1, 2000, Adopted with changes January 1, 2020 (3-2) (Removed unlimited accrual from employees age 55 or older)

<sup>2</sup> Board Approved January 1, 2000, Adopted with changes January 1, 2020 (3-2) (Removed "under age 55")

determined by the General Manager, the employee's immediate supervisor and the employee.



## Agenda Item: 15

**Date:** October 18, 2021

**Subject:** Committee and Liaison Appointments

**Staff Contact:** Dan York, General Manager

**Recommended Board Action:**

The Board President will consider amending the current Committee appointments and Committee structure, possibly including eliminating one or more committees. Please see attached committee list.

**Discussion:**

The Board President requested to add this item to consider amending appointments to the Ad Hoc Employee Benefits Committee for the 2021 year.

Included with this report is the most recent list of the 2021 Committee and Liaison Assignments (Attachment 1).

**Fiscal Impact:**

Payment to Directors will be made in accordance to District policy. Total annual payments are expected to be within budgeted amounts.

**Strategic Plan Alignment:**

**Goal B** - Optimize Operational and Organizational Efficiencies.

Representation at meetings can forward the District's position and increase knowledge of other professional groups' activities.

**Attachments:**

1. 2021 Committee and Liaison Assignments

**Sacramento Suburban Water District  
2021 Committee and Liaison Assignments**

**Committees**

Regulatory Compliance Committee.....	Bob Wichert, Chair
(Standing: no regularly assigned meeting time) .....	Dave Jones
Facilities and Operations Committee.....	Bob Wichert, Chair
(Standing: no regularly assigned meeting time) .....	Dave Jones
Finance and Audit Committee .....	Kevin Thomas, Chair
(Standing: no regularly assigned meeting time) .....	Dave Jones
Carmichael Water District/SSWD 2x2 Ad Hoc Committee.....	Craig Locke, Chair
(Ad Hoc: no regularly assigned meeting time) .....	Dave Jones
.....	Kevin Thomas, Alternate
SJWD/SSWD Water Management/Re-organization Committee.....	Kevin Thomas, Chair
(Ad Hoc: no regularly assigned meeting time) .....	Bob Wichert
.....	K. McPherson, Alternate
.....	Dave Jones, Alternate
Employee Benefits Ad Hoc Committee.....	Kathleen McPherson, Chair
(Ad Hoc: no regularly assigned meeting time) .....	Kevin Thomas
Ad Hoc General Manager Performance Review Committee.....	Bob Wichert, Chair
(Ad Hoc: no regularly assigned meeting time) .....	Kevin Thomas
Ad Hoc Water Banking and Transfer Committee.....	Kevin Thomas, Chair
(Ad Hoc: no regularly assigned meeting time) .....	Kathleen McPherson
.....	Craig Locke, Alternate

**Liaison Assignments**

ACWA/JPIA .....	Kathleen McPherson
.....	Staff Position: Dan York
ACWA General Election Voting Delegate .....	Kathleen McPherson
ACWA Groundwater Committee.....	Dave Jones
.....	Kevin Thomas
.....	Craig Locke
.....	Kathleen McPherson
.....	Dan York
ACWA Water Quality Committee.....	Kathleen McPherson
.....	Dave Jones

ACWA Energy Committee .....	Bob Wichert
ACWA Communications Committee .....	Kevin Thomas
ACWA Legal Affairs Committee .....	Ryan Bezerra
California Special Districts Association .....	Kathleen McPherson
.....	Dave Jones
LAFCo Special District Advisory Committee .....	Kathleen McPherson
Regional Water Authority .....	Dave Jones
.....	Dan York
Regional Water Authority Executive Committee .....	Staff Rep: Dan York
Sacramento Groundwater Authority .....	Bob Wichert, Board Rep.
.....	Dan York, Staff Rep.
.....	Kevin Thomas, Alternate
.....	Craig Locke, Alternate
.....	Dave Jones, Alternate
.....	K. McPherson, Alternate
Sacramento Water Forum Successor Effort.....	Staff Rep: Dan York
.....	Bob Wichert
.....	Craig Locke, Alternate
.....	Kevin Thomas, Alternate
.....	Dave Jones, Alternate
.....	K. McPherson, Alternate



## Agenda Item: 16

**Date:** October 18, 2021

**Subject:** Social Media

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

### **Recommended Board Actions:**

Receive written staff report and direct staff as appropriate.

### **Background:**

This issue was brought before the Board at the July 20, 2015 regular Board meeting. The following is from a staff report presented at the July 20, 2015 Board meeting.

“Although the District has not felt an urgency to determine if social media is a tool worth implementing, social media is a powerful method of communication, one that more and more public agencies are embracing. By and large, social media sites are proving to be effective ways of having a conversation with the public, pushing out useful information, and addressing citizens’ concerns. However, when that information is outdated, inaccurate or outright falsified, there is the risk that large swaths of people may be misinformed or misled.

A few concerns that have been discussed with the District’s IT Department, are listed below:

Risk Management - A risk assessment would need to be conducted to obtain a realistic idea of what is involved for the District. This will assist in ensuring the District has considered and documented the major problems that might arise when using social media and ways of mitigating them (e.g., increased anti-virus protection, new guidance or training modules).

Purpose and choice of tools – The District would have to develop the District’s objective before determining the most appropriate way to reach the stakeholders it wishes to engage.

Resources – The District would need to consider the ongoing resource implications of engaging in social media, including staff resources and, in some cases, investment in infrastructure and software. It will need to ensure that staff receives training in both the use of the social media tool and the District’s policies associated with its use. Staff resources must be sufficient to monitor, moderate and respond to comments (including any associated clearance processes). Users expect a high level of responsiveness when using social media.

Security and privacy – The District would have to think about its privacy and security rights, and adopt policies related to security, public access, inappropriate content, linked sites, etc.

District staff will conduct a survey with local water purveyors to determine the positives and negatives regarding their use and oversight of social media. It's anticipated the survey will be completed in August or September 2015.”

Staff have not been able to locate the survey mentioned above.

**Discussion:**

Due to the concerns and issues raised above, staff have not sought to implement Social Media into the Districts communication or technology infrastructure. The District has not included these duties in a current job description or a new job description. Staff will need to investigate what time demands are required to properly maintain a Social Media presence to ascertain if this can be part of current staff workload or would need to be a new position. Additionally, there are still security and technical issues to address as indicated above. Viruses delivered via Social Media are a common occurrence and appropriate security protocols would need to be developed. Currently, Social Media sites are blocked for all users at the District. The District is currently working an issue with Facebook regarding an unofficial page reporting to be Sacramento Suburban Water District. To date, the District has been unable to gain control of this page through inquiries with Facebook. Staff will continue to work with Facebook to gain control of this unofficial site. At this time, staff is not recommending to implement a Social Media presence.

**Fiscal Impact:**

There is no fiscal impact to this staff report. The fiscal impact of developing and maintaining a Social Media presence would need to be determined.

**Strategic Plan Alignment:**

Goal D: Maintain Excellent Customer Service



## **Agenda Item: 17**

**Date:** October 18, 2021

**Subject:** General Manager's Report

**Staff Contact:** Dan York, General Manager

**a. Collaboration Study Update**

In June 2021, the District's Board of Directors accepted the final Activity 3 report resulting from the Sacramento Region Water Utility Collaboration Study (Study), of which seven regional agencies participated in the Study. The group reviewed and narrowed a list of over 80 potential opportunities for further analyze. Of those potential opportunities, the participating agencies prioritized seven areas for further investigation/analysis. To date, the District and Carmichael Water District have compiled a list of opportunities for potential savings/efficiencies. Staff from each agency will continue discussing the list to determine if they are viable opportunities to partake. The District is in the process of contacting other regional agencies to determine their interest to participate in particular collaboration activities. Staff will keep the Board apprised of future opportunities for collaboration with other agencies.





## Agenda Item: 18

**Date:** October 18, 2021

**Subject:** Financial Report

**Staff Contact:** Jeffery S. Ott, Director of Finance and Administration

**COVID-19 Financial Update:**

Calendar year 2021 budget has factored in 6 months of COVID-19 related revenue reductions and expenses. The allowance for doubtful accounts has been increased \$500,000 to reflect potential uncollectable amounts from 2020 deferred payments related to Executive Order 42-20. As of September 30, 2021, there are approximately 1,597 accounts that would move to the collections two-day notice (Shut-off) with a balance of \$1,001,874. Staff will continue to monitor and report the financial effects of the COVID-19 pandemic. The table below shows the history of the delinquent customer count and amount since March 2021.

Month	Accounts	Amount	Month to Month Change
March 2021	1,550	\$ 912,985	
April 2021	1,487	858,633	-63: -54,352
June 2021	1,616	983,104	129: 124,471
June 2021	1,485	908,546	-131: -74,558
July 2021	1,436	942,663	-49: 34,117
August 2021	1,399	912,808	-37: -29,855
September 2021	1,597	1,001,874	198: 89,066

The District was notified on July 21, 2021, regarding the State Water Resources Control Board’s (SWRCB) arrearage payments program. In early August, the SWRCB began an on-line survey of water purveyors to collect data for two financial effects from the COVID-19 pandemic: 1) data on residential and commercial arrearages that are greater than \$600.00 from the period March 4, 2020 through June 15, 2021, and 2) revenue losses that occurred from March 4, 2021 through June 15, 2021. Staff completed the SWRCB survey in August 31, 2021 and submitted a request for reimbursement for \$590,370.99. On October 5, 2021, the District was notified that SWRCB was accepting applications for reimbursement. Staff will submit an application for the \$590,370.99. Staff will continue to report to the Board the status of these programs and any payments the District receives.

**Summary:**

This staff report contains summarized information on the District’s financial condition for the period ended August 31, 2021. More detailed information can be found in the following attached financial reports:

- Financial Statements – August 2021

- Budget to Actual Reports – August 2021
- Information Required by LOC Agreement – August 2021

**Financial Highlights – August 2021**

Financial Highlights from the Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position are presented in the following table. They are gleaned from the financial statements attached to this report.

<b>Statements of Net Position</b>		
	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>8/31/2021</b>	<b>8/31/2020</b>
<b>LIQUIDITY</b>		
Cash and cash equivalents	<b>\$19,800,527.37</b>	<b>\$10,107,422.79</b>
<b>INVESTMENT</b>		
Investments	<b>39,687,680.77</b>	<b>40,934,341.72</b>
<b>ACCOUNT RECEIVABLE</b>		
Account Receivable	<b>3,980,711.10</b>	<b>4,071,828.32</b>
<b>CAPITAL ASSETS</b>		
Property, plant and equipment	514,444,455.63	503,599,698.49
Accumulated depreciation	(208,175,593.36)	(199,473,904.42)
	<b>306,268,862.27</b>	<b>304,125,794.07</b>
<b>LIABILITIES</b>		
Long Term Debt	<b>(71,321,534.20)</b>	<b>(75,827,306.00)</b>
<b>NET POSITION</b>		
Net Position	<b>284,637,465.09</b>	<b>269,900,040.90</b>
<b>Statements of Revenues, Expenses and Changes in Net Position</b>		
	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>8/31/2021</b>	<b>8/31/2020</b>
<b>NET INCOME</b>		
Operating Revenue	32,733,360.31	31,376,817.65
Operating Expense	(12,848,454.72)	(12,624,847.63)
Other, Net	(7,352,084.08)	(8,307,911.35)
<b>Change in Net Position</b>	<b>12,532,821.51</b>	<b>10,444,058.67</b>

Key information from this report indicates the District's cash balance is \$9.7 million more while investments are \$1.2 million less than on August 31, 2020; long term debt has decreased by \$4.5 million; and net position has increased by \$14.7 million in the last 12 months as the District continues to invest in capital infrastructure replacements while decreasing its outstanding debt. With the Governor of California's Executive Order 42-20 suspending the disconnection of water service for non-payment for residential and certain commercial customers, the District is closely monitoring payment activity and accounts receivable balances. Accounts receivable have decreased \$0.1 million year to date compared to the same period last year. Operating revenues increased \$1.4 million while operating expenses decreased \$0.2 million, year to date compared to the same period a year ago.

