

Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, December 20, 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/82583604289?pwd=TW1sYkRQTdk1dm4vQjdsOVJkNUFuUT09>

Meeting ID: 825 8360 4289

Password: 247658

You can also dial in using your phone: 1 (669) 900-6833

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Zoom uses encryption of data during Zoom meetings. The District uses a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

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

Action Item

1. AB 361 Findings to Continue Permit Director Remote Participation in Board Meetings
Recommendation: Consider finding by a majority vote under Gov. Code § 54953, subd. (e)(1)(B) that as a result of the COVID-19 emergency: (i) meeting in person would present imminent risks to the health or safety of attendees; and (ii) the meeting is authorized to be held in part by teleconference pursuant to Gov. Code, § 54953, subd. (e)(1)(C).

Election of District Officers

2. Election of District Officers

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.

3. Minutes of the November 15, 2021, Regular Board Meeting
Recommendation: Approve subject minutes.
4. Minutes of the November 22, 2021, Special Board Meeting
Recommendation: Approve subject minutes.

5. Minutes of the December 6, 2021, Special Board Meeting
Recommendation: Approve subject minutes.
6. Treasurer's Report
Recommendation: Approve the items in the report as recommended.
7. Policy Review – Workplace Dishonesty Policy (PL – Adm 006)
Recommendation: Approve subject policy with changes.
8. Policy Review – Investment Policy (PL – Fin 003)
Recommendation: Approve subject policy with changes.
9. General Manager and Director Out of State Travel Request
Recommendation: Approve the General Manager and Director(s) out of state travel to attend the Sacramento Metro Chamber's Cap-to-Cap Conference.
10. Resolution No. 21-15 Honoring Shawn Shedenhelm on His Retirement
Recommendation: Adopt subject Resolution.

Public Hearings

11. Public Hearing on Initial Study and Proposed Mitigated Negative Declaration for Wells 81A, 81B, 81C, Antelope North/Poker Project
Recommendation: Conduct Public Hearing on the Initial Study and Proposed Mitigated Negative Declaration for Wells 81A, 81B, 81C, Antelope North/Poker Project.

Items for Discussion and/or Action

12. Adoption of an Initial Study/Mitigated Negative Declaration for the Wells 81A, 81B, 81C Antelope North/Poker Project
Recommendation: Adopt the Initial Study/Mitigated Negative Declaration for the Wells 81A, 81B, 81C Antelope North/Poker Project and authorize the General Manager to execute a Notice of Determination.
13. Resolution No. 21-16 Honoring Ken Gebert on His Upcoming Retirement
Recommendation: Adopt subject Resolution.
14. Committee and Liaison Appointments for 2022
Recommendation: The Board President will consider committee and liaison appointments for 2022.
15. Potential Refunding Opportunity – 2009A Adjustable Rate Certificates of Participation
Recommendation: Direct staff to work with the recommended firms in preparing the documentation and analysis necessary for the Board to consider refunding the

District's \$42.0 million Series 2009A variable rate COP with a new 12 year fixed rate financing (Series 2022A), in an approximate par amount of \$37.1 million, including estimated issuing costs of \$0.25 million, estimated underwriters discount of \$0.11 million and estimated swap agreement termination fee of \$6.6 million.

16. COLA Adjustment CY 2022

Recommendation: Direct the General Manager to adjust the 2022 COLA to 6.7%, adjust the 2022 salary bands to match the increased COLA (6.7%), and direct staff to set the 2023 COLA to the October 2021 to August 2022 index values when calculating the COLA for the CY2023 Budget.

17. Combination Study Business Case Analysis – Request for Proposal

Recommendation: Approve the draft Request for Proposal for a Combination Study and Business Case Analysis between Carmichael Water District and Sacramento Suburban Water District and direct the General Manager to proceed with distributing the Request for Proposal.

18. State of the District 2021

Recommendation: None. The General Manager will provide the State of the District 2021 presentation, which also includes Long Term Planning topics.

General Manager's Report

19. General Manager's Report

- a. Social Media Update
- b. Conjunctive Use Program – North Service Area
- c. Del Paso Manor Water District Update

Department/Staff Reports

20. Financial Report

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

21. District Activity Report

22. Engineering Report
 - a. Major Capital Improvement Program (CIP) Projects
 - b. Planning Documents
 - c. Other

Information Items

23. Draft Final Groundwater Sustainability Plan (GSP) for the North American Sub-basin (NASb)
24. Sacramento Suburban Water District Goals – 2021 Update
25. Biannual Groundwater Level Report
26. Correspondence received by the District
27. Upcoming Water Industry Events
28. Upcoming Policy Review
 - a. Capital Asset Policy (PL - Fin 002)
 - b. Records Inspection, Retention, and Disposal Policy (PL – Adm 002)

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

29. a. Regional Water Authority (Director Jones)
None.

Regional Water Authority Executive Committee (General Manager York)
Agenda for the December 13, 2021 Board Meeting.
- b. Sacramento Groundwater Authority (Director Wichert)
Agenda for the December 9, 2021 Board Meeting.
- c. Director Reports – AB 1234

Committee Reports

30. a. Carmichael Water District/SSWD 2x2 Committee Meeting (Director Locke)
Draft Minutes from the November 18, 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)

- 31. Conference with real property negotiator involving the purchase, sale, lease or exchange of APN 229-0362-018, Sacramento, CA. Dan York, District negotiator, will negotiate with Anthony Caruso. Instructions to the negotiator(s) may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)
- 32. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. United States*, United States Court of Federal Claims case no. 1:17-cv-00860-RHH, and *Sacramento Suburban Water District v. United States, et al.*, United States District Court for the Eastern District of California, case no. 2:17-cv-01353-TLN-AC.
- 33. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the State Water Resources Control Board’s proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.
- 34. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving claims related to TCP contamination.
- 35. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957.

Adjournment

Upcoming Meetings

- Wednesday, December 29, 2021, at 4:30 p.m., Special Board Meeting
- Wednesday, January 5, 2022, at 4:30 p.m., Special Board Meeting
- Monday, January 10, 2022, at 4:30 p.m., Special Board Meeting
- Monday, January 24, 2022, at 5:45 p.m., Financing Corporation Meeting
- Monday, January 24, 2022, at 6:00 p.m., Regular Board Meeting

SSWD Regular Board Meeting Agenda

December 20, 2021

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I certify that the foregoing agenda for the December 20, 2021, meeting of the Sacramento Suburban Water District Board of Directors was posted by December 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.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 1

Date: December 20, 2021

Subject: AB 361 Findings to Continue Permit Director Remote Participation in Board Meetings

Staff Contact: Dan York, General Manager

Recommended Board Action:

Consider finding by a majority vote under Gov. Code § 54953, subd. (e)(1)(B) that as a result of the COVID-19 emergency: (i) meeting in person would present imminent risks to the health or safety of attendees; and (ii) the meeting is authorized to be held in part by teleconference pursuant to Gov. Code, § 54953, subd. (e)(1)(C).

Summary:

In light of the Governor’s declaration that a state of emergency exists due to the incidence and spread of the novel coronavirus, and the pandemic caused by the resulting disease COVID-19, the Board should consider whether meeting in person would present imminent risks to the health or safety of meeting attendees.

The Centers for Disease Control indicates that COVID-19 is a highly transmissible virus that is spread when an infected person breathes out droplets and very small particles that contain the virus, and such droplets and particles are breathed in by other people.¹ Since June of 2021, a more infectious variant of the virus, known as the Delta Variant, has emerged and now accounts for the vast majority of COVID-19 cases.

Although effective vaccines have been approved by the U.S. Food and Drug Administration for emergency use, vaccination rates are slow and have not yet reached a point to significantly control community transmission. As of November 5, 2021 only 63% of Californians who are eligible to be vaccinated are fully vaccinated.²

Those who become infected with COVID-19 are at risk of serious illness and death. As of November 5, 2021, over 46,341,833 Americans have died from the virus.³ Many more have been hospitalized with serious illness. Currently, in Sacramento County, 2,402 people are hospitalized with COVID-19. Additionally, 75% of intensive care beds are in use.

Conducting meetings by teleconference would directly reduce the risk of transmission among meeting attendees, including members of the public and agency staff, which has the ancillary effect of reducing risk of serious illness and death as well as reducing community spread of the virus.

If the authorization to meet by teleconference is not approved by a majority vote, then the meeting will adjourn after this item and the remaining agenda items will be rescheduled to a future in-person meeting.

¹ www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html

² State of California Covid-19 Dashboard <https://covid19.ca.gov/vaccination-progress-data/>

³ Johns Hopkins University Coronavirus Resource Center <https://coronavirus.jhu.edu/>



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Agenda Item: 2

Date: December 20, 2021

Subject: Election of District Officers

Staff Contact: Dan York, General Manager

According to the Rules for Proceedings of the Board of Directors (PL - BOD 002), annually at the first regular meeting in December, the Board may select a President and/or Vice President to serve for the coming year. Attached as Attachment 1, is the Rule for proceedings of the Board of Directors Policy PL - BOD 002 that outlines the selection of officers and the duties of the President.

Sacramento Suburban Water District

**Rules for Proceedings of the
Board of Directors**

Adopted: February 20, 2002
Approved with Changes: October 21, 2019.

Introduction

These are the rules for proceedings of the Board of Directors of Sacramento Suburban Water District. (See Water Code section 30530.) The purposes of these rules are to facilitate public participation during meetings of the Board, protect the rights of all Directors and to provide a process for conducting Board meetings in an orderly and efficient manner. The provisions of the County Water District Law (see Water Code sections 30000, *et seq.*), Brown Act (Government Code section 54950, *et seq.*) and any other applicable law will control over any inconsistent provision contained in these rules.

Rule 1 – Selection of Officers

The President and Vice-President of the Board will be elected by the members of the Board for a one year term. The election will be held at the first regular meeting in December of each year or at any earlier special meeting called for the purpose of swearing in new members and organizing the Board. (See Water Code section 30520 and Elections Code section 10554.) The remaining provisions of this paragraph will be considered discretionary guidelines for the Board to follow in selecting its President and Vice-President, and will not be binding on the Board. The Board will normally follow a rotation for the election of President and Vice-President under which the Vice President will normally be elected President at the conclusion of the President's one year term. If the membership on the Board of the President is terminated before the expiration of his or her one year term of office, the Vice-President will automatically become the President for the balance of that term.

In the event of a contested election, the following is the recommended procedure for nominating and selecting the Board President or Vice President: (1) the then-presiding President should open nominations and ask if there are there any nominations for the contested office; (2) any Director then may make a nomination -- e.g., "I nominate Director X" -- no second is required for a nomination, although sometimes one or more Directors will second a nomination to indicate endorsement (a Director may nominate himself or herself, but nominations cannot be accepted from members of the public); (3) a Director may decline a nomination; (4) when it appears that no one else wishes to make a nomination, the President should ask if there are additional nominations -- if there is no response, the President then should declare that the nominations for the office are closed and state the names of the nominees (it is unnecessary to have a motion to close the nominations); (5) after nominations have been closed, nominations may be reopened only by a motion, second and majority vote to reopen them; (6) after

nominations have been closed and before the vote, the public should be provided an opportunity to comment on the agenda item; (7) the President then should call for votes on the nominees by a roll call vote on each nominee, and each Director should cast his or her ye or nay vote on each nominee, e.g., “For the first nominee for President, Director X, please state your vote by ye or nay;” (8) nominees should be voted on in the order in which they are nominated and the process should continue until there is a majority approval of one of the nominees; and (9) as soon as one of the nominees receives a majority vote, the President should declare that person elected to the office and no vote is taken on any remaining nominees.

The Board will by majority vote appoint a Secretary and Treasurer, who will serve at the pleasure of the Board. (See Water Code sections 30540-30543.)

Rule 2 – Duties of President of the Board

The President of the Board of Directors will be its presiding officer. (See Water Code section 30520.) The President's duties will include, but not be limited to, the following: acting as the liaison between the General Manager and the Board, calling special meetings of the Board, presiding over meetings of the Board, establishing and appointing committees of the Board, and appointing representatives of the District to associations of which the District is a member or in which it has a significant interest. The Board will appoint representatives of the District to joint powers authorities of which the District is a member. In the President's absence, the Vice-President of the Board will perform such duties. If both the President and Vice-President are absent from a noticed public meeting, the remaining three Board members will choose one of their number to preside.

Rule 3 – Time and Place for Regular Meetings

The regular monthly meeting of the Board of Directors will be held in the Boardroom at the District's administrative office (3701 Marconi Avenue, Suite 100, Sacramento, California) on the third Monday of each month, commencing at 6:30 p.m. (6:00 p.m. starting January 2018) except that the January regular Board meeting will be held on the fourth Monday of that month due to the Martin Luther King, Jr. Holiday and the February meeting will be held on the Monday following President's Day Holiday. The location, day and time for holding regular meetings may be changed by the Board of Directors from time to time by resolution. If a regular meeting falls on a different holiday (as listed in Government Code section 6700), the meeting will be held on the day designated by the Board by minute order. (See Government Code section 54954(a).)

Rule 4 – Quorum Requirements

The Board of Directors consists of five members. Three members of the Board will constitute a quorum for the transaction of business. (See Water Code section 30524 and Resolution 04-09, adopted April 19, 2004).

Rule 5 – Majority Vote

Three members of the Board will be required to approve any ordinance, resolution or motion, unless a different voting requirement to approve a particular action is specified under State law. (See Water Code section 30525.)

Rule 6 – What Constitutes an Affirmative Vote

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

Rule 7 – Conflicts of Interest

A member of the Board may not make, participate in making or in anyway attempt to use his or her official position to influence a decision of the Board of Directors in which he or she knows or has reason to know that he or she has a financial interest. (Government Code section 87100.) Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect, as defined and analyzed under the Fair Political Practices Commission's ["FPPC"] regulations, that is distinguishable from the effect on the public generally, involving the dollar amounts set by FPPC regulations from time to time, on (a) a business entity in which the Director has a direct or indirect investment, (b) real property in which the Director has a direct or indirect investment interest, (c) a source of income of the Director, within twelve months before the Board decision, (d) a source of gifts to the Director, within twelve months before the Board decision, or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent owns directly, indirectly or beneficially a ten percent interest or greater. (Government Code section 87103.)

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

there is a disqualifying conflict of interest, the Director (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, and (2) leave the Board room until after the discussion, vote and any other disposition of the matter has been concluded, unless the matter has been placed on the consent agenda, except that the Director may speak on the matter during the time that the general public speaks on the matter. In such a case, the Board minutes will state: “Due to a potential conflict of interest, Director _____ did not participate in the discussion, deliberation or vote on this matter.”

A Board member also is prohibited from having a financial interest in a contract with the District, or be purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member’s participation is authorized under Government Code section 1090, 1091 or 1091.5, or other provisions of law. Any Director who has a prohibited interest in a contract proposed to be made by the District should declare the conflict as soon as it becomes known and the Board will not consider or take any further action in regard to such contract.

Rule 8 – Motions

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

Rule 9 – Protection of Rights of Directors

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

Rule 10 – Record of Vote

Except where action is taken by the unanimous vote of all Board members present and voting, the ayes and noes taken upon the passage of all ordinances, resolutions or motions will be entered upon the minutes. (See Water Code section 30526.)

Rule 11 – Ordinances

The enacting clause of all ordinances passed by the Board will be: "Be it ordained by the Board of Directors of Sacramento Suburban Water District as follows:" (See Water Code section 30527.) All ordinances will be signed by the President and attested by the Secretary. (See Water Code section 30528.)

Rule 12 – Agenda and Agenda Materials

In consultation with the Board President, the General Manager will be responsible for preparing the agenda for regular Board meetings and meetings of standing and *ad hoc* committees (see Government Code section 54952 and Rule 22), and having the agenda for regular Board meetings and standing committee meetings posted at the District office in a location freely accessible to the public no later than seventy-two hours before a regular meeting and on the District's website. The agenda will specify the time and location of the meeting and contain a brief, general description of each item of business to be transacted or discussed at the meeting, including closed session items. (See Government Code section 54954.2.) Any member of the Board may request the General Manager to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting will be at 4 p.m., seven working days before the meeting. Any member of the public may make a request to the Board at any regular meeting to place an item for discussion on a future agenda, but such a request will be honored only if a majority of the Board approves by motion or consensus.

An agenda for a regular or special Board meeting will contain the following statements: (a) "The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item." (See Government Code section 54954.3(a).); (b) "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." (See Government Code section 54957.5(b)(2).); and (c) "In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact [insert the name and telephone number of the person designated by the General Manager]. Requests must be made as early as possible, and at least one-full business day before the start of the meeting." (See Government Code section 54954.2(a).).