**Budgets:**

<b>Budget Item</b>	<b>Actual Amount</b>	<b>Budget Amount</b>	<b>Variance</b>
Revenues and Sources of Funds	\$ 34,434,498	\$ 33,952,040	\$ 482,458
Operations and Maintenance	12,848,455	15,444,753	2,596,298
Capital	8,588,709	*22,994,907	14,406,198
Debt Service	1,362,330	1,711,098	348,768

\*Includes \$4.0 million in rollover budget from 2020.

The District's revenues through August 2021 are greater than budgeted by \$0.5 million due primarily to: 1) capacity fees (facility development charges) are up \$0.7 million as the Barret Ranch development is completing more units than anticipated, 2) water sales are \$0.1 million greater than budgeted for the first eight months of the year due primarily to a 4.9% increase in units sold, 3) rent and other income is up \$0.1 million as rental income and other income are more than expected, 4) wheeling water sales are down \$0.4 million as no PCWA surface water is available to wheel, and 5) interest and investment income is down \$0.1 million as returns have dropped.

The District's operating and maintenance expenditures through August 2021 came in less than the approved budget by \$2.6 million. Most of this positive variance is due to: 1) water cost savings from not purchasing PCWA surface water due to PCWA surface water unavailability (\$1.5 million), 2) reduction in general and administrative expenses (\$0.7 million) and 3) timing differences (\$0.4 million).

Operating Capital Program (OCP) expenditures through August 2021 were \$0.5 million while \$0.6 million were committed. The 2021 budget for the year is \$1.9 million plus \$0.1 million in rollover funds from 2020 budget for a total of \$2.0 million.

The District's Capital Improvement Program (CIP) budget for 2021 is \$17.1 million plus \$3.9 million in rollover funds from 2020 budget for a total of \$21.0 million. For 2021, \$8.1 million has been spent while an additional \$8.8 million is under commitment. Expenditures continue to be primarily in new well construction, distribution system replacements, well rehabilitation, meter retrofit, and meter reading system projects.

The District's Debt budget for 2021 is \$7.5 million consisting of \$5.0 million for principal payments and \$2.5 million for interest. Interest expense consists of: 1) interest paid to bondholders, 2) letter-of-credit facility fees, 3) remarketing fees, 4) arbitrage rebate liabilities, and 5) net SWAP interest.

For the first eight months of 2021, the District has incurred interest expense of \$1,362,330 versus a forecast of \$1,711,098, or a \$348,768 positive variance. The last reset for the week of August 31 saw rates at 0.01% compared to 1.23% the pre-pandemic level in the municipal Variable Rate Debt Obligation market.

**Required by LOC Agreement**

Per Article 5.2 (b) of the 2009A Certificate of Participation Reimbursement Agreement with Sumitomo Mitsui Banking Corporation (LOC Provider), year-to-date net revenues available for the payment of debt service costs and an estimate of debt service payments for the upcoming six months are provided.

	<b>Actual Year-To-Date 8/31/21</b>	<b>Budget Year-To-Date 8/31/21</b>
Revenues	34,434,498	33,952,040
Expenses	12,852,337	15,444,753
Net Revenue	21,582,161	18,507,287

The estimated total debt service payments for the next 6 months is \$6,535,441.

**Financial Statements  
August 31, 2021**

**Sacramento Suburban Water District  
Statements of Net Position**

	As Of		
		<u>Month End</u>	<u>Year End</u>
		<u>8/31/2021</u>	<u>12/31/2020</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$19,800,517.53	\$8,442,657.93
Restricted Cash and cash equivalents		9.84	39.69
Accounts receivable, net of allowance for uncollectible accounts		3,277,433.50	3,308,831.98
Interest receivable		116,973.59	133,920.34
Grants receivables		7,296.94	7,296.94
Other receivables		5,495.59	1,309,442.20
Inventory		993,745.83	763,599.95
Prepaid expenses and other assets		1,350,284.44	829,833.39
<b>TOTAL CURRENT ASSETS</b>		<b><u>\$25,551,757.26</u></b>	<b><u>14,795,622.42</u></b>
<b>NONCURRENT ASSETS</b>			
Investments		39,687,680.77	41,212,045.33
<b>TOTAL NONCURRENT ASSETS</b>		<b><u>39,687,680.77</u></b>	<b><u>41,212,045.33</u></b>
Property, plant and equipment		514,444,455.63	503,966,119.11
Accumulated depreciation		(208,175,593.36)	(199,117,498.00)
<b>TOTAL CAPITAL ASSETS</b>		<b><u>306,268,862.27</u></b>	<b><u>304,848,621.11</u></b>
<b>TOTAL ASSETS</b>		<b><u>371,508,300.30</u></b>	<b><u>360,856,288.86</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on long-term debt refunding		4,262,239.16	4,702,735.40
Deferred outflow of effective swaps		1,162,609.00	1,162,609.00
Pension contribution subsequent to measurement date		1,960,128.00	1,960,128.00
Other post-employment benefits		240,049.00	240,049.00
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<b><u>379,133,325.46</u></b>	<b><u>368,921,810.26</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of long-term debt and capital leases		4,965,000.00	4,965,000.00
Current portion of Compensated Absences		880,000.00	880,000.00
Accounts payable		463,363.03	1,920,986.96
Accrued interest		311,228.96	210,326.61
Deferred revenue and other liabilities		3,701,670.52	3,658,254.59
Accrued expenses		386,591.46	943,346.10
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>10,707,853.97</u></b>	<b><u>12,577,914.26</u></b>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt		65,476,534.20	65,874,532.40
Compensated absences		312,892.20	366,140.02
Net pension liability		10,600,173.00	10,600,173.00
Net other post-employment benefits liability		4,642,228.00	4,642,228.00
Fair value of interest rate swaps		1,162,609.00	1,162,609.00
<b>TOTAL NONCURRENT LIABILITIES</b>		<b><u>82,194,436.40</u></b>	<b><u>82,645,682.42</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>92,902,290.37</u></b>	<b><u>95,223,596.68</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Employee pensions		481,215.00	481,215.00
Other post-employment benefits		1,112,355.00	1,112,355.00
<b>NET POSITION</b>			
Invested in capital assets, net of related debt		238,711,824.11	238,711,824.11
Restricted		39.69	39.69
Unrestricted		45,925,601.29	33,392,779.78
<b>TOTAL NET POSITION</b>		<b><u>284,637,465.09</u></b>	<b><u>272,104,643.58</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		<b><u>379,133,325.46</u></b>	<b><u>368,921,810.26</u></b>

**Sacramento Suburban Water District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Period Ended**

	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>8/31/2021</b>	<b>8/31/2020</b>
<b>OPERATING REVENUES</b>		
Water consumption sales	\$10,464,899.09	\$9,863,937.28
Water service charge	21,965,211.31	21,026,389.59
Wheeling water charge	3,970.25	76,585.90
Other charges for services	299,279.66	409,904.88
<b>TOTAL OPERATING REVENUES</b>	<b>32,733,360.31</b>	<b>31,376,817.65</b>
<b>OPERATING EXPENSES</b>		
Source of supply	792,100.47	269,972.84
Pumping	3,313,349.16	2,930,778.63
Transmission and distribution	2,449,771.57	2,774,897.34
Water conservation	268,751.18	257,097.71
Customer accounts	920,752.38	825,973.91
Administrative and general	5,103,729.96	5,566,127.20
<b>TOTAL OPERATING EXPENSES</b>	<b>12,848,454.72</b>	<b>12,624,847.63</b>
Operating income before depreciation	19,884,905.59	18,751,970.02
Depreciation and amortization	(9,058,095.36)	(9,146,517.09)
<b>OPERATING INCOME</b>	<b>10,826,810.23</b>	<b>9,605,452.93</b>
<b>NON-OPERATING REV. (EXP.)</b>		
Rental income	214,028.26	179,884.10
Interest and investment income	33,266.14	1,490,473.63
Interest expense and debt related costs	(1,404,827.83)	(1,690,545.30)
Other non-operating revenues	73,283.13	93,758.50
Grant revenue pass-through to sub recipients	468,000.00	
Other non-operating expenses	(3,882.63)	7.29
Sub recipient grant expenses	(468,000.00)	
Gain(loss) on disposal of capital assets	35,475.00	9,255.00
<b>NON-OPERATING REV. (EXP.)</b>	<b>(1,052,657.93)</b>	<b>82,833.22</b>
<b>NET INCOME (LOSS) BEFORE CAPITAL</b>	<b>9,774,152.30</b>	<b>9,688,286.15</b>
<b>CAPITAL CONTRIBUTIONS</b>		
Facility development charges	945,751.00	385,887.00
Developer contributions	1,812,918.21	339,525.89
Federal, state and local capital grants		30,359.63
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>2,758,669.21</b>	<b>755,772.52</b>
<b>CHANGE IN NET POSITION</b>	<b>12,532,821.51</b>	<b>10,444,058.67</b>
Net position at beginning of period	272,104,643.58	259,455,982.23
<b>NET POSITION AT END OF PERIOD</b>	<b>284,637,465.09</b>	<b>269,900,040.90</b>

**Budget to Actual Reports  
August 31, 2021**



**Sacramento Suburban Water District  
Revenue Budget  
Period Ending**

	<b>Actual Year-To-Date 8/31/2021</b>	<b>Budget Year-To-Date 8/31/2021</b>	<b>Variance Year-To-Date 8/31/2022</b>
<b>REVENUES</b>			
Water consumption sales	\$10,464,899.09	\$10,338,608.00	\$126,291.09
Water service charge	21,965,211.31	21,867,440.00	97,771.31
Wheeling water charge	3,970.25	431,328.00	(427,357.75)
Other charges for services	299,279.66	353,336.00	(54,056.34)
Facility development charges	945,751.00	200,000.00	745,751.00
Interest and investment income	432,600.30	558,000.00	(125,399.70)
Rental & other income	322,786.39	203,328.00	119,458.39
<b>TOTAL REVENUES</b>	<b>34,434,498.00</b>	<b>33,952,040.00</b>	<b>482,458.00</b>

**Sacramento Suburban Water District  
Operations and Maintenance Budget  
Period Ended**

	<b>August 31, 2021 YTD</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>BUDGETED OPERATING EXPENSES</b>			
<b>Board of Directors</b>	\$19,841.50	\$34,608.16	\$14,766.66
<b>Administrative</b>	1,500,527.92	1,712,601.04	212,073.12
<b>Finance</b>	639,466.22	790,323.60	150,857.38
<b>Customer Services</b>	807,227.78	884,206.24	76,978.46
<b>Field Operations</b>	387,936.83	412,701.84	24,765.01
<b>Production</b>	3,733,466.31	5,249,075.08	1,515,608.77
<b>Environmental Compliance</b>	371,983.32	435,803.68	63,820.36
<b>Distribution</b>	1,549,343.04	1,587,947.16	38,604.12
<b>Field Services</b>	889,791.23	1,018,070.24	128,279.01
<b>Maintenance</b>	466,827.51	469,265.48	2,437.97
<b>Water Conservation</b>	268,751.18	316,159.76	47,408.58
<b>Engineering</b>	977,266.29	1,071,007.24	93,740.95
<b>GIS/CAD</b>	238,845.20	250,386.96	11,541.76
<b>Human Resources</b>	189,053.26	271,082.40	82,029.14
<b>Information Technology</b>	694,602.53	800,817.84	106,215.31
<b>Community Outreach</b>	113,524.60	140,696.00	27,171.40
<b>TOTAL OPERATING EXPENSES</b>	<b>12,848,454.72</b>	<b>15,444,752.72</b>	<b>2,596,298.00</b>

**SACRAMENTO SUBURBAN WATER DISTRICT  
OPERATING CAPITAL BUDGET  
8/31/2021**

Project Number	Project Name	2021 Original Budget	2021 Amended Budget	Roll-Over From Prior Year Budget	Total Budget Available	Current Month Expenditures	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
SF20-485	OFF FURNITURE/WORKSTATIONS	\$ -	\$ -	\$ 3,407.75	\$ 3,407.75		\$ -	\$ -	\$ 3,407.75
SF20-493	BOARD ROOM WALL MAP	\$ -		4,000.00	4,000.00		-		\$ 4,000.00
SF21-500	PROPERTY ACQUISITION	\$ 700,000.00	\$ 682,000.00		682,000.00	\$ 6,760.00	11,322.50	\$ 64,357.25	\$ 606,320.25
SF21-501	UPDATE URBAN WTR MGMT PLAN	\$ 175,000.00	85,000.00		85,000.00		75,051.25	6,122.50	\$ 3,826.25
SF21-502	CALIBRATION HYDROLIC MODEL	\$ 130,000.00	130,000.00		130,000.00		-	123,741.00	\$ 6,259.00
SF21-503	DEV PIPELINE CA GUIDELINE	\$ 75,000.00	-		-		-		\$ -
SF21-504	WATT/ELKH TREE REPL/IRRIGA MOD	\$ 55,500.00	55,500.00		55,500.00		-		\$ 55,500.00
SF21-505	FENCE REPL - 3 SITES	\$ 24,000.00	24,000.00		24,000.00		-		\$ 24,000.00
SF20-487	VEHICLE REPL - TRUCK# 46	\$ -	-	32,000.00	32,000.00		31,634.68	-	\$ 365.32
SF20-488	VEHICLE REPL - TRUCK# 49	\$ -	-	6,288.52	6,288.52		6,249.52	-	\$ 39.00
SF20-489	VEHICLE REPL - TRUCK# 54	\$ -	-	1,987.04	1,987.04		1,878.57	-	\$ 108.47
SF20-490	VEHICLE REPL - TRUCK# 56	\$ -	-	6,188.52	6,188.52		6,123.07	-	\$ 65.45
SF20-491	VEHICLE REPL - TRUCK# 4	\$ -	-	30,800.00	30,800.00		30,791.17	-	\$ 8.83
SF20-492	VEHICLE REPL - TRUCK# 16	\$ -	-	30,800.00	30,800.00		30,791.17	-	\$ 8.83
SF21-506	VEHICLE REPL-TRUCK# 9	\$ 32,500.00	32,500.00		32,500.00		-	27,993.00	\$ 4,507.00
SF21-507	VEHICLE REPL - TRUCK# 42	\$ 32,500.00	32,500.00		32,500.00		-	27,993.00	\$ 4,507.00
SF21-508	VEHICLE REPL - TRUCK# 50	\$ 47,000.00	47,000.00		47,000.00		-	42,944.00	\$ 4,056.00
SF21-509	VEHICLE REPL - TRUCK# 57	\$ 47,000.00	47,000.00		47,000.00		-	42,944.00	\$ 4,056.00
SF21-510	2020 JOHN DEERE 320G SKID STE	\$ 100,000.00	75,000.00		75,000.00	71,063.18	74,615.71		\$ 384.29
SF21-511	VACUUM TRAILER REPL-METER PM	\$ 51,000.00	51,000.00		51,000.00		50,911.89	-	\$ 88.11
SF21-512	IT - HARDWARE REFRESH	\$ 166,500.00	156,500.00	27,197.32	183,697.32		89,295.53	-	\$ 94,401.79
SF21-513	IT - SOFTWARE UPGRADE/ENHANCE	\$ 125,000.00	98,000.00		98,000.00		-		\$ 98,000.00
SF21-514	MARCONI OFFICE IMPRV/CUS SERV	\$ 100,000.00	167,000.00		167,000.00		7,419.00	138,190.00	\$ 21,391.00
SF21-515	HVAC/ROOF/BUILDING REPAIRS	\$ 20,000.00	20,000.00		20,000.00		19,780.85		\$ 219.15
SF21-516	2021 MASTER CIP SCHEDULE	\$ -	32,000.00		32,000.00		31,465.00	535.00	\$ -
SF21-517	SCADA ASSET MGMT PLAN	\$ -	93,000.00		93,000.00	34,361.36	70,945.12	-	\$ 22,054.88
SF21-518	WELL PUMP/MOTOR STANDARDIZATION	\$ -	85,000.00		85,000.00		-	80,638.00	\$ 4,362.00
SF21-519	AMP IMPLEMENTATION	\$ -	20,000.00		20,000.00		-	14,685.00	\$ 5,315.00
SF21-520	BOARD ROOM CONFERENCE TABLES	\$ -	10,000.00		10,000.00		-	9,814.00	\$ 186.00
<b>TOTAL</b>		<b>\$ 1,881,000.00</b>	<b>\$ 1,943,000.00</b>	<b>\$142,669.15</b>	<b>\$2,085,669.15</b>	<b>\$112,184.54</b>	<b>\$538,275.03</b>	<b>\$ 579,956.75 #</b>	<b>\$967,437.37</b>

**Sacramento Suburban Water District  
Capital Improvement Project Budget  
8/31/2021**

Project No.	Project Name	2021 Original Budget	2021 Amended Budget	Roll-Over From Prior Year Budget	Total Budget Available	Current Month Expenditures	Expenditures Year- To-Date	Committed Year-To- Date	Remaining Balance
SC21-009	WELL REHAB/PUMP ST IMPROVEMENT	\$1,890,000.00	\$1,890,000.00	\$737,876.57	\$2,627,876.57	\$ 103,581.63	\$ 677,884.45	\$ 1,010,447.99	\$ 939,544.13
SC21-010	SCADA/COMMUNICATION IMPROVE	\$785,000.00	\$860,000.00	\$1,031,117.43	\$1,891,117.43	29,807.58	290,090.07	1,232,258.58	\$ 368,768.78
SC21-011	WELL DESTRUCTION/SITE DEMOLIT	\$152,000.00	\$152,000.00	\$81,697.28	\$233,697.28	12,987.44	127,175.14	7,543.00	\$ 98,979.14
SC21-012	WELL NEW CONSTRUCTION	\$4,620,000.00	\$6,420,000.00	\$955,531.81	\$7,375,531.81	353,200.16	1,473,994.90	5,593,554.32	\$ 307,982.59
SC21-018	DISTRIBUTION MAIN REPL/IMPROV	\$5,083,000.00	\$3,686,000.00	\$205,211.39	\$3,891,211.39	106,437.70	2,316,717.44	601,861.91	\$ 972,632.04
SC21-024	METER RETROFIT PROGRAM	\$2,000,000.00	\$1,450,000.00	\$88,078.56	\$1,538,078.56	5,573.00	1,324,257.24	69,571.19	\$ 144,250.13
SC21-034	RESERVIOR/TANK IMPROVEMENT	\$345,000.00	\$345,000.00	\$160,903.16	\$505,903.16	8,960.00	172,571.71	134,684.30	\$ 198,647.15
SC21-035	CORROSION CONTROL-TRAN MAIN	\$50,000.00	\$50,000.00	-	\$50,000.00	-	-	-	\$ 50,000.00
SC21-037	VALVE/HYDRANT/SERV REPL	\$300,000.00	\$500,000.00	-	\$500,000.00	92,317.16	292,714.07	20,650.00	\$ 186,635.93
SC21-038	LARGE METER REPLACEMENT	\$40,000.00	\$0.00	-	\$0.00	-	-	-	\$ -
SC21-039	METER REPLACEMENT-PM	\$250,000.00	\$250,000.00	-	\$250,000.00	-	88,002.66	-	\$ 161,997.34
SC21-040	AMI ENDPOINTS	\$1,400,000.00	\$1,175,000.00	\$463,779.30	\$1,638,779.30	70,026.77	1,225,626.30	64,800.00	\$ 348,353.00
SC21-048	SPECIAL PROJECTS	\$5,000.00	\$96,000.00	\$77,042.17	\$173,042.17	-	61,399.75	34,555.00	\$ 77,087.42
SC21-049	WATER RELATED STREET IMPROV	\$200,000.00	\$184,000.00	\$50,000.00	\$234,000.00	-	-	73,860.00	\$ 160,140.00
		<b>\$ 17,120,000.00</b>	<b>\$ 17,058,000.00</b>	<b>\$ 3,851,237.67</b>	<b>\$ 20,909,237.67</b>	<b>\$ 782,891.44</b>	<b>\$ 8,050,433.73</b>	<b>\$ 8,843,786.29</b>	<b>\$ 4,015,017.65</b>

## **Information Required by LOC Agreement**

**Sacramento Suburban Water District  
Schedule of Net Revenues  
As Of**

	<b>Actual Year-To-Date 8/31/2021</b>	<b>Budget Year-To-Date 8/31/2021</b>
<b>REVENUES</b>		
Water sales charges	\$32,733,360.31	\$32,990,712.00
Facility development charges	945,751.00	200,000.00
Interest and investment income	432,600.30	558,000.00
Rental & other income	322,786.39	203,328.00
<b>TOTAL REVENUES</b>	<b>34,434,498.00</b>	<b>33,952,040.00</b>
<b>EXPENSES</b>		
Source of supply	792,100.47	2,526,686.00
Pumping	3,313,349.16	3,158,192.76
Transmission and distribution	2,449,771.57	2,629,350.76
Water conservation	268,751.18	316,159.76
Customer accounts	920,752.38	1,024,902.24
Administrative and general	5,107,612.59	5,789,461.20
<b>TOTAL EXPENSES</b>	<b>12,852,337.35</b>	<b>15,444,752.72</b>
<b>NET REVENUE</b>	<b>21,582,160.65</b>	<b>18,507,287.28</b>

**Sacramento Suburban Water District**  
**6 - Months Debt Service Schedule**  
**8/31/2021**

<b>Total SSWD Debt Service</b>						
Month	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	Debt Service	
September-21	\$ -	\$ 84,950.87	\$ 50,400.00	\$ 13,125.00	\$ 148,475.87	
October - 21	4,965,000.00	1,018,637.63	-	-	5,983,637.63	
November - 21	-	84,950.87	-	-	84,950.87	
December - 21	-	84,950.87	50,400.00	13,125.00	148,475.87	
January - 22	-	84,950.87	-	-	84,950.87	
February - 22	-	84,950.87	-	-	84,950.87	

<b>Series 2012A Fixed Rate Bonds (\$23,440,000.00)</b>						
Month	Principal	Interest - Fixed 4.25%			Debt Service	
September-21	\$ -	\$ -	\$ -	\$ -	\$ -	
October - 21	2,320,000.00	518,237.50	-	-	2,838,237.50	
November - 21	-	-	-	-	-	
December - 21	-	-	-	-	-	
January - 22	-	-	-	-	-	
February - 22	-	-	-	-	-	

<b>Series 2009A Adjustable Rate COPs (\$42,000,000.00)</b>						
Month	Principal	Interest, Adjustable 0.01%	Facility Fee 0.480%	Remarketing 0.125%	Debt Service	
September-21		\$ 350.00	\$ 50,400.00	\$ 13,125.00	\$ 63,875.00	
October - 21		350.00			350.00	
November - 21		350.00			350.00	
December - 21		350.00	50,400.00	13,125.00	63,875.00	
January - 22		350.00			350.00	
February - 22		350.00			350.00	

<b>Series 2018A Fixed Rate COPs (\$27,915,000)</b>						
Month	Principal	Interest - Fixed 3.17%			Debt Service	
September-21	\$ -	\$ -	\$ -	\$ -	\$ -	
October - 21	2,645,000.00	415,449.26	-	-	3,060,449.26	
November - 21	-	-	-	-	-	
December - 21	-	-	-	-	-	
January - 22	-	-	-	-	-	
February - 22	-	-	-	-	-	

<b>2012 SWAP Interest, Net (\$33,000,000.00)</b>						
Month	Principal	Interest, Swap Net 3.283%-(0.05432 +.18)%			Debt Service	
September-21		\$ 84,600.87	-	-	84,600.87	
October - 21		\$ 84,600.87	-	-	84,600.87	
November - 21		\$ 84,600.87	-	-	84,600.87	
December - 21		\$ 84,600.87	-	-	84,600.87	
January - 22		\$ 84,600.87	-	-	84,600.87	
February - 22		\$ 84,600.87	-	-	84,600.87	



## Agenda Item: 19

**Date:** October 18, 2021

**Subject:** District Activity Report

**Staff Contact:** Todd Artrip, Operations Manager

This report describes significant District Activities and milestones over the past month. Included in this report are the (1) Water Operations Activity Report, (2) District Claims Update Report, (3) Customer Service Monthly Activity Report, and (4) Community Outreach Report.