Rule 13 – Requests for Copies of Agendas and Agenda Materials

Any person may request the District to mail or electronically mail him or her a copy of the agenda or agenda packet for any meeting of the Board. When the District receives such a request, the General Manager or his/her designee will distribute copies of the requested materials (except for documents that are exempt from disclosure under the Public Records Act) to the requesting party at the time that the agenda is posted or when the agenda packets are distributed to a majority of the Board members, whichever occurs first. Any request for copies of agendas or agenda packets for all Board meetings in a given year will be valid for the calendar year in

which the request is submitted, and the request must be renewed after January 1 of each year in which it is to remain in effect. (Government Code section 54954.1.)

Documents that are distributed to all or a majority of the members of the Board by any person in connection with a matter subject to discussion or consideration at a regular or special meeting of the Board will be disclosable public records under the California Public Records Act (commencing with Government Code section 6250), and will be made available upon request by a member of public without delay, except as to documents that are exempt from disclosure under the Public Records Act. Any public documents related to an open session agenda item that are distributed to all or a majority of Board members by staff or any third party less than 72 hours before a regular Board meeting will be made available for public inspection at the same time. Such documents will be available for public inspection in the customer service area of the District's Administrative Office. Documents that are distributed during a regular or special Board meeting that are subject to disclosure under the Public Records Act will be made available for public inspection at the meeting, if prepared by the District or a member of the Board, or after the meeting, if prepared by some other person. The District may charge a fee for responding to requests for copies of agendas, agenda packets or other documents, which fee will be limited to the District's copying and postage costs as provided in the District's Records Inspection, Retention, and Disposal Policy (PL - Adm 002). (See Government Code section 54957.5(a) and (b).)

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

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

Rule 14 – Authority to Act on Matters Not on the Agenda

The Board will not take action on or discuss any item not appearing on the posted agenda, except under the following conditions, in which cases the item will be publicly identified before discussion begins: (a) upon a determination by a majority of the Board that an emergency situation exists, as further described in Rule 25 hereof; (b) upon a determination by a two-thirds vote of the Board members present at the meeting, or, if less than two-thirds of the members of the Board are present, a unanimous vote of those members present, that the need to take immediate action became apparent after the agenda was posted; or (c) the item was posted for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action

is being taken. (See Government Code sections 54954.2 and 54956.5.)

Rule 15 – Consent Agenda

The General Manager may list on the agenda a “consent agenda,” which will consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent agenda items might include approval of minutes, financial reports and routine resolutions. Any matter may be removed from the consent agenda and placed on the regular agenda at the request of any member of the Board. The entire consent agenda may be approved by a single motion made, seconded and approved by the Board.

Rule 16 – Oral Informational Reports

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

Rule 17 – Public Participation

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

It is the general policy of the Board to refer to the General Manager for resolution complaints received from members of the public. If the complaint cannot be resolved, the General Manager will place it on a future meeting agenda for consideration by the Board.

The public may address the Board concerning an agenda item during a regular or special Board meeting, including commenting on the closed session agenda prior to the Board adjourning into closed session, either before or during the Board’s consideration of that agenda

item. (See Government Code section 54954.3(a).)

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

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

Rule 18 – Public Hearings

The procedure for conducting public hearings during a meeting of the Board will be as follows: (a) no earlier than the time set for the public hearing, the President of the Board will declare the public hearing open; (b) the President will ask the General Manager whether notice of the public hearing has been given in the manner required by law; (c) the President will ask the General Manager whether written comments on the subject matter of the public hearing have been received; (d) the President will ask whether any member of the public wishes to present written or oral comments on the subject of the public hearing; (e) in its discretion, the Board may set time limits on the amount of time an individual speaker is allowed to comment orally during the public hearing; and (f) following the close of presentation of comments and before any Board discussion and action on the subject matter, the President will declare the public hearing closed. The Board may continue a public hearing from time to time in accordance with the procedures described in Rule 19. (See Government Code section 54955.1.)

Rule 19 – Adjournment

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

Rule 20 – Special Meetings

A special meeting may be called at any time by the President or by a majority of the members of the Board, by delivering personally or by any other means, including mail, facsimile and electronic mail, written notice to each member and to each newspaper, radio or television station requesting notice in writing. Such notice must be received at least twenty-four hours before the time of such meeting as specified in the notice to constitute notice of the special meeting (except as to emergency meetings, in which case, the notice requirements specified in Rule 25 will be followed). Electronic mail will constitute notice of a special meeting only if the recipient confirms receipt, and it will be deemed to be received at the time of such confirmation. The call and notice for a special meeting must specify the time and place of the special meeting and the business to be transacted, and must include the statements specified in Rule 12. No other business will be considered at such meeting. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the District Secretary a written waiver of notice. Waiver may be given in person or by mail, facsimile, electronic mail or telegram. Such written notice may also be dispensed with as to any member who was actually present at the meeting at the time it convenes. Notice of a special meeting must also be posted at least twenty-four hours before the meeting in a location freely accessible to the public and on the District's website. (See Government Code sections 54954.3(a) and 54956.)

Rule 21 – Board Workshop Meetings

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

Rule 22 – Board Committees

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

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

an *ad hoc* committee meeting.

Rule 23 – Closed Sessions

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

a. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); _____ v. _____ [insert name of case, e.g., *Jones v. District*].

b. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); case name unspecified because _____ [insert either “disclosure would jeopardize service of process” or “disclosure would jeopardize existing settlement negotiations”].

c. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving _____ [describe].

d. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiation of litigation involving _____ [describe or specify only number of cases if confidentiality is required or deemed necessary].

e. Public employee appointment involving _____ [insert position(s) to be filled]; Government Code sections 54954.5(e) and 54957(b)(1).

f. Public employee performance evaluation involving _____ [insert position(s) being reviewed]; Government Code sections 54954.5(e) and 54957(b)(1).

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

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

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

j. Conference with real property negotiator involving the purchase, sale, lease or exchange of _____ [insert street address or other description of property],

_____ and ____ [insert name of District negotiator(s)], District negotiator(s), will negotiate with _____ [insert name of other party(ies)]. Instructions to the negotiator(s) may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

k. Closed session consultation [insert the name, if applicable, of a law enforcement agency, and the title of the officer, or the name of an applicable agency representative (legal counsel or security officer) and title] concerning a threat to public services or facilities, or for the assessment of the security vulnerability of public facilities. (See Government Code sections 54954.5(e) and 54957(a).)

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

Before holding a closed session to consider complaints or charges against a particular employee (as distinguished from evaluation of performance unrelated to any specific complaint or charge), the District will provide twenty-four hours' advance written notice to the employee of his or her right to have the matter heard in open session. If the employee requests, the complaint or charges must be heard in open session. (See Government Code section 54957(b)(2).)

A closed session may be held to meet with the District's negotiator regarding the salary and benefits of District officers and employees, but not including elected officials, but the District's available funds, funding priorities or budget will not be discussed during the closed session except to the extent necessary to permit the Board to provide instructions to its designated labor negotiator(s). (See Government Code section 54957.6.)

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

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

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

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

d. For action to appoint, employ or dismiss, accept the resignation of, or otherwise affect the employment status of an employee, the Board will report in open session at the same

meeting the action taken (including identity of employee or position and any change in compensation) and vote, except that, for any dismissal or non-renewal of a contract, the report back may be deferred until the first meeting after the exhaustion of administrative remedies. (See Government Code section 54957.1(a)(5).)

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

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

A Director is not authorized, without prior approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required or authorized to be disclosed under the California Public Records Act.

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

A Director's violation of the duty to protect closed session confidences may be remedied as provided in Government Code section 54963(c). A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code section 1098.

(See Government Code section 54963, and 76 Ops.Cal.Atty.Gen. 289, 290 (1993) and 80 Ops.Cal.Atty.Gen. 231 (1997).)

Rule 24 – Meetings by Teleconference

The Board may hold meetings by teleconference. (See Government Code section 54953(b).) For purposes of this rule, "meetings by teleconference" include meetings at which one or more Board member attends and participates in the meeting by telephone, video

conferencing or any other electronic means using live audio or video, or both. For any meeting by teleconference conducted by the Board, the following requirements will apply:

a. At least a quorum of the Board must participate in the teleconference meeting from locations within the District's boundaries and each teleconference location (i.e., the location from which one or more Board members attends and participates in a meeting by teleconference) will be accessible to the public.

b. When meetings by teleconference are held by telephone, speaker phones that allow all persons attending the meeting to hear and be heard will be used at the main meeting location and at any teleconference location where there are members of the public in attendance.

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

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

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

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

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

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

Rule 25 – Emergency Meetings

Under Government Code section 54956.5, a meeting to address an emergency may be held if a majority of the Board determines that a situation exists which involves matters upon which prompt action is necessary. An emergency situation is defined as: (1) a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both; or (2) a dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring the Board to provide one-hour notice before holding an emergency meeting may endanger the public health, safety, or both.

As a condition of holding an emergency meeting, the Board President or his/her designee shall provide notice of the meeting by telephone to each local newspaper of general circulation, radio station and television station that has requested notice of special meetings. For a meeting for a “non-dire emergency” (Definition 1, above), the telephone notice must be provided at least one hour prior to the emergency meeting. In the case of a meeting for a “dire emergency” (Definition 2, above), the telephone notice must be provided to the media at or near the same time as notice is given to the members of the Board. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

The Board may meet in closed session upon approval by a two-thirds vote of the Board (or the unanimous vote of the Board if less than two-thirds are present) to discuss security or employment matters related to the emergency situation. (See Government Code sections 54956.5(c) and 54957.)

With the exception of the 24-hour notice and posting requirements and any other exceptions provided in herein, all special meeting requirements described in Rule 20 shall be applicable to an emergency meeting called pursuant to this Rule.

The draft minutes of an emergency meeting called under this Rule must be posted in a public place for a minimum of 10 days as soon after the meeting as possible, and include a list of persons who the Board President or his/her designee notified or attempted to notify of the meeting, if applicable, any actions taken at the meeting, and a recording of any votes taken by roll call. (See Government Code section 54956.5(e).)

Rule 26 – Amendment of Rules

By motion made, seconded and approved, the Board in its discretion may at any meeting (a) temporarily suspend these rules in whole or in part, (b) amend these rules in whole or in part, or (c) both, as long as any amendment or suspension is otherwise consistent with the Brown Act and other applicable laws. Unless amended earlier, District staff will review these Rules for Proceedings biennially and recommend changes for Board consideration and action.



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Agenda Item: 3

Date: December 20, 2021

Subject: Minutes of the November 15, 2021, Regular Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the draft minutes of the November 15, 2021, Regular Board Meeting.

Attachment:

1 – Draft Minutes

Minutes

Sacramento Suburban Water District Regular Board Meeting Monday, November 15, 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 #872 3279 5073.

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, Craig Locke, Kevin Thomas, and Robert Wichert.

Directors Absent: None.

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

Public Present: William Eubanks, Gary Gin, Cortney Brand, Cathy Lee, Charlotte Stuart, Hannah Stuart, Audrey Harrington, Alan Driscoll, Paul Helliker, Jennifer Harris, and Legal Counsel Josh Horowitz.

Action Item

- AB 361 Findings to Continue Permit Director Remote Participation in Board Meetings**

Director Locke moved to approve the Item; Director Jones seconded. The motion passed by unanimous vote.

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

Announcements

President Wichert announced that Kathleen McPherson resigned from the Board, and expressed the Board would hold a Special Board Meeting as soon as possible to discuss next steps in filling the Division 2 vacancy.

General Manager Dan York (GM York) wished everyone a Happy Thanksgiving.

Public Comment

None.

Consent Items

- 2. Minutes of the October 18, 2021, Regular Board Meeting
- 3. Treasurer’s Report
- 4. Policy Review - Reserve Policy (PL – Fin 004)

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

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

Items for Discussion and/or Action

- 5. **Aquifer Storage and Recovery Economic Assessment**
Assistant General Manager Matt Underwood (AGM Underwood) presented the staff report and introduced Gary Gin (Mr. Gin) and Cortney Brand (Mr. Brand) with Leonard Rice Engineers, who presented the PowerPoint presentation and answered clarifying questions.

Directors asked clarifying questions.

William Eubanks (Mr. Eubanks) asked clarifying questions.

- 6. **Sacramento Local Agency Formation Commission Open Nomination Period for Special District Commissioner Office No. 7, and Alternate Special District Commissioner for Offices No. 6 & 7**
GM York presented the staff report.

Director Thomas moved to vote for Ted Costa as Commissioner Office Number 7; President Wichert seconded.

Mr. Eubanks expressed that Gay Jones’ resume was very impressive as she had a tremendous amount of experience as well as a master’s degree, noting that Mr. Costa did not.

Director Locke noted he was unaware what Gay Jones’ master’s degree was in.

President Wichert moved to vote for Michael Hanson as Alternate Commissioner Office Number 6 and 7; Director Jones seconded.

For Ted Costa as Commissioner Office Number 7; the motion passed by unanimous vote.

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

For Michael Hanson as Alternate Commissioner Office Number 6 and 7; the motion passed by unanimous vote.

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

7. **New Staff Position Request - Hydrogeologist**

Dana Dan (Mr. Dean) presented the staff report and answered clarifying questions.

President Wichert moved to approve the staff recommendation.

Director Jones expressed he was not very comfortable approving the position, as he had additional questions such as the economic impact, if the position would need additional support staff, and the cost benefit of this position.

Director Locke echoed Director Jones' concerns, noting he was most interested in newer, larger wells in an effort to move water more efficiently throughout the District. He expressed that he was not too interested in renovating the older wells, and felt that there could be a lot of institutional knowledge and experience found with consultants.

Mr. Dean reminded the Board that one disadvantage of using consultants is they do not have ownership of the District's projects, therefore the level of quality could be jeopardized.

Director Thomas expressed he was hesitant approving the new position as he felt it was expensive.

President Wichert expressed he believed in in-house expertise, as staff all learn from one another.

Director Thomas requested staff bring the item back in a couple months.

Director Jones requested to include more economical information on the position.

President Wichert requested to bring the item back in February with an assessment on what it would take to recruit a fully qualified hydrogeologist.

Director Locke noted there was no substitute for experience and he was interested in finding the most qualified candidate, noting it would be expensive.

8. **Disposal of Surplus Real Property**

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

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

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

General Manager’s Report

9. **General Manager’s Report**

GM York presented the staff report and answered clarifying questions.

- a. *Emergency Groundwater Delivery to the City of Sacramento*
A written report was provided.
- b. *Emergency Preparedness*
A written report was provided.
- c. *Table Top Workshops*
A written report was provided.

Department/Staff Reports

10. **Financial Report**

Jeff Ott provided an update to the staff report.

- 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.

11. **District Activity Report**

Todd Artrip provided an update to the staff report

12. **Engineering Report**

Mr. Dean provided an update to the staff report.

President Wichert requested to schedule a meeting with staff on CIP.

Mr. Eubanks inquired about the status of the Butano Well.

Mr. Dean expressed there were additional delays in completing the project, however, he expected it would be completed by the first quarter of 2022.

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

13. Sacramento Suburban Water District Goals – 2021 Update

GM York provided an update to the staff report.

President Wichert requested to schedule a meeting with staff on SCADA.

14. Update on North Service Area Water Supply Capacity Problem Due to Well Contamination

A written report was provided.

President Wichert expressed he was interested in what has been accomplished from the list provided.

AGM Underwood pointed out the project status of several of the projects.

President Wichert requested staff work on permanent agreements to secure water supplies.

AGM Underwood agreed with President Wichert.

GM York expressed there were not any pressure zones in the North Service Area and would review the permit to verify.

15. Environmental Review for Wells 81A, 81B, 81C - Antelope North/Poker Project

A written report was provided.

16. Upcoming Water Industry Events

A written report was provided.

17. **Upcoming Policy Review**

A written report was provided.

a. *Workplace Dishonesty Policy (PL – Adm 006)*

A written report was provided.

b. *Investment Policy (Pl – Fin 003)*

A written report was provided.

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

18. a. Regional Water Authority (Director Jones)

The agendas for the November 4 and 8, 2021, Board Meetings were provided.

Regional Water Authority Executive Committee (General Manager York)
None.

b. Sacramento Groundwater Authority (Director Wichert)

The agenda for the November 10, 2021, Regular Board Meeting was provided.

President Wichert provided an oral report of the SGA Board Meeting he attended.

c. Director Reports – AB 1234

Director Thomas provided an oral report the SGA Board Meeting he attended on October 14, 2021; and the meeting he had with the General Manager on October 15, 2021.

Committee Reports

19. a. Carmichael Water District/SSWD Joint Board Meeting (Director Locke)

Draft Minutes from the October 6, 2021, meeting were provided.

Director’s Comments/Staff Statements and Requests

None.