### **1. Water Operations Activity Report**

This shows the types and number of activities that are in the Production, Distribution, and Field Services Departments.



## Water Operations Activity

September 2021	Monthly Avg CY 2021	Total CY 2021	Total # in System	Goal CY 2021	% of Goal Completed in CY 2021
----------------	---------------------	---------------	-------------------	--------------	--------------------------------

### Production Department

#### Water Quality

Complaints	2	1	10	—	—	—
Taste & Odor Complaints	0	0	0	—	—	—

### Distribution Department

#### Service Orders

Main Leaks	4	4	40	—	—	—
Service Line Leaks	3	6	55	—	—	—

#### Water Main Shutdown

-- Emergency	5	3	25	—	—	—
-- Scheduled	4	4	38	—	—	—

#### Preventive Maintenance Program

Fire Hydrants Inspected	133	107	965	6,173	1,235	78.2%
Fire Hydrant Valves Inspected	164	108	970	5,869	1,174	82.6%
Mainline Valves Inspected	355	207	1,860	11,023	2,205	84.4%
Blow Off Valves Inspected	23	14	125	1,049	210	59.6%
ARV/CARV Inspected	0	0	4	283	57	7.1%

### Field Services Department

#### Meters

PM - Meters Tested (3 - 10 inch)	0	12	106	450	120	88.3%
PM - Meters Replaced ( <sup>5</sup> / <sub>8</sub> - 1 inch)	178	62	559	41,167	1,000	55.9%
PM - Meter Re-Builds (1 <sup>1</sup> / <sub>2</sub> - 2 inch)	1	26	238	2,449	245	97.1%
Customer Pressure Inquiries	12	10	94	—	—	—

### Field Operations Department

#### After Hours Activity (On-Call Technician)

Calls Received Distribution	46	53	475	—	—	—
Calls Responded Distribution	35	32	288	—	—	—
Calls Received Production	12	21	192	—	—	—
Calls Responded Production	1	2	20	—	—	—

## 2. District Claims Update Report

This summarizes claims received by the District. Under the District's Claims Processing Policy, the Board of Directors grants the General Manager, or his or her designee, the authority to review and to approve or reject a claim. The processing of all claims will be conducted in accordance with the Government Claims Act and Ordinance 02-02, including the time limits on claims processing and requirements for presenting claims. All claims will be presented as information to the Board of Directors at a regularly scheduled Board Meeting.

### CLAIMS UNDER REVIEW/INVESTIGATION

#### Update – 4400 Elkhorn Boulevard

Claim – Damages to the apartment units and contents resulting from a broken water main on August 24, 2021, had further developments:

- An additional claimant who is a tenant at 4400 Elkhorn Boulevard was added to the claim at this address.
- On September 27, 2021, the claim previously submitted by Carl Russell on August 26, 2021, for his mother was amended and submitted on behalf of Kimoni Williams by her attorney. This is now an unlimited civil case.

As reported at the September 2021 Regular Board meeting, the claim amount is pending due to JPIA developing the loss figure.

## 3. Customer Service Monthly Activity Report

Customer Service Activity Report for the month of September 2021.

Total Calls	Calls Abandoned	% of Calls Abandoned	Average Wait on Queue	Max Wait on Queue	Average Talk Time
2,366	25	1.05%	18s	6m, 0s	2m, 59s

## 4. Community Outreach Report

### November Bill Insert

The November 2021 bill insert will begin on October 26, 2021, and will continue until November 29, 2021. A sample of the bill insert is shown below.

00255825



# H<sub>2</sub>O on the Go

November 2021



## Faces of SSWD | Ben Harris, Safety/Risk Officer

This month's spotlight is on SSWD Safety/Risk Officer Ben Harris. Ben is responsible for ensuring work place safety and facility security, as well as implementing and overseeing SSWD's Injury and Illness Prevention Program.

### Educational Background:

I have a bachelor's degree in Manufacturing Engineering from Cal State University Chico.

### Special Certifications:

Some of my special certifications/trainings include: Certified Hazardous Materials Manager, OSHA and Cal/ OSHA Authorized Outreach Industrial Safety Trainer, and Trained Trainer

*Faces of SSWD | page 2*

## Water Meter Milestone | Advanced Meter Reading in Use

SSWD reached an important landmark this fall when it replaced the last of the Automatic Meter Reading (AMR) endpoints.

In the early 1990s SSWD's predecessors, Arcade Water District and Northridge Water District, began installing AMR drive-by meter reading technology throughout the service area. AMR allowed for water meters to be read by devices installed in District trucks instead of having to manually read each meter in person.

SSWD continued utilizing this system until 2010 when a new meter reading technology, Advanced Metering Infrastructure (AMI), was selected and began to be deployed. AMI transmits water consumption data over a secure communications network eliminating the need for in-person or drive-by reading.

In the photo above General Manager Dan York joined Distribution Operator II Jerry Beams for the last drive-by meter read. Jerry was also part of the team that did the first AMR read back when he was on the staff at Arcade Water District.

## 20<sup>th</sup> Anniversary Calendar Magnets

Get them while they're hot! Celebrate SSWD's 20 years of providing high-quality water at a reasonable rate and stay in the know on important dates throughout the year.

Calendar magnets can be picked up at the District office at 3701 Marconi Ave #100, Sacramento, CA 95821 at the end of November. As our offices are still closed to the public, the magnets will be affixed to the front door. Come and peel yours off today!

[sswd.org](http://sswd.org)

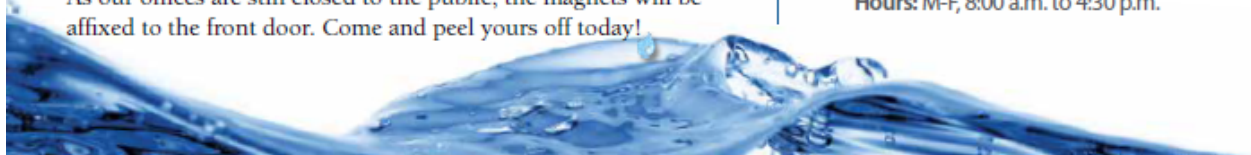
Phone: 916.972.7171

Fax: 916.972.7639

3701 Marconi Avenue, Suite 100

Sacramento, CA 95821-5346

Hours: M-F, 8:00 a.m. to 4:30 p.m.





## Dial Back Your Sprinklers this Winter

As the days get cooler and (hopefully) wetter, your sprinklers shouldn't need to run much or at all over the next few months. If the weather has been dry, check the soil moisture level first with a moisture meter or screwdriver to see if the soil is truly dry and water as needed.

You can also upgrade your old sprinkler timer with a "smart" WaterSense-labeled weather-based sprinkler timer. They use local weather data and information about your yard to precisely time how long sprinklers run. Rebates are available!

## Join Our E-Mail List

Would you like to stay up-to-date on SSWD happenings and developments? Join our email list at [sswd.org/about/e-notification](https://sswd.org/about/e-notification).

## Discovering a Leak With Help From SSWD

This past summer SSWD customer Rich heeded the call to conserve water during the drought and decided to stop watering his thirsty lawn and replace it in the fall with a low-water use landscape filled with drought-resistant plants, decomposed granite and mulch.

He noticed sections of his lawn still stayed green even though he had turned off his sprinklers. After reading in the SSWD newsletter that soggy spots in a yard can be signs of a leak, Rich decided to investigate and discovered a number of long-concealed leaks in his sprinkler system.

He is now working with a landscape design company to create his new low-water use yard and considering applying for rebates from SSWD to help with the cost.

## SSWD Holiday Hours

SSWD will be closed on the following days in November and December:

- ❖ **Thanksgiving Day**  
Thursday, November 25th
- ❖ **Friday after Thanksgiving**  
Friday, November 26th
- ❖ **Christmas Eve Day**  
Friday, December 24th
- ❖ **New Year's Eve Day**  
Friday, December 31st

## Faces of SSWD | from page 1

for Powered Industrial Equipment; Confined Space; and Fall Protection.

### Work experience before SSWD:

I worked as a plant and industrial engineer in heavy manufacturing for seven years and as an Environmental, Health and Safety Manager for 28 years.

### Typical workday:

My typical day involves developing written safety programs, training, managing inspections and needed corrective actions, researching and staying up to date on regulatory compliance, and overseeing SSWD's COVID effort.

### Best thing about your job:

The great people I work with at SSWD. And I'm not saying that for brownie points – I really mean it.

### Greatest challenge at work:

Working remotely during the COVID emergency. Being a safety professional is about interaction and being present; it's tough to do via Zoom or over the phone.

### Most valuable lesson learned:

The only real value a leader brings to an organization is their ability to help their employees become the best they can be.

### Secret talent:

I am the world's most accomplished dumpster diver...no, really I am.

### What you like to do in your free time:

Fishing (salmon, steelhead trout); woodworking and metalworking; tinkering on the stuff I find dumpster diving and giving it away or selling it; walking/hiking in the wilderness; being with my family.

### Play you in a movie:

Richard Dreyfuss in American Graffiti, or Gene Wilder in Young Frankenstein.





## Agenda Item: 20

**Date:** October 18, 2021

**Subject:** Engineering Report

**Staff Contact:** Dana Dean, P.E., Engineering Manager

Summarized below are significant Engineering Department activities. The report is separated into the following sections: a) Major Capital Improvement Program (CIP) Projects; b) Planning Documents; and c) Other.

Note on Availability of Parts and Materials

The impacts from COVID-19 on the world’s economies that began in mid-2020, particularly related to manufacturing and transportation of goods, continue to affect availability of parts and materials in the United States. This continues to impact our ability to complete CIP projects. Suppliers in general are indicating delays continue to be likely and unfortunately are impossible to predict. As a result, the project completion timeframes listed here are our best estimate and considered to be subject to significant change.

**a. Major Capital Improvement Program (CIP) Projects**

The District continues to deliver CIP projects consistent with the Board’s approved funding program.

**1) Supply – New Production Wells**

The table below shows stages of the current projects. Overall, projects are on-track for completion consistent with planning.

Well	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
78 Butano / Cottage Pumping Station	Complete	Q4 2021	N/A See footnote 2
79 Verner / Panorama <sup>1</sup> Pumping Station	Complete	Q1 2022	Project completion is delayed from Q4 2021 to Q1 2022 due to material availability
80 Walnut/Auburn Production Well	Complete	Q4 2021	N/A

<sup>1</sup> Grant-funded project: 2019 Proposition 1 Integrated Regional Water Management Implementation Grant.

<sup>2</sup> Project schedule is becoming less clear owing to increased uncertainty for delivery of materials and parts. Project completion may extend into early 2022.

**2) Distribution**

Main Replacement Program

The table below shows stages of the current major main replacement/improvement projects. Overall, projects are on-track for completion consistent with planning.

Project	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
Q Street (4.7 miles of main)	Q1 2022	TBD	N/A

Meter Retrofit Program

The Meter Retrofit Program is on track to be complete in 2022, before the State deadline of January 2025. The remaining work consists of a relatively small number of unmetered services located throughout the District. The final metering component is a condominium complex of about 200 units that will be metered by way of a main replacement project anticipated to be completed in CY2022.