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

The Board convened in Closed Session at 7:39 p.m. to discuss the following:

20. Conference with real property negotiator involving the purchase, sale, lease or exchange of APN 229-0362-018, Sacramento, CA. Dan York, District negotiator, will negotiate with Anthony Caruso. Instructions to the negotiator(s) may include price, terms of payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

21. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving the

State Water Resources Control Board's proceedings related to the California Water Fix and the Bay-Delta Water Quality Control Plan Update.

22. Conference with legal counsel--anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving November 8, 2021 cease and desist letter under Government Code section 54960.2 from William Eubanks.

Return to Open Session

The Board convened in Open Session at 8:17 p.m. There was no reportable action.

Adjournment

President Wichert adjourned the meeting at 8:18 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



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Agenda Item: 4

Date: December 20, 2021

Subject: Minutes of the November 22, 2021, Special Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the draft minutes of the November 22, 2021, Special Board Meeting.

Attachment:

1 – Draft Minutes

Minutes

Sacramento Suburban Water District Special Board Meeting Monday, November 22, 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 #842 4326 5601.

Call to Order – Videoconference/Audioconference Meeting

President Wichert called the meeting to order at 4:00 p.m.

Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Susan Schinnerer, and Heather Hernandez-Fort.

Public Present: Legal Counsel Josh Horowitz.

Announcements

None.

Public Comment

None.

Board Vacancy

1. Board to Discuss Filling Vacancy Resulting from Director McPherson's Resignation

The Board agreed to work through the process as a full Board, as opposed to appointing a separate ad-hoc committee.

General Manager Dan York (GM York) expressed staff would take care of notifying all the proper entities of the vacancy.

The Board agreed to send a direct mailer to each of the customers in Division 2, notifying of the vacancy and appointment.

President Wichert directed staff to post the vacancy at both District offices, as well as a library.

GM York pointed out Attachment 1, noting it was a timeline of the last open Director position, and suggested to follow the process of requesting a letter of interest and resume.

GM York expressed the position would need to be filled by January 14, 2022.

The Board agreed to have the mailer sent out by December 3, 2021, with a deadline for submissions by December 20, 2021.

The Board additionally agreed to hold a Special Board Meeting on December 29, 2021, at 4:30 p.m., to review all submissions.

The Board agreed to hold another Special Board Meeting on January 5, 2022, at 4:30 p.m., to interview each candidate; and hold a final Special Board Meeting on January 10, 2022, at 4:30 p.m., for the Board to make an appointment to the vacant Director position.

Adjournment

President Wichert adjourned the meeting at 4:38 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 5

Date: December 20, 2021

Subject: Minutes of the December 6, 2021, Special Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the draft minutes of the December 6, 2021, Special Board Meeting.

Attachment:

1 – Draft Minutes

Minutes

Sacramento Suburban Water District
Special Board Meeting
Monday, December 6, 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 #867 5788 7837.

Call to Order – Videoconference/Audioconference Meeting

President Wichert called the meeting to order at 5:00 p.m.

Pledge of Allegiance

President Wichert led the Pledge of Allegiance.

Roll Call

Directors Present: Kevin Thomas (joined the meeting at 5:09), Dave Jones, Craig Locke, and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Michelle Hirt, Rachel Middlestead, and Heather Hernandez-Fort.

Public Present: William Eubanks, Jennifer Harris, Emmett Mahle, and District Legal Counsel Andrew Ramos.

Announcements

None.

Public Comment

Emmett Mahle expressed he submitted his letter of interested along with his resume for the vacant position on the Board, and was looking forward to participating in the upcoming Special Board meetings.

Items for Discussion and/or Action

1. District Response to William Eubanks' Brown Act Cease-and-Desist Letter

President Wichert introduced the item and noted he was interested in doing better going forward, as he felt improvements were necessary.

William Eubanks (Mr. Eubanks) expressed his complaints were primarily due to former Director McPherson, noting her resignation from the Board has taken away about 75 percent of his complaints.

Director Jones commended Mr. Eubanks for a well written letter, and agreed with the staff recommendation.

Director Locke echoed Director Jones' comments.

Director Jones moved to approve the staff recommendation; Director Locke seconded.

President Wichert noted that the motion included all sections of the letter in the District's response to William Eubanks' November 8, 2021, Brown Act Cease-and-Desist Letter.

Director Thomas joined the meeting at 5:09 p.m.

President Wichert briefed Director Thomas on the discussion.

The motion passed by unanimous vote.

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

Adjournment

President Wichert adjourned the meeting at 5:11 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 6

Date: December 20, 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 November 1, 2021, through November 30, 2021.
2. Accept the credit card expenditures listing for the period November 1, 2021, through November 30, 2021.
3. Ratify the Investment Activity register for the period November 1, 2021, through November 30, 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:

Three (3) registers are attached for Board review and acceptance or ratification:

- Cash Expenditures (AP Warrants) Register – November 2021
- Credit Card Expenditures Register – November 2021

- Investment Activity Register – November 2021

Cash Expenditures (AP Warrants) Register– November 2021

During the month of November 2021, the District made cash payments totaling \$3.4 million. The primary expenditures were: \$1.7 million for 2021 capital improvement projects, \$0.3 million for water costs including pumping costs, \$0.8 million for payroll, pension and health benefits, \$0.1 million for debt service, \$0.1 million for operating materials and supplies, \$0.1 million for annual IT licenses and permits, \$0.1 million for O&M contract and construction services, \$0.1 customer billing related costs, and \$0.1 million for all other O&M expenses. 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 as amended. The Cash Expenditures (AP Warrants) Register is included as Attachment 1.

Credit Card Expenditures Register – November 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 \$16,913 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 – November 2021

During the month of November 2021, the District purchased one US Treasury Note for \$0.9 million (par), two Asset-Back Securities for \$0.2 million (par) and three Corporate Notes for \$1.2 million (par). The District sold one US Treasury Note for \$0.1 million (par). The District received principal pay downs on three Federal Agency Collateralized Mortgage Obligations for \$459 (par) and two Asset-Backed Security Obligations for \$27,345 (par). One Commercial Paper was matured for \$0.8 million. 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.

Attachments:

1. Cash Expenditures (AP Warrants) Register – November 2021
2. Credit Card Expenditures Register – November 2021
3. Investment Activity Register – November 2021

**Cash Expenditures
November 2021**

AP Warrant List from 11/1/2021 to 11/30/2021

Group	Vendor Name	Amount	Description
CIP & OCB			
	AUBURN CONSTRUCTORS - Invoices:1	\$139,175.00	Construction In Progress
	BENDER ROSENTHAL INC - Invoices:4	\$7,247.50	Construction In Progress
	BENNETT ENGINEERING SERVICES -	\$3,711.88	Construction In Progress
	BROWN & CALDWELL - Invoices:5	\$67,172.46	Construction In Progress
	BUD'S TRI COUNTY TREE SERVICE -	\$1,030.00	Construction In Progress
	CDWG - Invoices:1	\$48,816.61	Construction In Progress
	COUNTY OF SAC PUBLIC WORKS -	\$1,077.50	Construction In Progress
	DOMENICHELLI & ASSOCIATES -	\$54,487.69	Construction In Progress
	ERC CONTRACTING - Invoices:1	\$8,625.00	Construction In Progress
	ERROL L MONTGOMERY & ASSOCIATES	\$24,250.20	Construction In Progress
	FLOWLINE CONTRACTORS INC -	\$67,999.15	Construction In Progress
	GEOCON CONSULTANTS INC - Invoices:1	\$1,581.25	Construction In Progress
	GM CONSTRUCTION & DEVELOPERS -	\$92,694.78	Construction In Progress
	GW DEMOLITION - Invoices:1	\$14,900.00	Construction In Progress
	KENNEDY JENKS CONSULTANTS -	\$16,575.05	Construction In Progress
	KIRBY PUMP AND MECHANICAL -	\$8,920.00	Construction In Progress
	LAKE VUE ELECTRIC INC - Invoices:3	\$1,542.00	Construction In Progress
	LOEWEN PUMP MAINTENANCE -	\$52,116.29	Construction In Progress
	PETERSON BRUSTAD INC - Invoices:4	\$10,499.66	Construction In Progress
	PLANET PAVING & GRADING INC -	\$36,550.00	Construction In Progress
	PSOMAS - Invoices:2	\$27,589.50	Construction In Progress
	ROADRUNNER DRILLING & PUMP CO -	\$26,375.00	Construction In Progress
	S E AHLSTROM INSPECTION - Invoices:1	\$5,890.00	Construction In Progress
	SILICON VALLEY SHELVING AND EQUIP -	\$16,566.80	Construction In Progress
	T&S CONSTRUCTION COMPANY INC -	\$562,053.25	Construction In Progress
	TESCO - Invoices:1	\$307,500.00	Construction In Progress
	WEST YOST & ASSOCIATES - Invoices:4	\$12,920.00	Construction In Progress
	WOOD RODGERS ENGINEERING -	\$33,796.25	Construction In Progress
Water Costs			
	PG&E - Invoices:2	\$33.53	Utilities
	SIERRA CHEMICAL COMPANY - Invoices:4	\$32,379.74	HFA, Chemical & Delivery
	SMUD - Invoices:4	\$241,383.99	Electrical Charges
Payroll & Benefits			
	PAYROLL - 2	\$511,810.77	Payroll
	ACWA JPIA INSURANCE/EAP - Invoices:1	\$159.46	Employee Benefit - EAP Insurance
	AMERITAS (VISION) - Invoices:1	\$1,995.12	Employee Benefit - Vision Insurance
	CIGNA-DENTAL INS - Invoices:1	\$13,653.88	Employee Benefit - Dental Insurance
	PERS HEALTH - Invoices:2	\$113,173.59	Employee Benefit - Medical Insurance
	PERS PENSION - Invoices:9	\$129,187.79	Employee Benefit - PERS Retirement
	UNUM - Invoices:2	\$8,958.17	Employee Benefit - LTD Insurance
	PERS LONG TERM CARE PROGRAM -	\$4,038.75	OPEB - Retiree Benefits Premium
	BASIC PACIFIC - Invoices:2	\$335.50	OPEB - Retiree Benefits Premium
Debt Service			

Group	Vendor Name	Amount	Description
CIP & OCB			
	SUMITOMO MITSUI BANKING	\$51,035.48	2009A COP Interest Expense
	WELLS FARGO SWAP - Invoices:1	\$75,970.66	2009A COP Interest Expense
Financial Services			
	ADP, INC - Invoices:2	\$4,694.60	Financial Services
	PFM ASSET MANAGEMENT LLC -	\$3,913.18	Financial Services
	WESTAMERICA BANK ANALYSIS FEES -	\$5,355.08	Financial Services
	WESTAMERICA CARD PROCESSING STMT -	\$6,920.35	Financial Services
	WORLDPAY INTEGRATED PAYMENTS -	\$728.28	Financial Services
Other			
	A & A STEPPING STONE MFG., INC -	\$25.86	Operating Supplies
	A.I. ELECTRIC - Invoices:1	\$825.00	Contract Services
	A1 FABRICATION & WELDING - Invoices:1	\$2,400.00	Construction Services
	AARON CAUDILLO - Invoices:1	\$250.00	Uniforms
	ABA DABA RENTAL - Invoices:1	\$57.32	Operating Supplies
	ABEL RAMIREZ - Invoices:1	\$250.00	Uniforms
	ACS CONSTRUCTION - Invoices:1	\$390.00	Building Maintenance - Office & Yard
	AFLAC - Invoices:2	\$1,475.54	Supplemental Insurance
	AIRGAS USA LLC - Invoices:1	\$37.13	Operating Supplies
	ALLIED UNIVERSAL - Invoices:1	\$694.38	Building Service Expense - Office &
	AM CONSERVATION GROUP INC -	\$18,570.66	Operating Supplies
	ANSWERNET - Invoices:1	\$793.60	Communication
	ARMANINO - Invoices:1	\$185.06	Consulting Services
	AT&T - Invoices:2	\$469.47	Communication
	ATLAS DISPOSAL - Invoices:2	\$266.32	Building Service Expense - Office &
	AVILES LIGHTING AND ELECTRICA	\$440.00	Building Maintenance - Office & Yard
	BACKFLOW DISTRIBUTORS INC -	\$1,030.09	Operating Supplies
	BADGER METER INC - Invoices:4	\$17,570.04	Operating Supplies
	BADGER TAG & LABEL CORPORATION -	\$755.46	Operating Supplies
	BARTKIEWICZ KRONICK & SHANAHAN -	\$16,131.50	Legal Services
	BAY ALARM COMPANY - Invoices:1	\$116.55	Building Service Expense - Office &
	BEN HARRIS - Invoices:1	\$202.37	Uniforms
	BRADY WORLDWIDE INC - Invoices:1	\$1,068.12	Operating Supplies
	BROADRIDGE MAIL LLC - Invoices:22	\$46,554.76	Contract Services
	BROWER MECHANICAL - Invoices:4	\$1,097.00	Building Maintenance - Office & Yard
	BURTON ROBB /BURT'S LAWN & GARDEN	\$100.00	Contract Services
	CALIFORNIA AMERICAN WATER COMPANY	\$8,286.65	Water Delivery - Reissue
	CALIFORNIA LABORATORY SERVICES -	\$2,437.00	Inspection & Testing
	CAPITAL SWEEPER SERVICE - Invoices:1	\$170.00	Building Service Expense - Office &
	CHRIS CARTER - Invoices:1	\$227.99	Uniforms
	CINTAS - Invoices:10	\$2,930.33	Building Maintenance - Office & Yard
	CITRA COMMUNICATIONS - Invoices:1	\$964.25	Printing
	CITY OF SACRAMENTO DEPT OF	\$47.51	Utilities
	CLEAR VISION WINDOW CLEANING -	\$450.00	Building Service Expense - Office &
	CODY SCOTT - Invoices:1	\$227.99	Uniforms
	COLLECTION PLUS - Invoices:3	\$551.96	Employment Cost

Group	Vendor Name	Amount	Description
CIP & OCB			
Other			
	COMCAST - Invoices:1	\$70.46	Communication
	CONSOLIDATED COMMUNICATIONS -	\$495.88	Communication
	COTTON SHOPPE - Invoices:1	\$2,649.20	Uniforms
	COUNTY OF SAC ENVIRO MGT DEPT -	\$7,304.00	Licenses, Permits & Fees
	COUNTY OF SAC UTILITIES - Invoices:5	\$1,140.93	Utilities
	CULLIGAN - Invoices:1	\$43.25	Building Maintenance - Office & Yard
	Customer Refunds: 250	\$35,511.36	Refund Clearing Account
	DARYL VINA VONG - Invoices:1	\$173.99	Uniforms
	DIRECT TV - Invoices:1	\$11.25	Communication
	DITCH WITCH EQUIPMENT CO -	\$227.79	Equipment Maintenance Supplies
	DOMCO PLUMBING - Invoices:1	\$625.00	Contract Services
	EDGEWOOD PARTNERS INS CENTER -	\$7,000.00	Administrative Services HR
	ELEVATOR TECHNOLOGY INC - Invoices:2	\$210.00	Building Service Expense - Office &
	EMIGH ACE HARDWARE - Invoices:4	\$51.74	Building Maintenance - Office & Yard
	EMPLOYEE RELATIONS NETWORK -	\$383.61	Employment Cost
	EMPLOYMENT DEVELOPMENT - Invoices:1	\$450.00	Miscellaneous Employee Benefits
	MOBILE-MED WORK HEALTH SOLUTIONS	\$658.00	Miscellaneous Employee Benefits
	ERIK FLAA - Invoices:1	\$296.53	Uniforms
	ESRI - Invoices:1	\$25,000.00	Annual Maintenance 2022
	EUROFINS EATON ANALYTICAL -	\$595.00	Inspection & Testing
	FLEETWASH INC - Invoices:2	\$546.53	Vehicle Maintenance Services
	FORENSIC ANALYTICAL CONSULTING	\$4,550.00	Required Training
	FUTURE FORD - Invoices:4	\$351.60	Vehicle Maintenance Services
	GRAINGER - Invoices:9	\$1,944.37	Operating Supplies
	HARRINGTON PLASTICS - Invoices:3	\$15,939.90	Materials and Supplies
	HEATH J CARNEY - Invoices:1	\$353.07	BMP Rebates
	HEATHER HERNANDEZ-FORT - Invoices:1	\$278.04	Travel Conferences
	HECTOR SEGOVIANO - Invoices:2	\$236.58	Expenses Reimbursement
	HERBURGER PUBLICATIONS INC -	\$287.00	Public Relations
	HODGE PRODUCTS - Invoices:1	\$804.31	Operating Supplies
	IN COMMUNICATIONS - Invoices:1	\$5,717.61	Public Relations
	INFERRERA CONSTRUCTION	\$12,015.00	Consulting Services
	IRON MOUNTAIN OFF SITE DATA	\$585.06	Equipment Maintenance Services
	JOAN FRANZINO - Invoices:1	\$75.00	Contract Services
	JOSH TAYLOR - Invoices:1	\$250.00	Uniforms
	JULIE NEMITZ - Invoices:2	\$706.07	Expenses Reimbursement
	LEONARD RICE ENGINEERS INC -	\$210.47	Consulting Services
	LES SCHWAB TIRE CENTER/MADISON -	\$2,968.82	Equipment Maintenance Services
	LIFEGUARD FIRST AID - Invoices:2	\$216.58	Building Service Expense - Office &
	MAITA TOYOTA - Invoices:1	\$1,453.13	Vehicle Maintenance Services
	MARTIN BROTHERS CONSTRUCTION -	\$2,295.80	Hydrant Deposit Permit Return
	MESSENGER PUBLISHING GROUP -	\$309.00	Public Relations
	MICHAEL PHILLIPS LANDSCAPE CORP -	\$5,640.00	Building Service Expense - Office &
	MICHELS PACIFIC ENERGY INC -	\$2,294.40	Hydrant Deposit Permit Return

Group	Vendor Name	Amount	Description
CIP & OCB			
	NAVIANT - Invoices:1	\$57,891.62	Annual Maintenance 2022
Other			
	NINJIO LLC - Invoices:1	\$134.46	Equipment Maintenance Services
	NORTH STAR CONSTRUCTION -	\$2,300.00	Hydrant Deposit Permit Return
	OFFICE DEPOT INC - Invoices:4	\$409.58	Office Supplies
	PACE SUPPLY CORP - Invoices:11	\$30,204.76	Operating Supplies
	PACIFIC COPY & PRINT - Invoices:1	\$323.53	Printing
	PACIFIC RIVER SUPPLY CO INC -	\$337.76	Uniforms
	PAPE MACHINERY - Invoices:1	\$17.00	Operating Supplies
	PAUL WHITE - Invoices:1	\$242.41	Uniforms
	PEOPLEREADY - Invoices:4	\$7,575.44	Temporary Help
	PEST PROS - Invoices:5	\$468.95	Building Service Expense - Office &
	POLLARD WATER - Invoices:1	\$96.98	Operating Supplies
	PURE TECHNOLOGIES dba WACHS -	\$115,700.00	Contract Services
	QUADIENT LEASING USA INC - Invoices:1	\$660.81	Equipment Rental/Lease
	RAUL PALOMAR - Invoices:1	\$287.99	Uniforms
	RAY MORGAN CO - Invoices:2	\$2,028.04	Equipment Maintenance Services
	REGIONAL WATER AUTHORITY -	\$4,775.00	Consulting Services
	RUE EQUIPMENT INC - Invoices:11	\$1,858.41	Equipment Maintenance Services
	SACRAMENTO SUBURBAN WATER	\$183.19	Petty Cash Reimbursement
	SARAH DAINS - Invoices:1	\$134.49	Uniforms
	SENSUS USA INC - Invoices:1	\$8,855.30	Operating Supplies
	SHAWN CHANEY - Invoices:2	\$613.99	Required Training
	SONITROL - Invoices:2	\$2,857.58	Building Service Expense - Office &
	SUPERIOR EQUIPMENT REPAIR INC -	\$2,065.91	Equipment Maintenance Services
	TEE JANITORIAL & MAINTENANCE -	\$8,216.00	Building Service Expense - Office &
	TEICHERT CONSTRUCTION - Invoices:1	\$1,192.60	Hydrant Deposit Permit Return
	TELSTAR INSTRUMENTS - Invoices:1	\$1,110.00	Temporary Help
	TINA LYNN DESIGN - Invoices:2	\$683.00	Contract Services
	ULINE SHIPPING SUPPLY SPECIALISTS -	\$195.31	Operating Supplies
	UNLIMITED COMMUNICATIONS -	\$2,168.80	Hydrant Deposit Permit Return
	US BANK CORPORATE PAYMENT SYSTEM -	\$15,198.72	Calcard
	USC UNIVERSITY OF SOUTHERN CA -	\$500.00	Membership & Dues
	VERIZON WIRELESS/DALLAS TX -	\$5,817.17	Communication
	VICKI SPRAGUE - Invoices:1	\$237.04	Uniforms
	VOCANTAS - Invoices:1	\$5,160.00	Licenses, Permits & Fees
	WALNUT INDUSTRIAL CENTER LLC -	\$2,644.00	H&D WALNUT PARKING LOT LEASE
	WASTE MANAGEMENT - Invoices:3	\$397.71	Building Service Expense - Office &
	WATERWISE CONSULTING, INC. -	\$2,350.00	Consulting Services
	WEX - Invoices:1	\$10,703.47	Operating Supplies
	WIENHOFF DRUG TESTING - Invoices:1	\$880.00	Employment Cost
	WOLF CONSULTING - Invoices:1	\$500.00	Consulting Services
	ZFA STRUCTURAL ENGINEERS INC -	\$640.00	Consulting Services
	Total:	\$3,426,984.00	

**Credit Card Expenditures
November 2021**

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

Vendor Name	Description	Amount	Proj/GL Acct
US PLASTICS	ENVIRONMENTAL COMPLIANCE SUPPLIES	\$ 148.89	14-52101
PAYPAL	TRAINING-BEN HARRIS	\$ 179.00	05-51407
SWEET DOZEN	ALL HANDS REFRESHMENTS-SEPTEMBER	\$ 79.50	02-51403
FRED PRYOR	TRAINING-SHAWN CHANEY	\$ 99.00	07-51407
SMART & FINAL	KITCHEN SUPPLIES-WALNUT	\$ 79.90	03-52108
SMART & FINAL	ALL HANDS REFRESHMENTS-SEPTEMBER	\$ 34.38	02-51403
AMAZON	WAREHOUSE SUPPLIES	\$ 10.76	05-52101
AMAZON	HEAD LAMP CLIPS-PRODUCTION	\$ 10.76	06-52101
AMAZON	WAREHOUSE SUPPLIES	\$ 90.39	05-52101
AMAZON	HEAD LAMP CLIPS-FIELD SERVICES	\$ 10.76	08-52101
AMAZON	HEAD LAMPS & CLIPS- DISTRIBUTION	\$ 591.08	07-52101
AMAZON	KITCHEN SUPPLIES- MARCONI	\$ 62.69	03-52108
AMAZON	WAREHOUSE SUPPLIES	\$ 42.20	05-52101
AMAZON	HEAD LAMPS- FIELD SERVICES	\$ 193.44	08-52101
AMAZON	HEAD LAMPS-FIELD SERVICES	\$ 241.80	08-52101
ELSEVIER INC	REFERENCE MATERIALS- ENGINEERING	\$ 31.50	15-52108
AMAZON	HEAD LAMPS- PRODUCTION	\$ 290.16	06-52101
AMAZON	HEAD LAMPS--PRODUCTION	\$ 290.16	06-52101
BUCKHORN GRILL	LUNCH FOR COMMUNICATIONS AND TEAM BUILDING	\$ 1,019.54	02-51403
SACRAMENTO COUNTY	WELL N30 PERMIT	\$ 450.08	14-54509
SACRAMENTO COUNTY	WELL N34 PERMIT	\$ 145.25	14-54509
AMAZON	WAREHOUSE SUPPLIES	\$ 16.15	05-52101
AMAZON	OFFICE SUPPLIES-WALNUT	\$ 7.53	03-52108
AMAZON	WAREHOUSE SUPPLIES	\$ 14.00	05-52101
COSTCO	OFFICE SUPPLIES-MARCONI	\$ 27.99	03-52108
KRISPY KREME	REFRESHMENTS FOR COMMUNICATIONS AND TEAM BUILDING-WALNUT	\$ 110.58	02-51403
KRISPY KREME	REFRESHMENTS FOR COMMUNICATIONS AND TEAM BUILDING-MARCONI	\$ 76.38	02-51403
NOAHS BAGELS	ALL HANDS REFRESHMENTS-OCTOBER	\$ 59.16	02-51403
HOME DEPOT	DISTRIBUTION SUPPLIES	\$ 113.03	07-52101
ASSOCIATION OF CALIFORNIA	ACWA TRAINING-DAVID ARMAND	\$ 85.00	14-51407
HOME DEPOT	DISTRIBUTION SUPPLIES	\$ 8.59	07-52101
DONUT FAIR	ALL HANDS MEETING REFRESHMENTS	\$ 40.00	02-51403
JERSEY MIKES	STAFF LUNCHEON FOR MEETING EVALUATIONS	\$ 320.53	17-51407
CRUMBL COOKIES	ALL HANDS WATER PROFESSIONAL WEEK LUNCHEON	\$ 276.00	02-51403
COSTCO	CANDY BAR BAGS FOR STAFF AWARDS	\$ 76.74	02-51403
RALEY'S	ALL HANDS MEETING REFRESHMENTS	\$ 17.46	02-51403
NOAHS'	ALL HANDS MEETING REFRESHMENTS	\$ 50.25	02-51403
UPS	SHIPPING - METROTECH #339 FOR REPAIR	\$ 68.30	12-53003
VIVAX/METROTECH	REPAIR METROTECH #339	\$ 458.19	12-54003
AMAZON.COM	COLOR PRINTER RIBBON FOR ID CARD PRINTER	\$ 103.74	12-52101
AMAZON.COM	FIRE EXTINGUISHER SIGNS	\$ 98.00	12-54008
AMAZON.COM	REFUND FOR FIRE EXTINGUISHER SIGNS NOT SHIPPED	\$ (11.84)	12-54008

Vendor Name	Description	Amount	Proj/GL Acct
SACRAMENTO COUNTY - ENVIRONMENTAL MANAGEMENT	WELL N1 PUMP PULL AND REPAIR PERMIT	\$ 450.08	14-54509
SACRAMENTO COUNTY - ENVIRONMENTAL MANAGEMENT	WELL 69 PUMP PULL AND REPAIR PERMIT	\$ 450.08	14-54509
SACRAMENTO COUNTY - ENVIRONMENTAL MANAGEMENT	WELL 13 PUMP PULL AND REPAIR PERMIT	\$ 450.08	14-54509
SACRAMENTO COUNTY - ENVIRONMENTAL MANAGEMENT	WELL 68 PUMP PULL AND REPAIR PERMIT	\$ 450.08	14-54509
SACRAMENTO COUNTY - ENVIRONMENTAL MANAGEMENT	WELL N38 PUMP PULL AND REPAIR PERMIT	\$ 450.08	14-54509
SACRAMENTO COUNTY - ENVIRONMENTAL MANAGEMENT	WELL 60 PUMP PULL AND REPAIR PERMIT	\$ 450.08	12-54509
THE HOME DEPOT	WINDOW/DOOR BLINDS - PURCHASING SPECIALIST/OPERATIONS MANAGER	\$ 103.94	12-54008
AMAZON MARKETPLACE	MEMORY FOR LYNN PHAM COMPUTER	\$ 143.30	18-52101
MICROSOFT	MICROSOFT ONE DRIVE	\$ 168.49	18-54509
SMARTNET NA	ANNUAL RENEWAL OF GPS REAL TIME CORRECTION LICENSES	\$ 7,680.00	18-54509
	Totals:	\$ 16,913.23	

**Investment Activity
November 2021**

PFM Managed Account Security Transactions & Interest

For the Month Ending November 30, 2021

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade Date	Settle Date	Security Description	CUSIP	Principal Proceeds	Accrued Interest	TotalAmount
BUY							
BUY	11/2/2021	11/4/2021	US TREASURY NOTES	91282CBC4	924,060.55	1,229.45	925,290.00
BUY	11/9/2021	11/17/2021	HART 2021-C A3	44935FAD6	99,977.68	-	99,977.68
BUY	11/16/2021	11/24/2021	HAROT 2021-4 A3	43815GAC3	129,972.60	-	129,972.60
BUY	11/19/2021	11/23/2021	AMERICAN EXPRESS CO (CALLABLE) CORPORATE	025816CM9	324,506.00	283.02	324,789.02
BUY	11/24/2021	11/29/2021	APPLE INC CORPORATE NOTES	037833BG4	636,930.00	853.33	637,783.33
BUY	11/24/2021	11/29/2021	JPMORGAN CHASE & CO NOTES (CALLABLE)	46647PBT2	242,655.00	72.57	242,727.57
BUY Total					2,358,101.83	2,438.37	2,360,540.20
INTEREST							
INTEREST	11/1/2021	11/25/2021	FHMS KP05 A	3137FKK39	-	15.36	15.36
INTEREST	11/1/2021	11/25/2021	FHLMC SERIES K721 A2	3137BM6P6	-	477.71	477.71
INTEREST	11/1/2021	11/25/2021	FHMS KJ27 A1	3137FQ3V3	-	66.32	66.32
INTEREST	11/1/2021	11/25/2021	FHMS K043 A2	3137BGK24	-	701.71	701.71
INTEREST	11/1/2021	11/1/2021	CA ST UNIV TXBL REV BONDS	13077DQD7	-	253.33	253.33
INTEREST	11/1/2021	11/1/2021	MONEY MARKET FUND	MONEY0002	-	2.80	2.80
INTEREST	11/6/2021	11/6/2021	FREDDIE MAC NOTES	3137EAEZ8	-	562.50	562.50
INTEREST	11/7/2021	11/7/2021	FANNIE MAE NOTES	3135G06G3	-	1,125.00	1,125.00
INTEREST	11/12/2021	11/12/2021	AMAZON.COM INC CORPORATE NOTES	023135BW5	-	798.75	798.75
INTEREST	11/15/2021	11/15/2021	UNIV OF CAL TXBL REV BONDS	91412HGE7	-	441.50	441.50
INTEREST	11/15/2021	11/15/2021	MBALT 2021-B A3	58769KAD6	-	65.00	65.00
INTEREST	11/15/2021	11/15/2021	UNITEDHEALTH GROUP INC (CALLABLE) CORPOR	91324PEC2	-	1,827.22	1,827.22
INTEREST	11/15/2021	11/15/2021	NAROT 2021-A A3	65480BAC1	-	112.75	112.75
INTEREST	11/15/2021	11/15/2021	DCENT 2021-A1 A1	254683CP8	-	120.83	120.83
INTEREST	11/15/2021	11/15/2021	CARMX 2021-1 A3	14316NAC3	-	18.42	18.42
INTEREST	11/15/2021	11/15/2021	NAROT 2018-C A3	65478NAD7	-	256.27	256.27
INTEREST	11/15/2021	11/15/2021	COMET 2021-A1 A1	14041NFW6	-	190.21	190.21
INTEREST	11/15/2021	11/15/2021	TAOT 2021-B A3	89190GAC1	-	97.50	97.50
INTEREST	11/15/2021	11/15/2021	CARMX 2020-4 A3	14316HAC6	-	62.50	62.50
INTEREST	11/15/2021	11/15/2021	HART 2021-A A3	44933LAC7	-	30.08	30.08
INTEREST	11/15/2021	11/15/2021	CARMX 2021-2 A3	14314QAC8	-	62.83	62.83
INTEREST	11/15/2021	11/15/2021	CARMX 2021-3 A3	14317DAC4	-	126.04	126.04
INTEREST	11/15/2021	11/15/2021	HAROT 2018-4 A3	43815AAC6	-	145.72	145.72
INTEREST	11/15/2021	11/15/2021	COMET 2019-A2 A2	14041NFU0	-	1,146.67	1,146.67
INTEREST	11/15/2021	11/15/2021	COPAR 2021-1 A3	14044CAC6	-	50.05	50.05
INTEREST	11/16/2021	11/16/2021	GMCAR 2020-4 A3	36260KAC8	-	42.75	42.75