Project	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
2021 Project (941 meters)	Complete	Complete	Project has been completed

**b. Planning Documents**

The District has planning documents (e.g., Asset Management Plans (AMPs) and Master Plans (MPs)) for all of its infrastructure categories. Plans are generally updated on a staggered schedule and the update frequencies range from 4 to 6 years. The table below lists the plans scheduled for updates in the near future with approximate completion time frames.

Plan	Approximate Completion	Change in Completion Status Since Last Report
Reservoir and Booster Pump Station AMP	Q4 2022	N/A
Meter AMP	Q4 2022	N/A

**c. Other**

**Major Activities Related to Active Wells**

The table below shows current Condition Assessment (CA) work. A CA is the initial step in determining whether: 1) a well requires rehabilitation or repair; and 2) a pump requires repair or replacement.

<b>Well</b>	<b>Approximate Completion</b>	<b>Change in Completion Status Since Last Report</b>
25 Thor/Mercury	Q1 2022	Project rescheduled for completion in first part of 2022
35 Ulysses/Mercury	Q1 2022	Project rescheduled for completion in first part of 2022
60 Whitney/Concetta	December	N/A
68 Northrop/Dornajo	November	N/A
70 Sierra/Blackmer	Q1 2022	Project rescheduled for completion in first part of 2022
N1 Evergreen	October	N/A
N30 Park Oaks	October	N/A

The table below shows the current work for well casing repair or rehabilitation, pump repair or replacement, and other well facility activities.

<b>Well</b>	<b>Activity</b>	<b>Status</b>	<b>Approximate Completion</b>	<b>Change in Completion Status Since Last Report</b>
41 Albatross/ Iris	Electrical Repair	Construction	October	N/A
52 Weddigen/ Gothberg	Electrical Repair	Construction	November	N/A
N8 Field	Electrical Repair	Construction	October	Instrumentation availability has delayed the project completion from September to October
N30 Park Oak	Pump Repair	Construction	October	Motor vendor delay pushed project completion from September to October
13 Calderwood/ Marconi	Water Quality Assessment	Investigation	December	N/A
N6A Palm	Water Quality Assessment	Investigation	Q1 2022	N/A

N20 Cypress	Water Quality Assessment	Investigation	Q1 2022	N/A
69 Hilldale/ Cooper	Water Quality Assessment	Investigation	TBD	N/A
N33 Walerga	Water Quality Assessment	Investigation	TBD	N/A
N34 Cottage	Electrical Issue	Investigation	TBD	N/A
N38 Coyle	Water Quality Assessment	Investigation	TBD	N/A
72 River Walk/NETP	Water Quality Assessment	Planning	TBD	N/A

### **Safety Upgrades for the Administration Building’s Backup Electrical System**

This project will provide the Administration Building with an electrical distribution panel compliant with National Fire Protection Association’s Standard 70E (*Standard for Electrical Safety in the Workplace*). Material delays are expected to extend the project completion into Q1 2022 from the original estimate of Q3 2021.

### **Operational Upgrades to Reservoirs and Booster Pump Stations (BPS)**

#### Antelope & Watt/Elkhorn Reservoir and BPS:

This project will provide an operational retrofit of these two facilities to make them fully functional, and to allow for optimized energy efficiency during peak-hour demand periods. Project schedule is becoming less clear owing to increased uncertainty for delivery of materials and parts and project completion may extend into early 2022 from the original expected completion of Q4 2021.

#### Enterprise Reservoir and BPS:

This project will allow turnover of the reservoir during groundwater deliveries to City of Sacramento, and optimized energy efficiency during peak-hour demand periods. This project is expected to be complete in Q4 2021.





### Agenda Item: 21

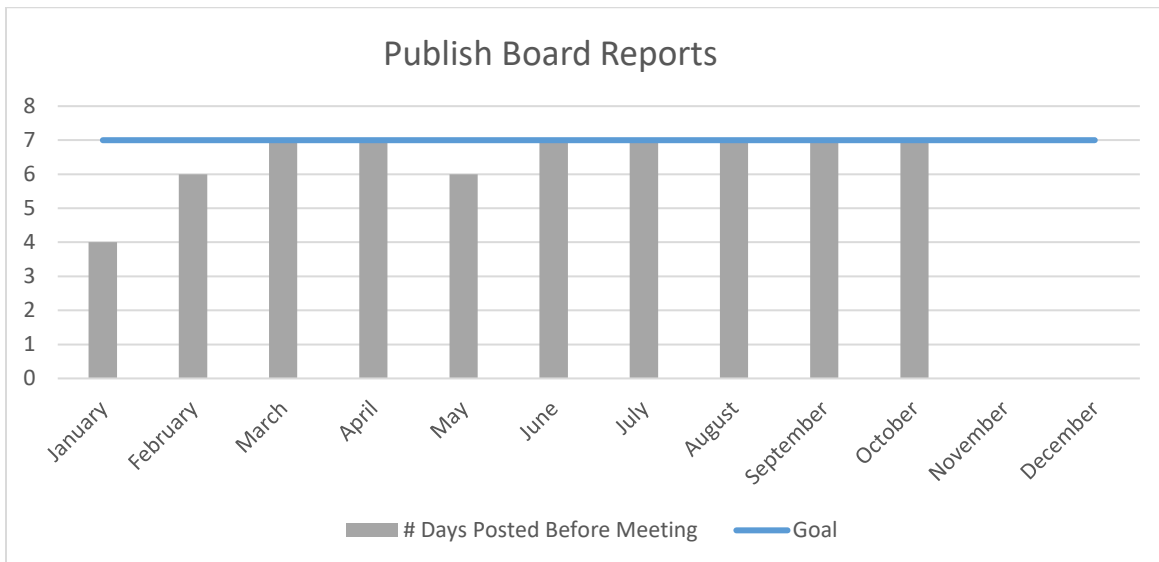
**Date:** October 18, 2021

**Subject:** Sacramento Suburban Water District Goals – 2021 Update

**Staff Contact:** Dan York, General Manager

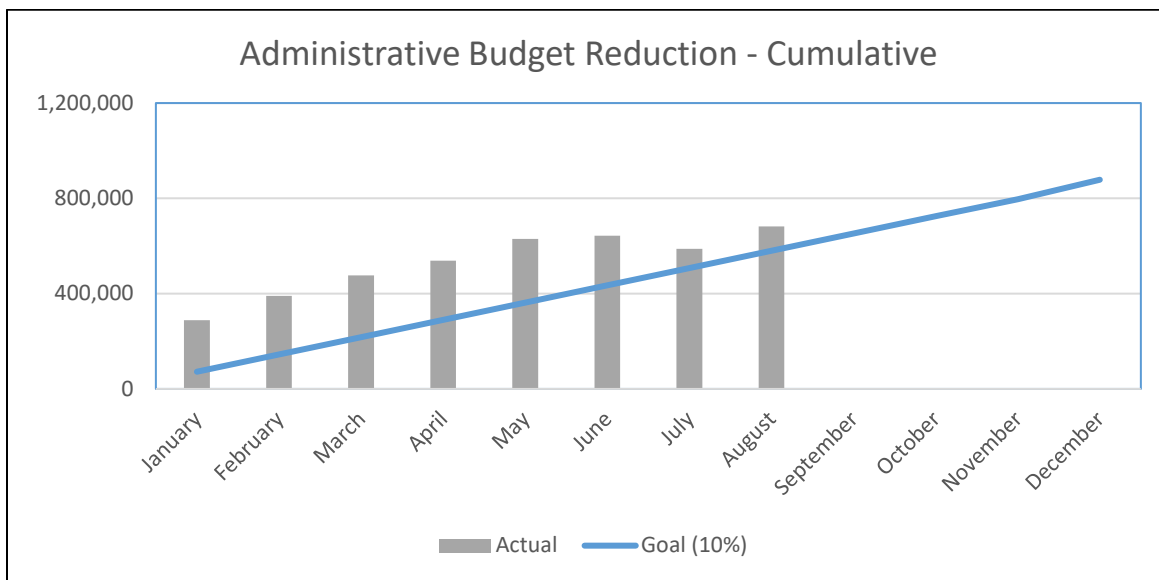
Each year the Board provides the General Manager a list of District goals to be achieved throughout the calendar year. Commencing in February 2021, the General Manager will provide a monthly update on the status of each goal. In no priority order, below are the goals for 2021:

1. Distribute and post the full Board agenda one week prior to a Regular/Special Board meeting. Status: See the graph below. The January Board packet was complete and ready to post one week in advance, however, it was not posted due to the General Manager and Board President finalizing the General Manager’s contract negotiations. The February Board packet was complete and ready to post one week in advance, however, it was posted one day late due to February 15<sup>th</sup> being a recognized holiday. The March and April Board packets were completed and posted on target. The May Board packet was completed on Tuesday, May 11<sup>th</sup> as the Governor’s Drought Declaration was not announced until late Monday, May 10<sup>th</sup>. The June, July, August, September and October packets were completed and posted on time.



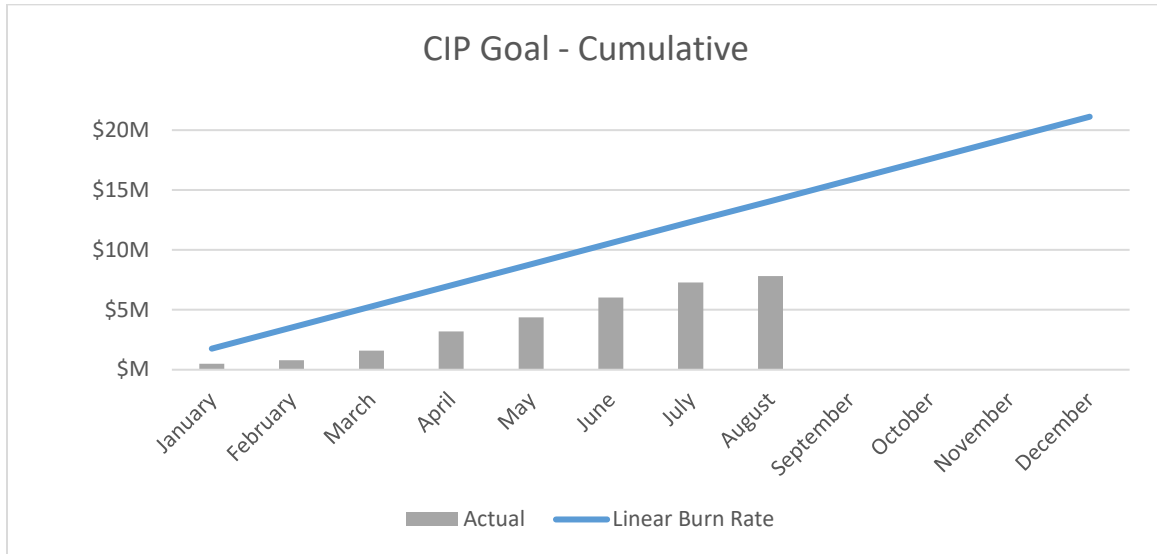
2. Meet with the Board in March 2021, and January thereafter, for an annual and long-term (5-10 year) planning session, which will include goals from the Strategic Plan. Status: The subject planning session was presented at the March 15<sup>th</sup> regular Board meeting. Staff is planning on presenting an overview of the Business Initiatives, as well as long-term goals at the November regular Board meeting.

3. Improve the clarity and brevity of staff reports using an “Issue Paper” format to be developed with Board input. Status: Staff met with Director McPherson on March 16<sup>th</sup> to discuss the process of altering the staff reports to provide clarity and brevity for the Board. Staff began utilizing the new process beginning at the May 17<sup>th</sup> Regular Board meeting. Positive feedback received from various Board members.
4. Achieve a 10% reduction in the administrative budget. Status: See the below graph. The August cumulative data shows a 12% reduction year to date, however, expenses are not consistent from month to month and variations in the actual savings for each month will occur.