PFM Managed Account Security Transactions & Interest

For the Month Ending November 30, 2021

SACRAMENTO SUBURBAN WATER DISTRICT - 76850100

Transaction Type	Trade Date	Settle Date	Security Description	CUSIP	Principal Proceeds	Accrued Interest	TotalAmount
INTEREST	11/16/2021	11/16/2021	GMCAR 2021-3 A3	380140AC7	-	68.00	68.00
INTEREST	11/16/2021	11/16/2021	GMCAR 2021-4 A3	362554AC1	-	51.94	51.94
INTEREST	11/20/2021	11/20/2021	GMALT 2021-2 A4	380144AD7	-	17.08	17.08
INTEREST	11/20/2021	11/20/2021	VZOT 2020-A A1A	92348TAA2	-	308.33	308.33
INTEREST	11/20/2021	11/20/2021	VWALT 2020-A A4	92868VAD1	-	99.38	99.38
INTEREST	11/24/2021	11/24/2021	INTL BK RECON & DEVELOP NOTES	459058JM6	-	750.00	750.00
INTEREST	11/25/2021	11/25/2021	BMWLT 2021-2 A4	09690AAD5	-	132.58	132.58
INTEREST	11/27/2021	11/27/2021	FANNIE MAE NOTES	3135G06H1	-	500.00	500.00
INTEREST	11/28/2021	11/28/2021	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	04636NAA1	-	1,950.00	1,950.00
INTEREST	11/30/2021	11/30/2021	US TREASURY NOTES	912828R69	-	2,437.50	2,437.50
INTEREST	12/1/2021	12/25/2021	FHMS KJ27 A1	3137FQ3V3	-	66.11	66.11
INTEREST	12/1/2021	12/25/2021	FHLMC SERIES K721 A2	3137BM6P6	-	476.87	476.87
INTEREST	12/1/2021	12/25/2021	FHMS K043 A2	3137BGK24	-	701.71	701.71
INTEREST	12/1/2021	12/25/2021	FHMS KP05 A	3137FKK39	-	15.32	15.32
INTEREST	12/1/2021	12/1/2021	JPMORGAN CHASE & CO CORPORATE NOTES	46647PCH7	-	1,627.40	1,627.40
INTEREST Total					-	18,002.04	18,002.04
MATURITY							
MATURITY	11/1/2021	11/1/2021	SUMITOMO MITSUI TRUST NY COMM PAPER	86563GY14	800,000.00	-	800,000.00
MATURITY Total					800,000.00	-	800,000.00
PAYDOWNS							
PAYDOWNS	11/1/2021	11/25/2021	FHMS KP05 A	3137FKK39	14.37	-	14.37
PAYDOWNS	11/1/2021	11/25/2021	FHMS KJ27 A1	3137FQ3V3	119.92	-	119.92
PAYDOWNS	11/1/2021	11/1/2021	FHLMC SERIES K721 A2	3137BM6P6	324.55	-	324.55
PAYDOWNS	11/15/2021	11/15/2021	NAROT 2018-C A3	65478NAD7	14,697.55	-	14,697.55
PAYDOWNS	11/15/2021	11/15/2021	HAROT 2018-4 A3	43815AAC6	12,647.06	-	12,647.06
PAYDOWNS Total					27,803.45	-	27,803.45
SELL							
SELL	11/24/2021	11/29/2021	US TREASURY NOTES	912828X47	125,952.15	187.76	126,139.91
SELL Total					125,952.15	187.76	126,139.91
Grand Total					3,311,857.43	20,628.17	3,332,485.60



Agenda Item: 7

Date: December 20, 2021

Subject: Policy Review – Workplace Dishonesty Policy (PL – Adm 006)

Staff Contact: Matt Underwood, Assistant General Manager

Recommended Board Action:

Approve Workplace Dishonesty Policy (PL – Adm 006) with changes.

Background:

The Workplace Dishonesty Policy (Policy) was adopted by the Board of Directors on December 17, 2007, and was last reviewed by the Board on August 19, 2019. On November 15, 2021, the Policy was brought to the Board for its biennial review. No comments from Directors have been received to date. This Policy was reviewed by legal counsel for this update.

Discussion:

Staff recommends approving Workplace Dishonesty Policy (PL – Adm 006) with changes. A redline version (Attachment 1) and clean version (Attachment 2) are included for your reference. In summary, edits were made to the following sections:

Section 100.00: Language was added regarding the District’s “zero tolerance” stance on dishonesty.

Section 200.00: Language was added regarding District assets; and taking action as appropriate to discipline dishonest persons.

Section 200.10: Clarification language was added regarding prohibited conduct and activities.

Section 200.20: The name of the section was changed to include investigation of all prohibited conduct and activities, as opposed to only fraud; language was also added within the section to clarify this. Language was removed regarding who conducts investigations, as that is procedural and is included in the related procedure “Workplace Dishonesty Procedure (PR – Adm 004).

Fiscal Impact:

Adopting the Policy updates does not have a fiscal impact.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies

Attachments:

1 – Workplace Dishonesty Policy – redlined

2 – Workplace Dishonesty Policy – clean

Sacramento Suburban Water District

Workplace Dishonesty Policy

Adopted: December 17, 2007

Approved with Changes: ~~August 19, 2019~~December 20, 2021

100.00 Purpose of the Policy

The purpose of this policy is to inform directors, officers, employees, ~~and those doing business persons providing services to the District pursuant to a contract with of~~ the District's "zero tolerance" policy of dishonesty, ~~including some examples of~~ the types of workplace conduct that are considered dishonest; to direct the General Manager to establish and maintain a system of internal controls to prevent, discourage, and detect dishonest conduct; to authorize the General Manager to establish appropriate procedures for reporting and investigating alleged dishonesty in the workplace or connected to the District; to provide ~~for~~ appropriate sanctions in cases where dishonest conduct or activities are established; and to protect ~~from retaliation~~ directors, officers, employees and other persons who report such conduct or activities from any form of retaliation.

200.00 Policy

The District expects that all directors, officers, employees, agents, vendors, volunteers or other persons connected to the District will adhere to the strictest standards of honest conduct and will treat District property and assets with the same respect required for ~~all such~~ public property and assets. It is the District's express policy that all allegations of workplace or other District-related dishonesty will be promptly and fully investigated and, if dishonest conduct is established, to take action as appropriate to discipline the dishonest person or persons, up to and including termination of employment, contract, or other relationship, ~~and~~ to pursue appropriate civil and criminal legal remedies as determined by the General Manager or Board and District legal counsel. To ensure that the District's property and assets are ~~is~~ safeguarded against dishonest ~~conduct~~, the District will establish and maintain appropriate procedures and internal controls to promptly detect workplace or other District-related dishonesty and take appropriate ~~disciplinary~~ action against any individuals so involved. It also is the District's policy to protect from retaliation all persons who report possible dishonest conduct to any level of the organization in order to promote full and prompt disclosure of such activities ("Whistleblower Protection").

200.10 Prohibited Conduct and Activities

Dishonesty, fraud, corruption, and other deceitful acts prohibited under this Policy include [but are in no way limited to](#):

1. Claiming reimbursement of expenses that are not job-related or authorized by the District's Employee Handbook and other employment policies.
2. Committing forgery, ~~or~~ unauthorized alteration of, [or fraudulent reporting on](#) any District document (~~for example~~[including but not limited to](#):—invoices, receipts, checks, wire and Automated Clearing House (ACH) transfers, time—sheets, independent contractor agreements, purchase orders, invoices, receipts, petty cash documents, ~~or~~ [budgets](#)).
3. Misappropriating District assets (~~for example~~[including but not limited to](#): ~~money~~[funds](#), District-issued credit cards, securities, supplies, furniture, equipment, or labor).
4. Committing improprieties in the handling or reporting of money, material, labor or accounting transactions.
5. Authorizing reimbursement for work or receiving payment for goods not received by or services not performed for the District.
6. Using a computer issued by the District for unauthorized personal use or alteration, destruction, forgery, or manipulation of District data or misappropriation of District-owned software.
7. Misrepresenting information on District-related documents.
8. Falsifying time records or expense reports or conducting substantial personal business on District time.
9. Violating federal, state, or local laws ~~related~~ [intended to regulate](#) ~~to~~ any form or type of dishonest conduct or activities.
10. Seeking or accepting bribes, gratuities, or other consideration of material value from those doing business with the District, including customers, vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the Political Reform Act of 1974 (Gov't Code sections 87000 et seq.), regulations of the Fair Political Practices Commission (2 Cal. Admin. Code Sections 18100 et seq.), and any amendments to the Act or regulations.
11. Any other type of dishonest, fraudulent, ~~corrupt~~, or deceitful conduct in violation of any District policy or of any federal, state or local law or regulation.

200.20 Investigation of Prohibited Conduct and Activities~~Fraud~~

The District will fully investigate all allegations of ~~dishonest conduct~~prohibited conduct and activities prohibited under this policy. A thorough and objective investigation will be conducted regardless of the position, title, tenure, or relationship with the District of any director, officer, employee, agent, vendor, volunteer, or other person providing services to the District~~other person~~ who might be involved in or becomes the subject of such investigation.

The General Manager, with appropriate assistance from management staff and District legal counsel, will apply appropriate procedures for investigating all allegations of dishonest conduct by any director, officer, employee, agent, vendor, volunteer or other party connected person providing services to the District. ~~Typically, the Assistant General Manager, Finance Director or a department head will be assigned to conduct an investigation once the subject matter of the investigation and the nature of the alleged dishonest conduct have been determined.~~

At the General Manager's discretion, investigations of alleged criminal conduct may be referred to the appropriate prosecutorial or law enforcement officials for investigation.

Directors of the District shall have full authority to investigate allegations of dishonest conduct against the General Manager.

The District will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of any losses suffered by the District that are caused by or connected to dishonest conduct prohibited by this Policy.

300.00 Establishment of Internal Controls

The General Manager or his/her designee is directed to establish and maintain a system of internal controls to prevent and detect fraud, misappropriation of District resources and other dishonest conduct affecting the District, and to institute systems that help the District to promptly identify any indications of such misconduct.

400.00 Reporting Dishonest Acts or Conduct – “Whistleblower Protection”

No director, officer, or employee shall directly or indirectly retaliate or cause retaliation to occur against any director, officer, employee or person doing business providing services to~~with~~ the District who reports alleged dishonesty, who is accused of dishonesty, or who is involved in the investigation of alleged dishonesty. ~~Retaliation is itself is a form of dishonesty.~~ Retaliation includes a director's, officer's, employee's, vendor's or consultant's use of his or her authority or influence for the purpose of intimidating, threatening, coercing, commanding, or influencing another such person to refrain from filing a good faith report of dishonesty or otherwise bringing to the attention

of a supervisor, the General Manager, or the Board any information that, if true, would constitute a dishonest act or conduct. Upon receiving a report of retaliation, the General Manager or Board of Directors shall promptly investigate the report in accordance with Section 350.00.D. of the District's Ethics Policy (PL-BOD 004) or Workplace Dishonesty Procedure (PR - Adm 004), whichever is applicable.

500.00 Policy Review

This policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Workplace Dishonesty Policy

Adopted: December 17, 2007
Approved with Changes: December 20, 2021

100.00 Purpose of the Policy

The purpose of this policy is to inform directors, officers, employees, and persons providing services to the District pursuant to a contract of the District’s “zero tolerance” policy of dishonesty, including examples of the types of workplace conduct that are considered dishonest; to direct the General Manager to establish and maintain a system of internal controls to prevent, discourage, and detect dishonest conduct; to authorize the General Manager to establish appropriate procedures for reporting and investigating alleged dishonesty in the workplace or connected to the District; to provide appropriate sanctions in cases where dishonest conduct or activities are established; and to protect directors, officers, employees and other persons who report such conduct or activities from any form of retaliation.

200.00 Policy

The District expects that all directors, officers, employees, agents, vendors, volunteers or other persons connected to the District will adhere to the strictest standards of honest conduct and will treat District property and assets with the same respect required for such public property and assets. It is the District’s express policy that all allegations of workplace or other District-related dishonesty will be promptly and fully investigated and, if dishonest conduct is established, to take action as appropriate to discipline the dishonest person or persons, up to and including termination of employment, contract, or other relationship, and to pursue appropriate civil and criminal legal remedies as determined by the General Manager or Board and District legal counsel. To ensure that the District’s property and assets are safeguarded against dishonesty, the District will establish and maintain appropriate procedures and internal controls to promptly detect workplace or other District-related dishonesty and take appropriate action against any individuals so involved. It also is the District’s policy to protect from retaliation all persons who report possible dishonest conduct to any level of the organization in order to promote full and prompt disclosure of such activities (“Whistleblower Protection”).

200.10 Prohibited Conduct and Activities

Dishonesty, fraud, corruption, and other deceitful acts prohibited under this Policy include but are in no way limited to:

1. Claiming reimbursement of expenses that are not job-related or authorized by the District's Employee Handbook and other employment policies.
2. Committing forgery, unauthorized alteration of, or fraudulent reporting on any District document (including but not limited to: invoices, receipts, checks, wire and Automated Clearing House (ACH) transfers, timesheets, independent contractor agreements, purchase orders, invoices, receipts, petty cash documents, or budgets).
3. Misappropriating District assets (including but not limited to: funds, District-issued credit cards, securities, supplies, furniture, equipment, or labor).
4. Committing improprieties in the handling or reporting of money, material, labor or accounting transactions.
5. Authorizing reimbursement for work or receiving payment for goods not received by or services not performed for the District.
6. Using a computer issued by the District for unauthorized personal use or alteration, destruction, forgery, or manipulation of District data or misappropriation of District-owned software.
7. Misrepresenting information on District-related documents.
8. Falsifying time records or expense reports or conducting substantial personal business on District time.
9. Violating federal, state, or local laws intended to regulate any form or type of dishonest conduct or activities.
10. Seeking or accepting bribes, gratuities, or other consideration of material value from those doing business with the District, including customers, vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the Political Reform Act of 1974 (Gov't Code sections 87000 et seq.), regulations of the Fair Political Practices Commission (2 Cal. Admin. Code Sections 18100 et seq.), and any amendments to the Act or regulations.
11. Any other type of dishonest, fraudulent, or deceitful conduct in violation of any District policy or of any federal, state or local law or regulation.

200.20 Investigation of Prohibited Conduct and Activities

The District will fully investigate all allegations of conduct and activities prohibited under this policy. A thorough and objective investigation will be conducted regardless of the position, title, tenure, or relationship with the District of any director, officer, employee, agent, vendor, volunteer, or other person providing services to the District who might be involved in or becomes the subject of such investigation.

The General Manager, with appropriate assistance from management staff and District legal counsel, will apply appropriate procedures for investigating all allegations of dishonest conduct by any director, officer, employee, agent, vendor, volunteer or other person providing services to the District.

At the General Manager's discretion, investigations of alleged criminal conduct may be referred to the appropriate prosecutorial or law enforcement officials for investigation.

Directors of the District shall have full authority to investigate allegations of dishonest conduct against the General Manager.

The District will pursue every reasonable effort, including court-ordered restitution, to obtain recovery of any losses suffered by the District that are caused by or connected to dishonest conduct prohibited by this Policy.

300.00 Establishment of Internal Controls

The General Manager or his/her designee is directed to establish and maintain a system of internal controls to prevent and detect fraud, misappropriation of District resources and other dishonest conduct affecting the District, and to institute systems that help the District to promptly identify any indications of such misconduct.

400.00 Reporting Dishonest Acts or Conduct – “Whistleblower Protection”

No director, officer, or employee shall directly or indirectly retaliate or cause retaliation to occur against any director, officer, employee or person providing services to the District who reports alleged dishonesty, who is accused of dishonesty, or who is involved in the investigation of alleged dishonesty. Retaliation includes a director's, officer's, employee's, vendor's or consultant's use of his or her authority or influence for the purpose of intimidating, threatening, coercing, commanding, or influencing another such person to refrain from filing a good faith report of dishonesty or otherwise bringing to the attention of a supervisor, the General Manager, or the Board any information that, if true, would constitute a dishonest act or conduct. Upon receiving a report of retaliation, the General Manager or Board of Directors shall promptly investigate the report in accordance with Section 350.00.D. of the District's Ethics Policy (PL-BOD 004) or Workplace Dishonesty Procedure (PR - Adm 004), whichever is applicable.

500.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 8

Date: December 20, 2021

Subject: Policy Review - Investment Policy (PL – Fin 003)

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

Recommended Board Action:

1. Approve the Investment Policy PL – Fin 003 with changes.
2. Affirm the Board of Directors desire to delegate its investment authority to the District Treasurer for a period of one year (Calendar Year 2022) pursuant to Government Code section 53607 and Investment Policy (PL – Fin 003).

Background:

Government Code section 53646(a)(2) states: “the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting”. In addition, Government Code section 53607 states: “The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency... Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year”.

The Investment Policy PL – Fin 003 (Policy) was last reviewed by the Board in August 2020.

On November 15, 2021, the Policy update was brought to the Board for review. To date no comments have been received from the Board.

Discussion:

Staff is recommending certain Policy changes based upon recommendations provided by our investment advisor PFM Asset Management, LLC (PFM). The Policy is in compliance with the California Government Code (Code) that governs the investment of public funds. Policy changes in response to changes to California Government Code that went into effect on January 1, 2021, following the passage of Senate Bill 998 (SB 998). SB 998 was written in early 2020 in an effort to increase investment options for local agencies during periods of near zero, or potentially negative, interest rates. The Code changes resulting from the passage of SB 998 will remain in

effect only until January 1, 2026. The suggested changes were not reviewed by legal counsel. The suggested Policy changes are summarized below:

1. **Section 705.00 (e) Commercial Paper:** Code change deleting language from the Code’s description of commercial paper regarding the issuer’s outstanding commercial paper. (*Code section 53601(h)*)

Staff recommends editing the Policy to be in line with the Code change by deleting item (e) from the Policy.

2. **Section 630.00 (f) Purchase and Sale of Securities:** SB 998 allows investment in securities issued or backed by the U.S. government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates (*Code section 53601.6*).

While negative rates in the U.S. are still considered unlikely, the experience in Europe and Japan, where short-term rates have been negative for an extended period, is that banks sometimes refuse deposits or charge customers to hold cash. Having the option to invest in Government securities at zero or negative yields could be beneficial, even if temporarily, during periods of negative yields. The Code was changed specifically for this reason—to give public entities options to safely protect more of their principal under such conditions. In this situation, without that language in the Code, local agencies may have limited or unfavorable options to invest or place their cash.

Staff recommends updating Policy section 630.00, (f) to be in line with the Code change by adding the following:

“Notwithstanding the prohibition in the above paragraph, the District may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The District may hold these instruments until their maturity dates. This paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.”

In addition to the recommendations described above, staff would like to make the Board aware of additional changes contained in SB 998. Staff are not recommending a change to Policy in response to the Code changes, but wanted to make the Board aware.

1. Code changes establishes a 10% issuer limit on commercial paper and corporate notes for all agencies, other than a county or a city and county (*Code sections 53601(h) and 53601(k)*). As stated in Policy section 705.00 Commercial Paper, (f) and section 708.00 Medium-Term Notes, (d) of the District’s Policy, no more than 5% of the portfolio shall be invested in any one single non-government issuer regardless of security type. While new Code language imparts a 10% issuer limit on commercial paper and corporate notes, where there previously was no issuer limit, staff recommends keeping the more restrictive 5% limit to maintain the portfolio’s current level of diversification and safety.

2. Code changes allow local agencies that have more than \$100 million of investment assets under management to invest up to 40% in commercial paper. Previous limit was 25% for all agencies, other than a county or a city and county (*Code section 53601(h)*).

The District has less than \$100 million in investment assets under management and so the Code change does not apply.

One additional change has been added since the November 15, 2022 Board meeting. The Governmental Account Standards Board (GASB) has provided guidance on the renaming of the Comprehensive Annual Financial Report (CAFR) in GASB statement No. 98. The new name is Annual Comprehensive Financial Report (ACFR). Staff has added this name change to Policy section 200.00.

Both a redlined version (Attachment 1) and a clean version (Attachment 2) of the updated Policy are attached for reference.

Fiscal Impact:

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

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachments:

- 1) Investment Policy PL – Fin 003 – redlined
- 2) Investment Policy PL – Fin 003 – clean

Sacramento Suburban Water District

Investment Policy

Adopted: December 16, 2002

Approved with changes on: December 20 ~~August 17, 2020~~ 2021

100.00 Investment Authority

In accordance with section 53600 et. seq. of the Government Code of the State of California (Government Code), the authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Director of Finance and Administration~~Finance Director~~/District Treasurer. Investments by the Director of Finance and Administration~~Finance Director~~/District Treasurer, or his/her designee, pursuant to the delegation made by this Investment Policy are limited to those instruments described herein (the “Policy”). The District may delegate investment authority to an investment advisor. The advisor will follow the Investment Policy and such other written instructions as are provided.

200.00 Scope

This investment policy applies to all investment activities and financial assets of the District. The funds covered by this policy are accounted for and incorporated in the District’s Annual Comprehensive ~~Annual~~ Financial Report (CAFR~~ACFR~~). This policy specifically exempts any bond proceed funds. Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the bond documents. Also exempt are pension or other post-employment benefit funds held in a trust.

300.00 Statement of Objectives

In order of importance, four fundamental criteria will be followed in the investment program:

310.00 Safety of Principal

Investments will be undertaken in a manner which first seeks to ensure the preservation of capital in the portfolio. Each investment transaction will be entered into seeking quality in issuer and in underlying security or collateral. Market risk will be reduced by diversifying the portfolio, by limiting the average maturity of the portfolio, by limiting the maximum maturity of any one security, and by performing cash flow analyses to avoid the need to sell securities prior to maturity.

320.00 Liquidity

Investments will be made with maturity dates compatible with cash flow requirements to permit conversion to cash without a significant loss in value.

330.00 Interest Rate Risk Hedging

The District's investment portfolio will be designed with the objective of mitigating interest rate risk that arises due to adjustable-rate debt financing or other contractual arrangements, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

340.00 Return on Investment

The District's investment portfolio will be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

400.00 Prudent Investor Standard

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing the District's funds, the Board and those to whom investment authority has been delegated shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. This standard will be applied in all investment decisions, including those related to hedging interest rate risks associated with debt financing.

500.00 Authorized Financial Dealers and Institutions

The ~~Director of Finance and Administration~~Finance Director/District Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. A determination should be made to ensure that all approved broker/dealer firms, and individuals covering the public agency, are reputable and trustworthy. In addition, the broker/dealer firms should have the ability to meet all of their financial obligations in dealing with the District. The firms, and individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved. No public deposit shall be made except in a qualified public depository as established by the established state laws. An annual review of the financial condition and registrations of ~~the qualified bidders-institutions utilized by the District~~ will be conducted by the Director of Finance and Administration~~Finance Director~~/District Treasurer. A current audited financial

statement is required to be on file for each financial institution and broker/dealer ~~in which~~that the District ~~invests~~utilizes as part of its portfolio management.

600.00 Portfolio Management

Any reference to the District's portfolio will mean the total of the cash and securities under management by the ~~Director of Finance and Administration~~Finance Director /District Treasurer, excluding operating cash held at the District's commercial bank, Westamerica Bank and cash and securities held in escrow or in trust on behalf of the District. Any reference to the ~~Director of Finance and Administration~~Finance Director /District Treasurer herein will include his/her designee or designees (such as a professional portfolio manager or financial advisor). The ~~Director of Finance and Administration~~Finance Director /District Treasurer may invest in any security authorized for investment under this Policy, subject to the limitations described below:

610.00 Maturity Limitations

- a. With the exception of securities underlying repurchase agreements, the ~~Director of Finance and Administration~~Finance Director /District Treasurer is authorized to invest the District's fund balances to a maximum term of five years, unless a longer maturity would be warranted and has been approved by the Board at least 90 days in advance of the investment. Investment of bond proceeds held by the bond Trustee such as bond reserve funds, construction funds or funds established for the refunding and defeasance of bonds shall be subject to the applicable provisions set forth in the bond agreements, rather than the provisions of the Government Code.
- b. For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.

620.00 Diversification

The District will diversify its investments by security type and institution. With the exception of U.S. Government, Agencies, and Government Sponsored Enterprises, and authorized pools, limitations will be placed the amount invested in a single security type or with a single financial institution. Limitations are described in Section 700.00 Authorized Investments.

630.00 Purchase and Sale of Securities

- a. Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community together with information provided by financial advisors to the District.
- b. The purchase of any investment other than those purchased directly from the issuer will be, to the extent possible, purchases from a firm designated as a Primary Dealer

(dealers) by the Federal Reserve Bank of New York.

- c. All dealers will be required to provide confirmations of all purchases or sales directly to the Director of Finance and Administration~~Finance Director~~/District Treasurer.
- d. Initially, and when there are material changes to this Policy, the Director of Finance and Administration~~Finance Director~~/District Treasurer will transmit a copy of the current Policy to its professional portfolio manager or financial advisor, requiring them to return a signed statement indicating receipt and understanding of the Policy.
- e. When practicable, the Director of Finance and Administration~~Finance Director~~/District Treasurer will solicit more than one quotation on each trade. Investment trades will be awarded on a competitive bid basis.
- f. Prohibited investments include inverse floaters, range notes, interest-only strips derived from a pool of mortgages (Collateralized Mortgage Obligations), and any security that could result in zero interest accrual if held to maturity. (Zero interest accrual means the security has the potential to realize zero earnings through its maturity.)

Notwithstanding the prohibition in the above paragraph, the District may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The District may hold these instruments until their maturity dates. This paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

- g. If the District uses a professional portfolio manager, the portfolio manager may use its own list of approved brokers, dealers, and financial institutions to conduct security transactions on behalf of the District subject to the provisions of Government Code section 53601.5.

640.00 Exchange of Securities

An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as for interest rate risk hedging purposes, to increase yield, to lengthen or shorten maturities, to realize a profit, or to increase investment quality. In no instance will an exchange be undertaken for speculative purposes. Exchanges, to the extent practicable, will be simultaneous (same day execution of sale and purchase).

650.00 Portfolio Adjustments

- a. District portfolio percentage limitations for each category of investment are

applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity, if deemed necessary, to avoid losses.

- b. In the event a security held by the District is subject to a ratings change that brings it below the minimum ratings specified in this Policy, the Director of Finance and Administration~~Finance Director~~/District Treasurer shall notify the Board of the change. The course of action to be followed will be decided on a case-by-case basis, subject to Board approval, considering such factors as the reason for the ratings drop, prognosis for recovery or further ratings drops, and the market price of the security.
- c. The Director of Finance and Administration~~Finance Director~~/District Treasurer may at any time further restrict the securities approved for investment as deemed appropriate.

660.00 Safekeeping

- a. All securities transactions, including collateral, for repurchase agreements entered into by the District will be conducted on a delivery versus payment (DVP) basis.
- b. Securities will be held in safekeeping pursuant to a safekeeping agreement by an independent custodian, which does not act as a principal or secondary broker-dealer.
- c. All financial institutions which provide safekeeping services for the District will be required to provide reports or safekeeping receipts directly to the Director of Finance and Administration~~Finance Director~~/District Treasurer to verify securities taken into their possession.
- d. A counterparty bank's trust department or separate safekeeping department may be used for physical delivery of a security. The security must be held in the District's name.

670.00 Review of Investment Portfolio

The securities held by the District must be in compliance with Section 700.00 Authorized Investments at the time of purchase. Because some securities may not comply with Section 700.00 Authorized Investments subsequent to the date of purchase, the Director of Finance and Administration~~Finance Director~~/District Treasurer shall at least quarterly review the portfolio to identify those securities that do not comply. The Director of Finance and Administration~~Finance Director~~/District Treasurer shall establish procedures to report to the Board major and critical incidences of noncompliance identified through the review of the portfolio.

Any investment held by the District at the time this Policy is adopted or amended will not be sold to conform to any part of this Policy unless its sale is judged to be prudent by the Director of Finance and Administration~~Finance Director~~/District Treasurer.

680.00 Investment Pools/Mutual Funds

A thorough investigation of pool/fund's used by the District is required prior to investing, and on an annual basis. The review may address the following questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. A fee schedule, and when and how is it assessed.

690.00 Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for Certificate of Deposits and 102% for reverse repurchase agreements of principal and accrued interest.

700.00 Authorized Investments

The following are types of securities that may be purchased subject to the limitations specified. A summary of these security types and the limitations on the percentage of portfolio is shown in Appendix A.

701.00 U.S. Government, Agencies, and Government Sponsored Enterprises

- a. Investments in U.S. Treasury obligations will not be subject to any limitations. Purchases may be affected through the Federal Book Entry System which includes acceptance of a Federal Reserve receipt on behalf of the District.
- b. Investments in direct obligations of federal agencies guaranteed by the U.S. Government will not be subject to any limitations.
- c. Investments in federal agency obligations not explicitly guaranteed by the U.S. Government will not be subject to any limitations.

- d. Investments in government sponsored enterprise obligations not explicitly guaranteed by the U.S. Government will not be subject to any limitations.

702.00 Municipal Obligations

- a. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.
- b. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United, in addition to California.

703.00 Bankers' Acceptances

Restrictions are as follows:

- a. Investments in prime bankers' acceptances will not exceed 40 percent of the portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the total portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. Eligible bankers' acceptances will be rated in the highest short-term ratings category by a Nationally Recognized Statistical Rating Organization (NRSRO).
- d. The maximum maturity will be limited to 180 days.

704.00 Negotiable Certificates of Deposit

Restrictions are as follows:

- a. Investments in negotiable certificates of deposit will not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. To be eligible, a certificate of deposit must be issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or a federally- or state-licensed branch of a foreign bank.

- d. Eligible negotiable certificates of deposits will be rated in a rating category of “A” long-term or “A-1” short-term, or its equivalent, or better by at least one NRSRO.
- e. The investment will not exceed the Districts’ equity in any depository bank. For the purpose of this constraint, shareholders’ equity will be deemed to include capital notes and debentures.
- f. The investment will not exceed the total of the net worth of any depository savings and loan association, except that investments up to a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such investments are insured or secured as required by law.
- g. The District’s Board and the ~~Director of Finance and Administration~~Finance Director/District Treasurer or other official of the District having legal custody of the moneys are prohibited from investing District funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the District’s Board, or a person with investment decision making authority at the District also serves on the board of directors of the credit union, or any committee appointed by the credit union board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- h. The maximum maturity will be limited to five years.

705.00 Commercial Paper

Restrictions are as follows:

- a. Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating, at the time of purchase, as provided by an NRSRO, may be purchased.
- b. Investment of the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
 - (1) The entity meets the following criteria:
 - a. Is organized and operating in the United States as a general corporation.
 - b. Has total assets in excess of five hundred million dollars (\$500,000,000).
 - c. Has debt other than commercial paper, if any, that is rated in a rating category of “A”, its equivalent, or higher by an NRSRO.
 - (2) The entity meets the following criteria:
 - a. Is organized within the United States as a special purpose

- corporation, trust, or limited liability company.
 - b. Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - c. Has commercial paper that is rated in a rating category of “A-1”, its equivalent, or higher, by an NRSRO.
- c. Investments in commercial paper will not exceed 25 percent of the District’s portfolio.
- d. Each investment will not exceed 270 days maturity.
- ~~e. No more than 10 percent of the outstanding commercial paper of an issuing corporation may be purchased.~~
- £e. No more than 5 percent of the District’s portfolio may be invested in the securities of any one non-government issuer regardless of security type.

706.00 Repurchase Agreements

A repurchase agreement is a purchase of authorized securities with terms including a written agreement by the seller to repurchase the securities on a later specified date for a specified amount. Restrictions are as follows:

- a. The percentage limit for investment in repurchase agreements will be 50 percent of the total portfolio.
- b. Repurchase agreements will be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally- or state-chartered bank that has had a significant banking relationship with the District. The bank must be rated in the highest short-term ratings category by an NRSRO.
- c. Such investments will provide for purchased securities with a market value of at least 102 percent of the amount of the invested funds. The value will be adjusted not less than quarterly.
- d. Purchased securities are limited to those protected by United States Bankruptcy Code, Treasury bills, bonds and notes, or other investments that are direct obligations of or fully guaranteed as to principal and interest by the United States or any agency thereof. Zero coupon and stripped coupon instruments are not acceptable.
- e. Such investments will provide for transfer of ownership and possession of the purchased securities either to the District directly or to a custodian depository institution which will take record title and will establish and maintain a sub-account in its financial records for the securities in the District’s name, and such custodian

will not be the dealer from which the securities were purchased.

- f. Each repurchase agreement will have a valid and perfected first security interest therein under the California Commercial Code or pursuant to the book entry procedures described by 31 C.F.R. Part 306 and/or 31 C.F.R. Part 357.
- g. The term of a repurchase agreement may not exceed one year.

707.00 Time Deposits

For purposes of this policy, collateralized time deposits will be considered investments. The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

- a. Must have been in existence for at least five years.
- b. Must have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities. Eligibility for deposits will be limited to those financial institutions that have a branch in the State of California and maintain a rating equivalent to Thompson BankWatch Service of “B” or better. Credit requirements may be waived for a time deposit that is federally insured.
- c. The deposit will not exceed the shareholders’ equity of any depository bank. For the purpose of this constraint, shareholders’ equity will be deemed to include capital notes and debentures.
- d. The deposit will not exceed the total of the net worth of any depository savings and loan association, except that deposits not exceeding a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.
- e. Deposits must be insured up to the FDIC’s current limit. For uninsured deposits, the financial institution will maintain in the collateral pool securities having a market value of at least 10 percent in excess of the total amount deposited. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds. Promissory notes secured by real estate mortgages or deeds of trust are not acceptable as collateral.
- g. When other factors are equal, appropriate consideration will be given to a financial institution that either individually or as a member of a syndicate bids on or makes a substantial investment in the District’s securities, contributes service to the District, and offers significant assistance to the District, so as to provide for distribution of total deposits among eligible financial institutions.

- h. Purchased time deposits will be limited to a maximum maturity of one year.
- i. Purchases of securities authorized by this subdivision may not exceed 50% of the District's portfolio.