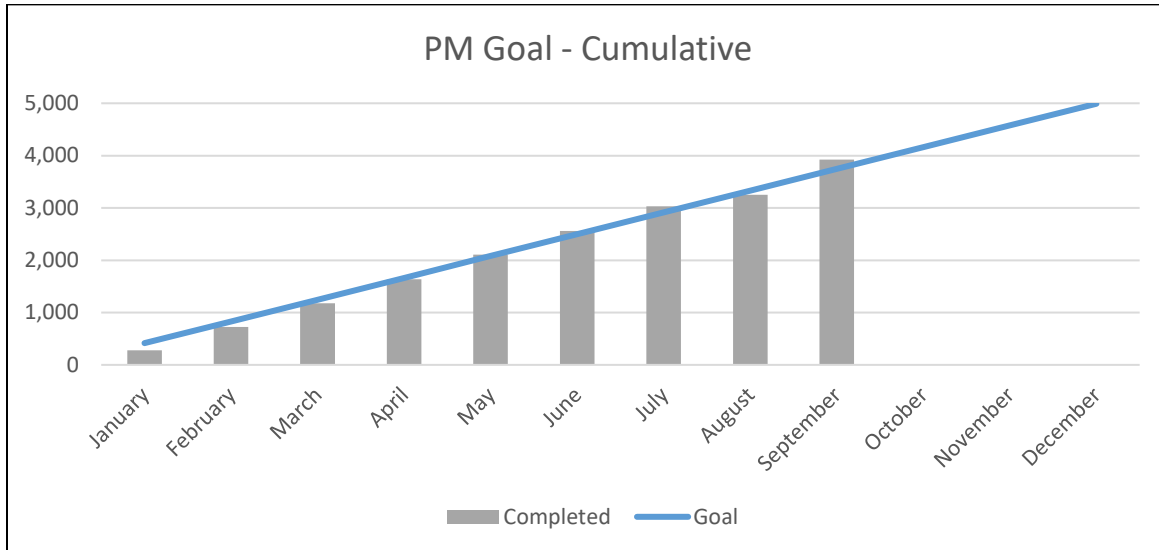
5. The 2022 budget shall include a full explanation of the proposed percentage for merit increases. Status: At the February 17, 2021 Employee Benefits Ad Hoc Committee, staff was provided direction to bring back the analysis on a previous survey conducted by staff related to how salary increases, as well as the percentage, are implemented in both the public and private sector. Staff provided the subject analysis to the Board at the August 2021 regular Board meeting in Agenda Item 14, and as part of the discussion on Calendar Year 2022 Budget Assumptions, Agenda Item 8.
6. Complete the CIP program as defined by District planning documents to meet CIP objectives within 5% of budget expenditures. Provide semi-annual status of updates on the progress of major projects, such as the AMI failure repair, and meter installation and main replacement. Status: Staff provided an update on the above mentioned projects at the September 2021 regular Board meeting. The below graph indicates the CIP Budget spent through August 2021. Also shown is a straight-line burn rate for reference. Note that historical burn rate is not linear and generally lags well below the linear line in the first part of the calendar year. Additionally, CIP amounts spent typically fluctuate non-linearly during the year. Through August 2021, \$7.82 million has been spent with \$8.48 million under commitment, which together is about 77% of the budget. While this progress is within historical ranges, this year

(as last) continues to see delay in parts and materials availability that impact project schedules.



7. Complete the SCADA Asset Management Plan update by July 2021. Status: The SCADA Asset Management Plan update was completed in July 2021.
8. Provide annual progress on acquired properties and new well development as defined in the planning documents. Status:
  - Well 80 Walnut/Auburn – This property was acquired in 2020. The District is in the process of well design and permitting, and CEQA for the overall development. Construction of the groundwater well is expected to be completed in late 2021, and the pump station is anticipated to be operational in 2023.
  - Well 7 / Seely Park – Staff continues to work with Fulton-El Camino Recreation and Park District (FECRPD) on the Seely Park / Well 12 property exchange. FECRPD received outside funding to develop Seely Park, which imposed constraints on use and exchange of property. These constraints impact the land exchange with the District. FECRPD is diligently working through the process to lift those constraints and no roadblocks have been identified, however, an estimate of when this process will be resolved is not possible at this time.
  - Walerga site – Staff has entered purchase negotiations with the owners for this site that was approved for purchase by the Board at the May 2021 regular meeting. Staff has recently learned that acquisition of this site will require securing an approved parcel map through Sacramento County. This process is anticipated to take about 9 months, and must be completed before a purchase can take place. As such, acquisition is not anticipated to be completed until mid-2022.
  - Antelope Road / Don Julio Boulevard site – Staff has entered purchase negotiations with the owner for this site that was approved for purchase by the Board at the July 2021 regular meeting. Staff anticipates completing the purchase this year.

9. Complete PM operations on a minimum of 20% of District assets per year. Status: See the below graph that indicates the number of PM tasks conducted through September 2021.



10. Pursue water transfer opportunities to benefit the District. Status: The Sacramento Region was interested in a 2021 water transfer. Interested parties were Cities of Folsom and Sacramento, Carmichael Water District, County of Sacramento, San Juan Water District, and Sacramento Suburban Water District. However, due to the current drought conditions, a water transfer in 2021 will not occur.

11. Provide key leadership on Regional issues. (i.e., RWA, SGA and cooperative agreements). Status: The District is involved in the following:

- Sacramento Region Meter Collaboration Effort
- Sacramento Region Collaboration Study
- RWA Federal Affairs Committee
- RWA Purchasing Committee
- SGA / SCGA - 3x3 Committee
- Sacramento Regional Water Bank
- RWA Executive Committee –Vice Chair
- RWA Executive Director Performance Evaluation Committee
- Water Forum 2 Re-Negotiations



## Agenda Item: 22

**Date:** October 18, 2021

**Subject:** Water Conservation Update

**Staff Contact:** Greg Bundesen, Water Conservation Supervisor

On May 17, 2021, the Board of Directors (Board) declared Adequate Water Supply conditions and called on all District customers to use water as efficiently as possible. To use water as efficiently as possible, the Board recommended that customers water their lawns only three days per week, set their weather-based sprinkler timers to 80% of evapotranspiration, install pool covers, fix leaks within 48 hours of discovery, participate in District rebate programs, and participate in a Water-Wise House Call. The Board increased Water Conservation Program funding to implement additional rebate programs, conduct late-night water use review, conduct door-to-door messaging, and provide monthly water conservation-related staff presentations. Staff did not request that the Board assign any kind of voluntary reduction target (i.e. 10%, 15%, etc.), as District supplies were, and remain, adequate to provide 100% of customer demand.

On July 8, 2021, California Governor Gavin Newsom, issued a Proclamation of a State of Emergency (Proclamation) and Executive Order N-10-21. Executive Order N-10-21 calls on all Californians to voluntarily reduce their water use by 15% from their 2020 levels.

In addition to the voluntary calls for water conservation, the Executive Order states that the State Water Resources Control Board (SWRCB) shall track and report monthly on the state's progress toward achieving a 15% reduction in statewide water use as compared to 2020 water use. At the September 21, 2021, SWRCB meeting, it was noted that California reduced water use by only 1.8% in July. August data will not be announced until the October SWRCB meeting.

Staff has analyzed the 2021 water production for July 2021 and compared it with the water production from July 2020. The District reduced water use by 4.22% in July 2021 when compared to July 2020. Though the SWRCB has not reported the data for August 2021, and, when compared to August 2020, the District reduced water use by 8.11%. Since the Governor requested the voluntary 15% reduction in water use, the District has cumulatively reduced water use by 6.2%.

Since the Board declared Adequate Water Supply conditions, the Water Conservation Department has been implementing additional programs approved by the Board. Staff has conducted late night water waste patrol and notified 146 customers of incidents of water waste. The District has received some feedback from customers who have been grateful that we notified

## Water Conservation Update

October 18, 2021

Page 2 of 2

them of their water use. Many were not aware of their situation due to the fact that their sprinklers turn on after they are asleep. Staff has also conducted 61 Water-Wise House Calls and 31 Leak Investigations. Staff has also issued rebates for 2 pool covers, 10 weather based sprinkler timers, 1 rain sensor, 5 irrigation upgrades, and 3 toilets. Staff conducted various community outreach events such as a water conservation informational class on August 27<sup>th</sup>, door-to-door message delivery on September 25<sup>th</sup>, and the regional Mulch Mayhem event also on September 25<sup>th</sup>.

The door-to-door messaging program delivered water conservation related door hangers to 4,500 customers from the highest water using areas of the District. The door hanger advertised ways customers can save water by taking the “15 Gallon Challenge”. The 15 Gallon Challenge asks customers to select a few different actions to reduce water use by 15 gallons. The Mulch Mayhem event provided customers with complementary mulch. Mulch is beneficial in gardens by reducing the amount of water evaporated from the soil during the summer months and insulating a plants roots in the winter months. The event provided 97 customers with mulch for their yards.

The District’s next event, Conservation in the Garden, will occur on October 21, 2021, from 12:00 p.m. to 1:00 p.m., at the Garden on Eden located on Eden Court in Carmichael. The event will provide customers with information regarding outdoor water use, efficient irrigation practices, and the functionality of the Garden’s design. The District will be advertising via online ads, the District’s website, and various local newspapers.

There is no current indication that the SWRCB is going to make any mandatory water conservation declarations before the fall or winter. Staff will continue to promote water conservation and use efficiency into the fall and winter with hopes that California receives enough rain to move the state out of exceptional drought conditions.



## Agenda Item: 23

**Date:** October 18, 2021

**Subject:** Customer Service Area Security Upgrade Project

**Staff Contact:** Julie Nemitz, Customer Services Manager

### **Background:**

The Customer Service Area Security Upgrade Project (Project) has been completed. The Project was undertaken to help mitigate the potential for workplace violence for staff. As reported during the June 2021 Board meeting, staff is subject to identified risk factors to include: contact with the public, the exchange of money, working with unstable or volatile persons, and working in a community-based setting. The Project was intended to provide a level of security consistent with the industry standard for workplaces with such risk factors, which includes Level II ballistic protection similar to that seen in a banking environment.

### **Discussion:**

The Project's Level II protection consists mainly of the installation of new ballistic wall paneling components and clear acrylic ballistic windows to provide industry-standard protection for staff. A primary goal of the Project was to maintain the open and welcoming atmosphere that previously existed in the Customer Service area. The Project also included replacement of the glass walls and doors located between the Customer Service area and the Board Room to eliminate the ability of unauthorized persons to easily access the facility from the Customer Service lobby. Remaining improvements included minor electrical and network cabling, as well as the installation of a monitor on the lobby wall to provide real-time outreach information to visting customers.

As required by the Project's County permit, Americans with Disabilities Act (ADA) improvements have been made to the exterior of the building, primarily in the parking lot and public access areas.

While the lobby continues to remain closed to the public due to COVID-19 concerns, staff looks forward to welcoming customers in soon, and to safely serving customers from this improved space for years to come.



## Agenda Item: 24

**Date:** October 18, 2021

**Subject:** Well Pump Efficiency Testing Annual Report

**Staff Contact:** Todd Artrip, Operations Manager

As part of a continuing effort to monitor and maintain the District's groundwater wells and associated pumping equipment, the District conducts annual Well Pump Efficiency Tests. The data gathered from these tests each year is used to assess the condition and performance of the District's wells, pumps, and motors over time. Decreasing efficiency can be indicative of a worn pump, failing motor, or plugging of the well screens. The flow data from these test is also used for validating water production for SB-555, which requires urban water utilities to submit a validated Water Loss Audit by October of each year.

The Production Department typically conducts Well Pump Efficiency Tests on an annual basis for each available well. "Lead" wells operate frequently, as they are the first to respond to system demands. The remaining available wells operate as "Lag" sources to provide additional supply when demands increase. The operational status of each well as Lead or Lag is determined by a number of criteria, including (but not limited to) yield, well pump efficiency, water quality, localized pressure needs, and the overall hydraulic conditions of the distribution system. Staff assess these designations on a regular basis to operate production facilities as efficiently as feasible, while continuously meeting system demands.

Well Pump Efficiency Tests typically consist of a three-point test; one test is performed at normal operating pressure, and the other two are performed against successively greater pressures. Three-point testing performed during varying operating conditions provides the District with a range of data to comprehensively assess the condition of each well and pump.

A summary of the results from this year's testing are shown in the graph on the following page. According to the data, all (100%) of the District's Lead wells that were tested are operating at or above 60% efficiency, which is the target set by the District. This finding is evidence of the benefit of the District's well maintenance and rehabilitation program, which supports the District's ability to reliably and efficiently provide groundwater to our customers. Wells with lower efficiencies are examined to determine the probable cause then assess whether there is a need for remediation (such as pump/motor repair or well rehabilitation) to improve efficiency and overall performance. Additionally, using the more efficient wells as Lead sources when feasible helps to reduce electrical costs from groundwater pumping.

The data shows that 69% of the Lag wells tested in 2020 had efficiencies at or above 60%. Lag wells generally have lower efficiencies than Lead wells, in part because well efficiency is one of

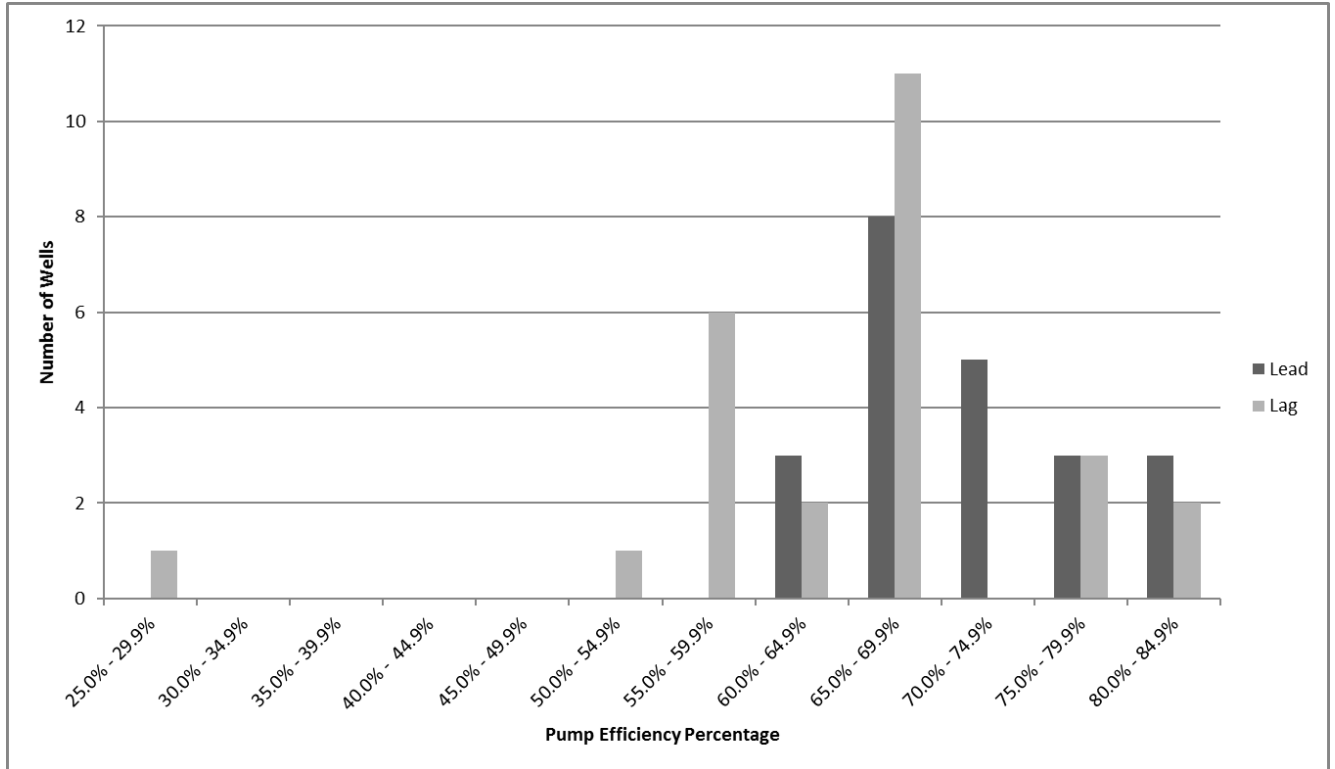


# Well Efficiency Testing Annual Report

October 18, 2021

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the criteria used to determine the wells operational status designations. Furthermore, older wells are oftentimes kept in Lag status to operate when needed during increased demands.



**From:** Rich <[@gmail.com](#)>  
**Sent:** Wednesday, September 15, 2021 8:46 AM  
**To:** feedback <[feedback@sswd.org](#)>  
**Subject:** Reduced water use at Juno Way

Hi!

I own a corner lot with a large expanse of lawn, which has consumed a lot of water over the 30 years I've been here. When I heard the Governor's appeal to all Californians to reduce their consumption, I decided to stop watering my 3100 square feet of lawn, and to replace it with decomposed granite, bark mulch, and drought-resistant plants. Green spots in the dying lawn reveal long-concealed underground leaks in the irrigation system. I'm working with a local landscape company to implement the new design.

Thanks for your "Water Matters" newsletter - all in favor of your water-conservation efforts!

-Rich



## Agenda Item: 26

**Date:** October 18, 2021

**Subject:** Upcoming Water Industry Events

**Staff Contact:** Heather Hernandez-Fort, Executive Assistant to the General Manager

Note that the Board adopted Policy governing Director compensation and expense reimbursement section 200.20(g) states that Directors may receive a meeting stipend (currently \$100.00) for “meetings, water industry events or office visits of a substantial duration concerning substantive District business as requested and approved for payment by the General Manager or the Board President...” Just because information is presented on upcoming water industry events, or regularly scheduled meetings of other water districts, does not necessarily imply that approval for a compensable meeting or reimbursement of expenses are triggered.

Below is a list of upcoming water industry events:

### Upcoming Events

1. Cal-NV AWWA Annual Fall Conference  
October 18-21, 2021  
Virtual  
<https://www.awwa.org/ace/>
  
2. Cap-to-Cap  
October 25-29, 2021  
Virtual/In Person  
<http://business.metrochamber.org/events/details/2021-capitol-to-capitol-virtual-program-26612>
  
3. RWA Board Meeting  
November 4, 2021  
Virtual  
<https://rwah2o.org/meetings/board-meetings/>
  
4. ACWA 2021 Fall Conference & Exhibition  
November 30 – December 3, 2021  
Pasadena, CA  
<https://www.acwa.com/events/>

## Upcoming Water Industry Events

October 18, 2021

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5. LAFCo Board Meeting  
December 1, 2021  
Virtual  
<https://sac.lafco.saccounty.net/Pages/default.aspx>
6. SGA Board Meeting  
December 9, 2021  
Virtual  
<https://www.sgah2o.org/meetings/board-meetings/>
7. ACWA 2022 Spring Conference & Exhibition  
May 3, 2022 – May 6, 2022  
Sacramento, CA  
<https://www.acwa.com/events/page/3/>
8. ACWA 2022 Fall Conference & Exhibition  
November 29, 2022 – December 2, 2022  
Indian Wells, CA  
<https://www.acwa.com/events/page/3/>

**Below is a partial list of local Water Purveyors Regular Board Meeting information and websites:**

- Carmichael Water District: <http://carmichaelwd.org/> - Every 3<sup>rd</sup> Tuesday of the month at 6:00 p.m.
- Citrus Heights Water District: <http://chwd.org/> - Every 3<sup>rd</sup> Wednesday of the month at 6:30 p.m.
- Del Paso Manor Water District: <https://www.delpasomanorwd.org/> (916)487-0419 - Every 1<sup>st</sup> Tuesday of the month at 6:30 p.m.
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 2<sup>nd</sup> Wednesday of the month at 10:00 a.m.
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2<sup>nd</sup> and 4<sup>th</sup> Mondays of the month at 9:00 a.m.
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2<sup>nd</sup> Monday of the month at 6:30 p.m.
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2<sup>nd</sup> Tuesday of the month at 9:00 a.m.
- Orangevale Water Company - <https://orangevalewater.com/> - Every 1<sup>st</sup> Tuesday of the month at 4:00 p.m.
- Placer County Water Agency: <https://pcwa.net/> - Every 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of the month at 2:00 p.m.
- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3<sup>rd</sup> Monday of the month at 6:30 p.m.
- San Juan Water District: <http://www.sjwd.org/> - Every 4<sup>th</sup> Wednesday of the month at 6:00 p.m.

**REGIONAL WATER AUTHORITY  
EXECUTIVE COMMITTEE AGENDA  
September 22, 2021; 8:30 a.m.**

**AMENDED AGENDA**

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 847-7589. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Executive Committee may consider any agenda item at any time during the meeting.

**Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting will be held via teleconference.**

**We encourage Committee members and participants to join the meeting 10 minutes early. Note that we will use GoToMeeting to share slides and other information during the meeting. Use the link below to join GoToMeeting. If you have a microphone that you can use with your computer, it should be possible to both listen to, and participate in, the meeting through GoToMeeting. If you do not have a microphone, or a headset with a microphone, that plugs into your computer via USB port, you will need to call into the conference line to listen and comment, although you still should be able to view the meeting materials on GoToMeeting. Please do not simultaneously use a microphone through GoToMeeting and the telephone conference line. That combination results in audio problems for all participants.**

**Meeting Information:**

RWA Executive Committee Meeting  
Wed, Sep 22, 2021 8:30 AM - 11:00 AM (PDT)

**Please join my meeting from your computer, tablet or smartphone.**  
<https://global.gotomeeting.com/join/503030693>

**You can also dial in using your phone.**  
United States: [+1 \(872\) 240-3412](tel:+18722403412)

**Access Code: 503-030-693**

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the committee may do so at this time. Please keep your comments to less than three minutes.

**3. CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(e) AND 54957(b)(1) – PUBLIC EMPLOYEE APPOINTMENT**

Title: Executive Director

**4. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS UNDER GOVERNMENT CODE SECTIONS 54954.5(f) AND 54957.6**

Agency designated representatives: Sean Bigley, Dan York, and Tony Firenzi  
Unrepresented employee: Executive Director

**5. CONSENT CALENDAR**

Minutes of the August 25, 2021, Executive Committee meetings

**Action: Approve Consent Calendar Items**

**6. EMERGENCY PLANNING PROCESS AND FACILITATION**

Information and Discussion: Michelle Banonis, Manager of Strategic Affairs

**7. EXECUTIVE DIRECTOR'S REPORT**

**8. DIRECTORS' COMMENTS**

**ADJOURNMENT**

**Upcoming meetings:**

Executive Committee Meetings: Wednesday, October 27, 2021, at 8:30 a.m. and December 13, 2021, at 8:30 a.m. at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

Regular Board Meeting: Thursday, November 4, 2021, 9:00 a.m., at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

The RWA Board Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the packet.

**SACRAMENTO GROUNDWATER AUTHORITY**  
**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
Thursday, October 14, 2021; 9:00 a.m.