708.00 Medium-Term Notes

Restrictions are as follows:

- a. Investment in medium-term notes are limited to corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- b. Notes eligible for investment under this subdivision will be rated in the rating category of "A", its equivalent, or better by at least one NRSRO.
- c. Purchases of medium-term notes may not exceed 30 percent of the District's portfolio.
- d. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- e. Purchases of medium-term notes will be limited to a maximum maturity of five years.

709.00 Mortgage Obligations and Asset Backed Securities

The District may invest in any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Securities eligible for investment must be rated in a rating category of "AA", its equivalent, or better by an NRSRO.
- c. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's portfolio.
- d. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.

710.00 Local Agency Investment Fund Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted from time to time by State Treasury policy.

711.00 Shares of Beneficial Interest (Money Market Funds)

The ~~Director of Finance and Administration~~~~Finance Director~~/District Treasurer may invest, for temporary periods pending disbursement or reinvestment, in shares of beneficial interest issued by eligible diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. These companies must meet the following criteria:

- a. Attain the highest ranking of the highest letter and numerical rating provided by not less than two nationally recognized rating agencies, or retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of \$500 million.
- b. The purchase price of the shares will not include any commission that the companies may charge and will not exceed 20 percent of the District's portfolio.

712.00 Shares of Beneficial Interest Issued by a Joint Powers Authority (Local Government Investment Pools)

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) Government Code Section 53601, inclusive. (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

713.00 Supranationals

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Must be eligible for purchase and sale within the United States.
- c. Notes eligible for investment under this subdivision will be rated in a rating category of “AA”, its equivalent, or better by at least one NRSRO.
- d. Purchases of these securities may not exceed 30 percent of the District’s portfolio.
- e. No more than 10 percent of the District’s portfolio may be invested in the securities of any one supranational issuer.

800.00 Reporting

On a regular basis, the ~~Director of Finance and Administration~~~~Finance Director~~ /District Treasurer will provide a report to the public and Board of Directors showing the holdings and investment transactions, issuers, maturity dates, par and dollar amounts invested, cash balances, amounts held by the Local Agency Investment Fund and any other amounts under the management of contracted parties. On a monthly basis, in accordance with Government Code 53607, the ~~Director of Finance and Administration~~~~Finance Director~~ /District Treasurer shall make a monthly report of investment transactions to the legislative body.

900.00 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The District will establish an appropriate performance benchmark to compare the performance of its portfolio to the performance of the benchmark.

1000.00 Internal Controls

The ~~Director of Finance and Administration~~~~Finance Director~~ /District Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, fraud or misuse. Accordingly, the Finance Director/District Treasurer shall establish an ~~annual process of independent review~~ process by an external auditor. This review process will provide internal control by assuring compliance with policies and procedures.

1100.00 Conflicts of Interest

The ~~Finance Director~~Director of Finance and Administration /District Treasurer and

his or hers designees will perform duties under this Policy in accordance with sections 1090 and 1126 of the Government Code as well as any other state law referred to in this policy.

1200.00 Conflicts

In the event any provision of this Policy is in conflict with any of the statutes referred to herein or any other state or federal statute, the provision of such statutes will govern.

1300.00 ~~Investment Policy Adoption~~Review

~~The District's investment policy shall be adopted by resolution of the Board.~~ This policy shall be reviewed by the Board of Directors at least biennially.

APPENDIX A

State Authorized Investments vs. District's Statement of Investment Policy

Investment Type	Maximum Maturity ⁽¹⁾	Maximum Percentage of Portfolio	Percentage By Any Issuer or Bank
U.S. Treasury Obligations:			
State Code	5 years	100	--
District Policy		100	--
Federal Agencies and Government Sponsored Enterprises:			
State Code	5 years	100	--
District Policy		100	--
Municipal Obligations:			
State Code	5 years	100	--
District Policy		100	--
Repurchase Agreements:			
State Code	1 year	100	--
District Policy	1 year	50	--
Bankers Acceptances:			
State Code	180 days	40	30
District Policy	180 days	40	5
Commercial Paper:			
State Code	270 days	25	--
District Policy	270 days	25	5
Negotiable Certificates of Deposit:			
State Code	5 years	30	--
District Policy		30	5
Medium Term Notes:			
State Code	5 years	30	--
District Policy	5 years	30	5
Time Deposits:			
State Code	--	100	--
District Policy	1 year	50	--
Mortgage Backed and Asset Backed Obligations:			
State Code	5 years	20	--
District Policy	5 years	20	5
Local Agency Investment Fund:			
State Code	N/A	⁽²⁾	--
District Policy	N/A	⁽²⁾	--

Shares of Beneficial Interest (Money Market Fund):			
State Code	N/A	20	--
District Policy	N/A	20	10
Shares of Beneficial Interest (Local Government Investment Pools):			
State Code	N/A	100	--
District Policy	N/A	100	--
Supranationals:			
State Code	5 years	30	--
District Policy	5 years	30	10

Note: For funds established by Indentures of Trust, the provisions of such Indentures will govern investments.

- (1) California Government Code provides authority to the Board to permit maturities beyond five years with certain restrictions. The current Policy provides for maturities longer than five years for funds established by Indentures of Trust.
- (2) District will allow up to the amount allowed by Local Agency Investment Fund.

APPENDIX B

Glossary

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR Annual Report): The official annual report of the District. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in

exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Sacramento Suburban Water District

Investment Policy

Adopted: December 16, 2002
Approved with changes on: December 20, 2021

100.00 Investment Authority

In accordance with section 53600 et. seq. of the Government Code of the State of California (Government Code), the authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the Director of Finance and Administration/District Treasurer. Investments by the Director of Finance and Administration/District Treasurer, or his/her designee, pursuant to the delegation made by this Investment Policy are limited to those instruments described herein (the “Policy”). The District may delegate investment authority to an investment advisor. The advisor will follow the Investment Policy and such other written instructions as are provided.

200.00 Scope

This investment policy applies to all investment activities and financial assets of the District. The funds covered by this policy are accounted for and incorporated in the District’s Annual Comprehensive Financial Report (ACFR). This policy specifically exempts any bond proceed funds. Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the bond documents. Also exempt are pension or other post-employment benefit funds held in a trust.

300.00 Statement of Objectives

In order of importance, four fundamental criteria will be followed in the investment program:

310.00 Safety of Principal

Investments will be undertaken in a manner which first seeks to ensure the preservation of capital in the portfolio. Each investment transaction will be entered into seeking quality in issuer and in underlying security or collateral. Market risk will be reduced by diversifying the portfolio, by limiting the average maturity of the portfolio, by limiting the maximum maturity of any one security, and by performing cash flow analyses to avoid the need to sell securities prior to maturity.

320.00 Liquidity

Investments will be made with maturity dates compatible with cash flow requirements to permit conversion to cash without a significant loss in value.

330.00 Interest Rate Risk Hedging

The District's investment portfolio will be designed with the objective of mitigating interest rate risk that arises due to adjustable-rate debt financing or other contractual arrangements, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

340.00 Return on Investment

The District's investment portfolio will be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

400.00 Prudent Investor Standard

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing the District's funds, the Board and those to whom investment authority has been delegated shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. This standard will be applied in all investment decisions, including those related to hedging interest rate risks associated with debt financing.

500.00 Authorized Financial Dealers and Institutions

The Director of Finance and Administration/District Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. A determination should be made to ensure that all approved broker/dealer firms, and individuals covering the public agency, are reputable and trustworthy. In addition, the broker/dealer firms should have the ability to meet all of their financial obligations in dealing with the District. The firms, and individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved. No public deposit shall be made except in a qualified public depository as established by the established state laws. An annual review of the financial condition and registrations of the qualified institutions utilized by the District will be conducted by the Director of Finance and Administration/District Treasurer. A current audited financial statement is required to be on file for each

financial institution and broker/dealer that the District utilizes as part of its portfolio management.

600.00 Portfolio Management

Any reference to the District's portfolio will mean the total of the cash and securities under management by the Director of Finance and Administration/District Treasurer, excluding cash and securities held in escrow or in trust on behalf of the District. Any reference to the Director of Finance and Administration/District Treasurer herein will include his/her designee or designees (such as a professional portfolio manager or financial advisor). The Director of Finance and Administration/District Treasurer may invest in any security authorized for investment under this Policy, subject to the limitations described below:

610.00 Maturity Limitations

- a. With the exception of securities underlying repurchase agreements, the Director of Finance and Administration/District Treasurer is authorized to invest the District's fund balances to a maximum term of five years, unless a longer maturity would be warranted and has been approved by the Board at least 90 days in advance of the investment. Investment of bond proceeds held by the bond Trustee such as bond reserve funds, construction funds or funds established for the refunding and defeasance of bonds shall be subject to the applicable provisions set forth in the bond agreements, rather than the provisions of the Government Code.
- b. For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.

620.00 Diversification

The District will diversify its investments by security type and institution. With the exception of U.S. Government, Agencies, and Government Sponsored Enterprises, and authorized pools, limitations will be placed the amount invested in a single security type or with a single financial institution. Limitations are described in Section 700.00 Authorized Investments.

630.00 Purchase and Sale of Securities

- a. Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community together with information provided by financial advisors to the District.
- b. The purchase of any investment other than those purchased directly from the issuer will be, to the extent possible, purchases from a firm designated as a Primary Dealer (dealers) by the Federal Reserve Bank of New York.

- c. All dealers will be required to provide confirmations of all purchases or sales directly to the Director of Finance and Administration/District Treasurer.
- d. Initially and when there are material changes to this Policy, the Director of Finance and Administration/District Treasurer will transmit a copy of the current Policy to its professional portfolio manager or financial advisor, requiring them to return a signed statement indicating receipt and understanding of the Policy.
- e. When practicable, the Director of Finance and Administration/District Treasurer will solicit more than one quotation on each trade. Investment trades will be awarded on a competitive bid basis.
- f. Prohibited investments include inverse floaters, range notes, interest-only strips derived from a pool of mortgages (Collateralized Mortgage Obligations), and any security that could result in zero interest accrual if held to maturity. (Zero interest accrual means the security has the potential to realize zero earnings through its maturity.)

Notwithstanding the prohibition in the above paragraph, the District may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The District may hold these instruments until their maturity dates. This paragraph shall remain in effect only until January 1, 2026, and as of that date is repealed.

- g. If the District uses a professional portfolio manager, the portfolio manager may use its own list of approved brokers, dealers, and financial institutions to conduct security transactions on behalf of the District subject to the provisions of Government Code section 53601.5.

640.00 Exchange of Securities

An exchange of securities is a shift of assets from one instrument to another and may be done for a variety of reasons, such as for interest rate risk hedging purposes, to increase yield, to lengthen or shorten maturities, to realize a profit, or to increase investment quality. In no instance will an exchange be undertaken for speculative purposes. Exchanges, to the extent practicable, will be simultaneous (same day execution of sale and purchase).

650.00 Portfolio Adjustments

- a. District portfolio percentage limitations for each category of investment are applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio

size, the affected securities may be held to maturity, if deemed necessary, to avoid losses.

- b. In the event a security held by the District is subject to a ratings change that brings it below the minimum ratings specified in this Policy, the Director of Finance and Administration/District Treasurer shall notify the Board of the change. The course of action to be followed will be decided on a case-by-case basis, subject to Board approval, considering such factors as the reason for the ratings drop, prognosis for recovery or further ratings drops, and the market price of the security.
- c. The Director of Finance and Administration/District Treasurer may at any time further restrict the securities approved for investment as deemed appropriate.

660.00 Safekeeping

- a. All securities transactions, including collateral, for repurchase agreements entered into by the District will be conducted on a delivery versus payment (DVP) basis.
- b. Securities will be held in safekeeping pursuant to a safekeeping agreement by an independent custodian, which does not act as a principal or secondary broker-dealer.
- c. All financial institutions which provide safekeeping services for the District will be required to provide reports or safekeeping receipts directly to the Director of Finance and Administration/District Treasurer to verify securities taken into their possession.
- d. A counterparty bank's trust department or separate safekeeping department may be used for physical delivery of a security. The security must be held in the District's name.

670.00 Review of Investment Portfolio

The securities held by the District must be in compliance with Section 700.00 Authorized Investments at the time of purchase. Because some securities may not comply with Section 700.00 Authorized Investments subsequent to the date of purchase, the Director of Finance and Administration/District Treasurer shall at least quarterly review the portfolio to identify those securities that do not comply. The Director of Finance and Administration/District Treasurer shall establish procedures to report to the Board major and critical incidences of noncompliance identified through the review of the portfolio.

Any investment held by the District at the time this Policy is adopted or amended will not be sold to conform to any part of this Policy unless its sale is judged to be prudent by the Director of Finance and Administration/District Treasurer.

680.00 Investment Pools/Mutual Funds

A thorough investigation of pool/fund's used by the District is required prior to investing, and on an annual basis. The review may address the following questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. A fee schedule, and when and how is it assessed.

690.00 Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for Certificate of Deposits and 102% for reverse repurchase agreements of principal and accrued interest.

700.00 Authorized Investments

The following are types of securities that may be purchased subject to the limitations specified. A summary of these security types and the limitations on the percentage of portfolio is shown in Appendix A.

701.00 U.S. Government, Agencies, and Government Sponsored Enterprises

- a. Investments in U.S. Treasury obligations will not be subject to any limitations. Purchases may be affected through the Federal Book Entry System which includes acceptance of a Federal Reserve receipt on behalf of the District.
- b. Investments in direct obligations of federal agencies guaranteed by the U.S. Government will not be subject to any limitations.
- c. Investments in federal agency obligations not explicitly guaranteed by the U.S. Government will not be subject to any limitations.
- d. Investments in government sponsored enterprise obligations not explicitly guaranteed by the U.S. Government will not be subject to any limitations.

702.00 Municipal Obligations

- a. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.
- b. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United, in addition to California.

703.00 Bankers' Acceptances

Restrictions are as follows:

- a. Investments in prime bankers' acceptances will not exceed 40 percent of the portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the total portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. Eligible bankers' acceptances will be rated in the highest short-term ratings category by a Nationally Recognized Statistical Rating Organization (NRSRO).
- d. The maximum maturity will be limited to 180 days.

704.00 Negotiable Certificates of Deposit

Restrictions are as follows:

- a. Investments in negotiable certificates of deposit will not exceed 30 percent of the total portfolio in effect immediately after any such investment is made.
- b. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- c. To be eligible, a certificate of deposit must be issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or a federally- or state-licensed branch of a foreign bank.
- d. Eligible negotiable certificates of deposits will be rated in a rating category of "A" long-term or "A-1" short-term, or its equivalent, or better by at least one NRSRO.
- e. The investment will not exceed the Districts' equity in any depository bank. For the

purpose of this constraint, shareholders' equity will be deemed to include capital notes and debentures.

- f. The investment will not exceed the total of the net worth of any depository savings and loan association, except that investments up to a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such investments are insured or secured as required by law.
- g. The District's Board and the Director of Finance and Administration/District Treasurer or other official of the District having legal custody of the moneys are prohibited from investing District funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the District's Board, or a person with investment decision making authority at the District also serves on the board of directors of the credit union, or any committee appointed by the credit union board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- h. The maximum maturity will be limited to five years.

705.00 Commercial Paper

Restrictions are as follows:

- a. Only commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating, at the time of purchase, as provided by an NRSRO, may be purchased.
- b. Investment of the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
 - (1) The entity meets the following criteria:
 - a. Is organized and operating in the United States as a general corporation.
 - b. Has total assets in excess of five hundred million dollars (\$500,000,000).
 - c. Has debt other than commercial paper, if any, that is rated in a rating category of "A", its equivalent, or higher by an NRSRO.
 - (2) The entity meets the following criteria:
 - a. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - b. Has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - c. Has commercial paper that is rated in a rating category of "A-1", its

equivalent, or higher, by an NRSRO.

- c. Investments in commercial paper will not exceed 25 percent of the District's portfolio.
- d. Each investment will not exceed 270 days maturity.
- e. No more than 5 percent of the District's portfolio may be invested in the securities of any one non-government issuer regardless of security type.