**AGENDA**

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection on SGA's website. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact [cpartridge@rwah2o.org](mailto:cpartridge@rwah2o.org). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

**Meeting Information:**

SGA Board Meeting  
Thu, Oct 14, 2021 9:00 AM - 11:00 AM (PDT)

Please join my meeting from your computer, tablet or smartphone.  
<https://global.gotomeeting.com/join/830412549>

You can also dial in using your phone.  
United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: 830-412-549

**1. CALL TO ORDER AND ROLL CALL**

**2. AUTHORIZE A TELECONFERENCE MEETING**

**Action: Adopt Resolution 2021-02, including requisite findings, to continue to hold meetings of the Board of Directors via teleconference pursuant to Assembly Bill 361 until such time as the State of Emergency resulting from the COVID-19 pandemic no longer impacts the ability of Board members and the public to safely meet in person.**

**3. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

**4. CONSENT CALENDAR**

Minutes of August 12, 2021 meeting  
**Action: Approve Consent Calendar**

**5. GROUNDWATER SUSTAINABILITY PLAN IMPLEMENTATION MEMORANDUM OF AGREEMENT**

Information and Discussion: Brett Storey, West Yost and Rob Swartz, Manager of Technical Services



**6. DRAFT GROUNDWATER SUSTAINABILITY PLAN**

Presentation and Discussion: Rob Swartz, Manager of Technical Services

**7. GROUNDWATER MANAGEMENT PROGRAM UPDATE**

Information and Discussion: Rob Swartz, Manager of Technical Services

**8. SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

Discussion: Jim Peifer, Executive Director

**9. APPOINTMENT OF NOMINATIONS COMMITTEE FOR 2022 SGA OFFICERS**

Action: Chair Ewart to Appoint Nominations Committee for 2022 SGA Officers

**10. EXECUTIVE DIRECTOR'S REPORT**

**11. DIRECTORS' COMMENTS**

**ADJOURNMENT**

**Next SGA Board of Director's Meetings**

October 14, 2021, 2:00 p.m., SGA Special Board Meeting - Getting to Know SCGA, at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights. The location is subject to change depending on the COVID-19 emergency.

December 9, 2021, 9:00 a.m. SGA Board Meeting, at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights. The location is subject to change depending on the COVID-19 emergency.

Notification will be emailed when the SGA electronic packet is complete and posted on the SGA website at <https://www.sgah2o.org/meetings/board-meetings/>.

**SACRAMENTO GROUNDWATER AUTHORITY  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
Thursday, October 14, 2021; 2:00 p.m.**

**AGENDA**

**WORKSHOP: GETTING TO KNOW THE SCGA**

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection on SGA's website. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact [cpartridge@rwah2o.org](mailto:cpartridge@rwah2o.org). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

**SGA Special Board Meeting - Getting to Know SCGA  
Thu, Oct 14, 2021 2:00 PM - 3:00 PM (PDT)**

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/674567389>

You can also dial in using your phone.

**United States: [+1 \(872\) 240-3311](tel:+18722403311)**

Access Code: **674-567-389**

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT:** Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.
- 3. WORKSHOP: GETTING TO KNOW SCGA**  
Presentation: Jim Peifer, RWA and SGA Executive Director and John Woodling  
SCGA Interim Executive Director

**ADJOURNMENT**

**Director Locke's AB1234 Meetings**

**September 7th**

**Del Paso Manor Board Meeting**

**September 8<sup>th</sup>**

**Developing Your Leadership Skills; Building Depth for Succession - CWEA**

Utilizing proven principles and practices, attendees will gain an awareness and greater understanding of some critical leadership issues, along with some practical applications that will help them reach new leadership heights. This session is designed to equip water/wastewater professionals in successfully fulfilling their responsibility as a leader/team member and how to improve as they function in that role, and with the knowledge to help develop themselves and others into better leaders.

**September 9th**

**RWA Board Meeting**

**September 15th**

**Aerojet CAG**

**September 16th**

**Meet with Director Nelson CWD**

**September 20th**

**SSWD Board Meeting**

**September 21st**

**AWWA - Machine-Intelligent Non-Acoustic Leak Detection**

Electro Scan's breakthrough leak detection technology – already being adopted by leading American & British water companies – represents the first machine-intelligent non-acoustic solution with test results not dependent on customer usage, flow velocities, groundwater, pipe material, pressure, and street noise. Accurate leak locations to the nearest inch and severities expressed in Gallons per Minute (GPM), explains its Product of the Year.

For years, global water utilities have battled the lack of precise leak locations, inability to determine leak severities in industry accepted metrics like GPM, and numerous false-positive readings from acoustic data loggers, correlators, listening sticks and sensors. Often resulting in finding low quality leaks or digging dry holes, water utilities have been further hampered by audio disturbances caused by street noises, pipe sounds made from customer usage, high groundwater levels or surrounding water plumes that muffle or silence leak vibrations, dampening effects from newer composite pipe & repair materials, flow patterns, and variable pressure readings. Just some of the reasons why we don't use acoustics to certify new pipes or repairs as leak-free.

Instead of listening (acoustically), seeing (visually), or smelling (helium tracing), attendees will learn how machine-intelligent technology can automatically measure the size of holes, by combining Ohms' Law, plus Torricelli's Law.

Participants will hear from Chuck Hansen, who was challenged by long-time friend and colleague, Ken Kerri, PhD, PE, to find a better way to assess pressurized water pipes and gravity sewer mains, especially after Trenchless repairs and relining. Establishing Electro Scan (UK) Ltd. in 2014, participants will get first-hand knowledge of how British regulators have challenged mostly private equity-backed water

utilities to balance consistent high levels of capital investment with increasing environmental, governance, and stewardship standards on behalf of British ratepayers.

**September 22th**

**ACWA Groundwater Committee**

**September 23rd**

**Citizens' Initiatives and Proposition 218**

Best & Krieger LLP attorneys Lutfi Kharuf and William Priest's session, "Citizens' Initiatives and Proposition 218: How Recent Cases Impact Voter Approval Requirements for Special Taxes," will discuss special tax initiatives, campaigning by public employees, the use of public funds in elections and more.

**September 29th**

**CWD 2x2**



## Minutes

### Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

Wednesday, September 29, 2021

#### Location:

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #837 8124 8848

#### Call to Order – Videoconference/Audioconference Meeting

Chair Nelson called the meeting to order at 3:31 p.m.

#### Roll Call

SSWD Directors

Present: Craig Locke and Dave Jones.

SSWD Directors

Absent: None.

CWD Directors

Present: Mark Emmerson (arrived at 3:37) and Jeff Nelson.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Todd Artrip, Susan Schinnerer, and Dana Dean.

CWD Staff Present: General Manager Cathy Lee.

Public Present: William Eubanks, Greg Zlotnick, Ted Costa, Kevin Thomas, Tony Barella, and Bob Wichert.

#### Announcements

Chair Nelson expressed that Director Emmerson would be a few minutes late to the meeting.

#### Public Comment

None.

## Consent Items

1. **Minutes of the August 24, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting**  
Director Locke moved to approve the Consent Item; Director Jones seconded. The motion passed by unanimous vote.

AYES:	Locke, Jones, and Nelson.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Emmerson.		

## Items for Discussion and/or Action

2. **Collaboration Opportunities**  
Sacramento Suburban Water District (SSWD) General Manager Dan York (GM York) presented the staff report.

Director Emmerson joined the meeting at 3:37 p.m.

Carmichael Water District General Manager Cathy Lee (GM Lee) provided additional information to the staff report.

Director Locke inquired on cost impacts and requested to meet offline.

Director Emmerson expressed he was in favor of the collaboration opportunities.

Chair Nelson expressed his appreciation for staff's efforts.

3. **Joint Board Meeting Presentation Material**  
GM York and GM Lee both presented the staff report and highlighted some of the PowerPoint presentation slides.

The Committee agreed to use the word combination in place of consolidation, per legal counsel's advice.

Director Locke suggested staff provide some additional discussion on some topics such as rates, at the Joint Board Meeting. He added to try to keep it easy for all to understand.

Director Emmerson suggested to look at the average lot size in the region.

Director Locke additionally requested staff eventually look at the system state of affairs for each District.

GM York expressed staff could show a side by side, and acknowledged it was a great suggestion.

Director Emmerson added to compare the financial capacity and capacity of the water systems of each District.

GM York expressed that LAFCo has conducted a similar survey on this in the past, as well as Department of Drinking Water's Annual Sanitary Survey.

The Committee agreed for staff to present the presentation to the full Boards at the Joint Board Meeting.

4. **Next Meeting Date and Time**

Chair Nelson recommended making a decision on the next meeting of the CWD/SSWD 2x2 Committee after the October 6, 2021, Joint Board Meeting.

The Committee agreed.

5. **Public Comment**

None.

**Adjournment**

Chair Nelson adjourned the meeting at 4:08 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

**Minutes**

Sacramento Suburban Water District  
**Employee Benefits Ad Hoc Committee**  
Monday, October 4, 2021

**Location:**

Video and Audio Conference at 1-669-900-6833, or Zoom at Meeting Id # 857 5186 3500  
3701 Marconi Avenue, Suite 100, Sacramento, CA 95821

**Call to Order – Videoconference/Audioconference Meeting**

Chair McPherson called the meeting to order at 4:02 p.m.

**Pledge of Allegiance**

Chair McPherson led the Pledge of Allegiance.

**Roll Call**

Directors Present: Kevin Thomas and Kathleen McPherson.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Susan Schinnerer, Jim Arenz, Robin Geiger, Jeff Ott, Lynn Pham, and Michelle Hirt.

Public Present: Dave Jones, Craig Locke, Josh Horowitz, and Robert Wichert.

**Announcements**

General Manager, Dan York (GM York) announced:

- Additions to the staff report for Item 2 were at the dais as well as the table for public.

**Public Comment**

None.

**Consent Items**

**1. Minutes of the September 1, 2021, Employee Benefits Ad Hoc Committee Meeting**

The Committee unanimously approved Item 1.

AYES:	Thomas and McPherson.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			



## **Items for Discussion and Action**

### **2. Employee Handbook Review**

Chair McPherson introduced the item and expressed there were 3 additional examples provided by staff, based on her comments to the General Manager prior to the meeting.

Director Thomas expressed he was indifferent with the examples.

Chair McPherson expressed she was not interested in track-changes, but that she was interested in an option that provided a footnote at the bottom of the page explaining each change, which included the date of the change as well as the numerical vote for that change. She additionally suggested to include if the policy was ratified without changes or approved with changes. She expressed these changes would be going forward, and that she did not need staff to provide the changes from the past.

Susan Schinnerer expressed that there is a potential to be a lot of footnotes in the document, potentially making the document difficult for staff to read clearly.

GM York expressed staff will bring the example Chair McPherson suggested to the full Board for discussion at the October 18<sup>th</sup> regular Board meeting.

### **Adjournment**

Chair McPherson adjourned the meeting at 4:18 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District

**Minutes**

**Sacramento Suburban Water District  
Finance and Audit Committee  
Tuesday, October 5, 2021**

**Location:**

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #880 0688 0677.

**Call to Order – Videoconference/Audioconference Meeting**

Chair Thomas called the meeting to order at 4:00 p.m.

**Roll Call**

Directors Present: Kevin Thomas and Dave Jones.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Director of Finance and Administration Jeff Ott, and Heather Hernandez-Fort.

Public Present: David Alvey, Robert Wichert, and Craig Locke.

**Announcements**

None.

**Public Comment**

None.

**Consent Items**

- Minutes of the August 2, 2021 Finance and Audit Committee Meeting**  
The Finance and Audit Committee unanimously approved the minutes of the August 2, 2021, Finance and Audit Committee meeting.

AYES:	Jones and Thomas.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

**Items for Discussion and/or Action**

- 2021 Audit Engagement Letter and Contract**  
Jeff Ott (Mr. Ott) presented the staff report and answered clarifying questions.

The Committee requested to bring this item to the next regular Board meeting as a Consent Item with support for approval.

David Alvey (Mr. Alvey) with Maze and Associates Accountancy Corporation provided a summary of the audit timing, the scope of the audit, the Management Letter, the Representation Letter, and the fraud identification process.

**3. Engagement of Auditor Policy (PL – Fin 001)**

Mr. Ott presented the staff report and answered clarifying questions.

The Committee requested to bring this item to the next regular Board meeting as a Consent Item with support for approval.

**Adjournment**

Chair Thomas adjourned the meeting at 4:14 p.m.

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Dan York  
General Manager/Secretary  
Sacramento Suburban Water District