706.00 Repurchase Agreements

A repurchase agreement is a purchase of authorized securities with terms including a written agreement by the seller to repurchase the securities on a later specified date for a specified amount. Restrictions are as follows:

- a. The percentage limit for investment in repurchase agreements will be 50 percent of the total portfolio.
- b. Repurchase agreements will be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally- or state-chartered bank that has had a significant banking relationship with the District. The bank must be rated in the highest short-term ratings category by an NRSRO.
- c. Such investments will provide for purchased securities with a market value of at least 102 percent of the amount of the invested funds. The value will be adjusted not less than quarterly.
- d. Purchased securities are limited to those protected by United States Bankruptcy Code, Treasury bills, bonds and notes, or other investments that are direct obligations of or fully guaranteed as to principal and interest by the United States or any agency thereof. Zero coupon and stripped coupon instruments are not acceptable.
- e. Such investments will provide for transfer of ownership and possession of the purchased securities either to the District directly or to a custodian depository institution which will take record title and will establish and maintain a sub-account in its financial records for the securities in the District's name, and such custodian will not be the dealer from which the securities were purchased.
- f. Each repurchase agreement will have a valid and perfected first security interest therein under the California Commercial Code or pursuant to the book entry procedures described by 31 C.F.R. Part 306 and/or 31 C.F.R. Part 357.
- g. The term of a repurchase agreement may not exceed one year.

707.00 Time Deposits

For purposes of this policy, collateralized time deposits will be considered investments. The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

- a. Must have been in existence for at least five years.
- b. Must have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities. Eligibility for deposits will be limited to those financial institutions that have a branch in the State of California and maintain a rating equivalent to Thompson BankWatch Service of “B” or better. Credit requirements may be waived for a time deposit that is federally insured.
- c. The deposit will not exceed the shareholders’ equity of any depository bank. For the purpose of this constraint, shareholders’ equity will be deemed to include capital notes and debentures.
- d. The deposit will not exceed the total of the net worth of any depository savings and loan association, except that deposits not exceeding a total of \$500,000 may be made to a savings and loan association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.
- e. Deposits must be insured up to the FDIC’s current limit. For uninsured deposits, the financial institution will maintain in the collateral pool securities having a market value of at least 10 percent in excess of the total amount deposited. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds. Promissory notes secured by real estate mortgages or deeds of trust are not acceptable as collateral.
- g. When other factors are equal, appropriate consideration will be given to a financial institution that either individually or as a member of a syndicate bids on or makes a substantial investment in the District’s securities, contributes service to the District, and offers significant assistance to the District, so as to provide for distribution of total deposits among eligible financial institutions.
- h. Purchased time deposits will be limited to a maximum maturity of one year.
- i. Purchases of securities authorized by this subdivision may not exceed 50% of the District’s portfolio.

708.00 Medium-Term Notes

Restrictions are as follows:

- a. Investment in medium-term notes are limited to corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- b. Notes eligible for investment under this subdivision will be rated in the rating category of “A”, its equivalent, or better by at least one NRSRO.
- c. Purchases of medium-term notes may not exceed 30 percent of the District’s portfolio.
- d. No more than 5 percent of the District’s portfolio may be invested in the securities of any one non-government issuer regardless of security type.
- e. Purchases of medium-term notes will be limited to a maximum maturity of five years.

709.00 Mortgage Obligations and Asset Backed Securities

The District may invest in any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Securities eligible for investment must be rated in a rating category of “AA”, its equivalent, or better by an NRSRO.
- c. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District’s portfolio.
- d. No more than 5 percent of the District’s portfolio may be invested in the securities of any one non-government issuer regardless of security type.

710.00 Local Agency Investment Fund Deposits

Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted from time to time by State Treasury policy.

711.00 Shares of Beneficial Interest (Money Market Funds)

The Director of Finance and Administration/District Treasurer may invest, for temporary periods pending disbursement or reinvestment, in shares of beneficial interest issued by eligible diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. These companies must meet the following criteria:

- a. Attain the highest ranking of the highest letter and numerical rating provided by not less than two nationally recognized rating agencies, or retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market funds with assets under management in excess of \$500 million.
- b. The purchase price of the shares will not include any commission that the companies may charge and will not exceed 20 percent of the District's portfolio.

712.00 Shares of Beneficial Interest Issued by a Joint Powers Authority (Local Government Investment Pools)

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) Government Code Section 53601, inclusive. (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

713.00 Supranationals

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Must be eligible for purchase and sale within the United States.
- c. Notes eligible for investment under this subdivision will be rated in a rating category of "AA", its equivalent, or better by at least one NRSRO.

- d. Purchases of these securities may not exceed 30 percent of the District's portfolio.
- e. No more than 10 percent of the District's portfolio may be invested in the securities of any one supranational issuer.

800.00 Reporting

On a regular basis, the Director of Finance and Administration/District Treasurer will provide a report to the public and Board of Directors showing the holdings and investment transactions, issuers, maturity dates, par and dollar amounts invested, cash balances, amounts held by the Local Agency Investment Fund and any other amounts under the management of contracted parties. On a monthly basis, in accordance with Government Code 53607, the Director of Finance and Administration/District Treasurer shall make a monthly report of investment transactions to the legislative body.

900.00 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The District will establish an appropriate performance benchmark to compare the performance of its portfolio to the performance of the benchmark.

1000.00 Internal Controls

The Director of Finance and Administration/District Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, fraud or misuse. Accordingly, the Finance Director/District Treasurer shall establish an independent review process. This review process will provide internal control by assuring compliance with policies and procedures.

1100.00 Conflicts of Interest

The Director of Finance and Administration /District Treasurer and his or hers designees will perform duties under this Policy in accordance with sections 1090 and 1126 of the Government Code as well as any other state law referred to in this policy.

1200.00 Conflicts

In the event any provision of this Policy is in conflict with any of the statutes referred to herein or any other state or federal statute, the provision of such statutes will govern.

1300.00 Policy Review

This policy shall be reviewed by the Board of Directors at least biennially.

APPENDIX A

State Authorized Investments vs. District's Statement of Investment Policy

Investment Type	Maximum Maturity ⁽¹⁾	Maximum Percentage of Portfolio	Percentage By Any Issuer or Bank
U.S. Treasury Obligations:			
State Code	5 years	100	--
District Policy		100	--
Federal Agencies and Government Sponsored Enterprises:			
State Code	5 years	100	--
District Policy		100	--
Municipal Obligations:			
State Code	5 years	100	--
District Policy		100	--
Repurchase Agreements:			
State Code	1 year	100	--
District Policy	1 year	50	--
Bankers Acceptances:			
State Code	180 days	40	30
District Policy	180 days	40	5
Commercial Paper:			
State Code	270 days	25	--
District Policy	270 days	25	5
Negotiable Certificates of Deposit:			
State Code	5 years	30	--
District Policy		30	5
Medium Term Notes:			
State Code	5 years	30	--
District Policy	5 years	30	5
Time Deposits:			
State Code	--	100	--
District Policy	1 year	50	--
Mortgage Backed and Asset Backed Obligations:			
State Code	5 years	20	--
District Policy	5 years	20	5
Local Agency Investment Fund:			
State Code	N/A	⁽²⁾	--
District Policy	N/A	⁽²⁾	--

Shares of Beneficial Interest (Money Market Fund):			
State Code	N/A	20	--
District Policy	N/A	20	10
Shares of Beneficial Interest (Local Government Investment Pools):			
State Code	N/A	100	--
District Policy	N/A	100	--
Supranationals:			
State Code	5 years	30	--
District Policy	5 years	30	10

Note: For funds established by Indentures of Trust, the provisions of such Indentures will govern investments.

- (1) California Government Code provides authority to the Board to permit maturities beyond five years with certain restrictions. The current Policy provides for maturities longer than five years for funds established by Indentures of Trust.
- (2) District will allow up to the amount allowed by Local Agency Investment Fund.

APPENDIX B

Glossary

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (Annual Report): The official annual report of the District. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in

exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



Agenda Item: 9

Date: December 20, 2021

Subject: General Manager and Director Out of State Travel Request

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the General Manager and Director(s) out of state travel to attend the the Sacramento Metropolitan Chamber’s Cap-to-Cap Conference.

Discussion:

The Sacramento Metropolitan Chamber of Commerce’s Capitol to Capitol Conference is in Washington, D.C., April 30 through May 4, 2022. Registration for this conference is currently open.

This conference takes place out of state, therefore, Board approval is required for attendance.

Fiscal Impact:

Within budgeted amounts for staff and Board travel and conferences.

Strategic Plan Alignment:

Goal B - Optimize Operational and Organizational Efficiencies

By staff and Directors attending conferences related to the water industry, District customers will benefit as there is a potential to form new relationships, networking opportunities, discover new solutions to water industry issues, attend workshops that showcase new technologies, workflow, and processes.



Agenda Item: 10

Date: December 20, 2021

Subject: Resolution No. 21-15 Honoring Shawn Shedenhelm on His Retirement

Staff Contact: Dan York, General Manager

Recommended Board Action:

Adopt Resolution No. 21-15 Honoring Shawn Shedenhelm on His Retirement.

Discussion:

Shawn Shedenhelm (Mr. Shedenhelm) has been a valued employee of the Sacramento Suburban Water District for over 17 years, having been hired on April 26, 2004. His last day of work as a Production Foreman was on December 3, 2021. The resolution commemorates his service. Staff has prepared a ceremonial, framed version of the resolution for mailing to Mr. Shedenhelm.

Fiscal Impact:

Negligible.

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

Goal E - Retain and Recruit a Qualified and Stable Workforce

This resolution benefits District customers in that it recognizes a long-term employee's dedication to making the District a more efficient organization with superior customer service and increased water supply reliability.

Resolution No. 21-15
A Resolution Honoring
Shawn Shedenhelm
On His Retirement

Whereas, Shawn “Sheddy” Shedenhelm completed 17 years of service with the Sacramento Suburban Water District, having been hired on April 26, 2004; and

Whereas, Sheddy’s dedication to public service and public health, in combination with his expertise in groundwater production was vital in ensuring that the Sacramento Suburban Water District was able to reliably deliver a safe water supply to customers by ensuring the District’s production facilities were maintained and operated to meet the District’s high standards; and

Whereas, Sheddy has mentored Production Department staff, implemented numerous procedures improving well site operations, and set an example to be followed in the future by staff who were fortunate to have had the experience of working with him; and

Whereas, Sheddy has earned the admiration and respect of his fellow employees, management staff, the Board of Directors and the public for his dedication, collegiality, enthusiasm, and hard work; and

Whereas, Sheddy can now spend time with family, work toward a black belt in karate and jiu-jitsu, continue to share his technical knowledge and wisdom with other people, revamp his softball career, attend Comic-Con conventions, participate in church life, enjoy the great outdoors in Colorado, and finally get some sleep.

Now therefore, be it resolved by the Board of Directors of the Sacramento Suburban Water District that:

The Board of Directors expresses its deep and sincere appreciation to Shawn Shedenhelm for his years of dedicated public service to the District.

The Board of Directors wishes Sheddy all the best for a healthy, happy, and productive future.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 20th day of December, 2021.

AYES:

NOES:

ABSENT:

By: _____
Craig Locke
President, Board of Directors
Sacramento Suburban Water District

(SEAL)

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



Agenda Item: 11

Date: December 20, 2021

Subject: Public Hearing on Initial Study and Proposed Mitigated Negative Declaration for Wells 81A, 81B, 81C Antelope North/Poker Project

Staff Contact: David Morrow, P.E., Senior Engineer

Recommended Board Action:

Conduct a Public Hearing on the Initial Study and Proposed Mitigated Negative Declaration for the Wells 81A, 81B, 81C Antelope North/Poker Project (Project).

Note: There is a separate agenda item, and staff report, asking the Board to adopt a Mitigated Negative Declaration for this Project (following the Public Hearing).

Discussion:

The District proposes to construct and install three municipal groundwater supply wells and pump stations on a District owned parcel in the District’s North Service Area (NSA). The Project is located adjacent to District owned property at 7800 Antelope North Road, in unincorporated Sacramento County. A map showing the location of the proposed Project is provided in Attachment 2. The Project is being constructed for replacement of aging infrastructure and wells lost in the NSA due to infrastructure and water quality issues.

Project wells are being designed to produce approximately 1,500 gallons per minute (gpm). The Project will include connections to both the Sacramento County-owned storm drain and sanitary sewer. An approximately 2,400 square-foot building would be constructed to house the motor control center, chlorination facilities, and analytical instruments. The Project would also include treatment facilities to meet water quality objectives, if necessary.

The projected schedule is to construct the three wells in the spring of 2022, with overall project equipping anticipated to be complete by the end of 2023.

To comply with the California Environmental Quality Act, an Initial Study has been prepared by the District’s consultant, West Yost Associates, to evaluate the potential environmental impacts of the Project and to propose mitigation for any significant impacts. An electronic copy of the Initial Study/Proposed Mitigated Negative Declaration is available for review on the District’s website at <http://www.sswd.org>.

Based on the results of the Initial Study, it has been determined that the proposed Project would not have significant impacts on the environment. This conclusion is supported by the following findings:

- **No Impact:** agriculture and forestry resources, land use planning, mineral resources, and recreation.
- **Less-than-Significant Impacts:** aesthetics, energy, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, noise, population and housing, public services, transportation, utilities and service systems, and wildfire.
- **Less-than-Significant Impacts with Mitigation Incorporated:** air quality, biological resources, cultural resources, and tribal cultural resources.

At the November 15, 2021, regular Board meeting, the District's Board of Directors announced a Public Hearing to be held at their next regular meeting scheduled for December 20, 2021, to receive comments on the Initial Study/Proposed Mitigated Negative Declaration for the Project. The Public Hearing notice was posted at the District's office, website, and Project site. The public review period began on October 29, 2021, and ended on November 29, 2021. To date, comments were received from the United Auburn Indian Community, Sacramento Metro Air Quality Management District, and Sacramento Municipal Utility District. All comments were minor in nature, and have been addressed in the Initial Study/Mitigated Negative Declaration.

Fiscal Impact:

No additional cost. The preparation and filing of the Initial Study/Mitigated Negative Declaration are included in the Project budget.

Strategic Plan Alignment:

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

Attachments:

1. Public Hearing Statements
2. Location Map
3. Mitigation Monitoring and Reporting Program

Public Hearing of the
Board of Directors of the
Sacramento Suburban Water District
Receiving Comment on the Initial Study and Proposed Mitigated Negative Declaration
for
Wells 81A, 81B, 81C Antelope North/Poker Project

December 20, 2021

President “I hereby open the public hearing on the District’s Initial Study and Proposed Mitigated Negative Declaration for the Wells 81A, B, C Antelope North/Poker Project. This Public Hearing is being held under the provisions of the California Environmental Quality Act. Under the Act, members of the public are encouraged to participate. Any member of the public who would like to provide their input on the Initial Study or the findings should either file written comments by the close of this public hearing with Dan York, General Manager of the District, or address their comments to the Board of Directors at tonight’s hearing. In preparing the Initial Study and Proposed Mitigated Negative Declaration for the Wells 81A, B, C Antelope North/Poker Project, staff and the District’s consultant have considered all public comments provided to date and will consider all additional comments provided during this hearing.

I now would like to call on the District’s General Manager to give a short summary of what will be occurring and the actions that have led to this hearing.”

GM “To comply with the public review requirements under CEQA, a Notice of Intent to Adopt a Mitigated Negative Declaration was posted as the District’s office, project site, and website. The public review period began on October 29, 2021, and ended on November 29, 2021. Interested parties were also invited to participate at this meeting.

The procedures to be followed during this Hearing will be as follows:

Before taking public comment, District staff will present their findings and recommendations relative to the Initial Study and Proposed Mitigated Negative Declaration for the Wells 81A, B, C Antelope North/Poker Project. Staff will also summarize verbal and written comments or protests on these proposals received to date by the District. The Hearing will then be open to take additional public comment.

After receiving any oral or written public comments, the hearing will be closed. The Board will then discuss the Initial Study and Proposed Mitigated Negative Declaration for the Wells 81A, B, C Antelope North/Poker Project and may give staff direction concerning the proposed designation. The Board will consider adopting the Initial Study and Mitigated Negative Declaration at the conclusion of the public hearing.”

President *(Introduces staff to make presentations.)*
Senior Engineer, David Morrow”

SE *(Presentation of Initial Study and Proposed Mitigated Negative Declaration for Wells 81A, B, C Antelope North/Poker Project.)*

President “Will the Senior Engineer please summarize the verbal and written comments received to date regarding the Initial Study and Proposed Mitigated Negative Declaration for the Wells 81A, B, C Antelope North/Poker Project.”

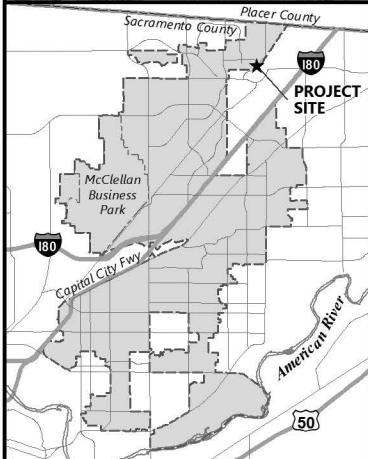
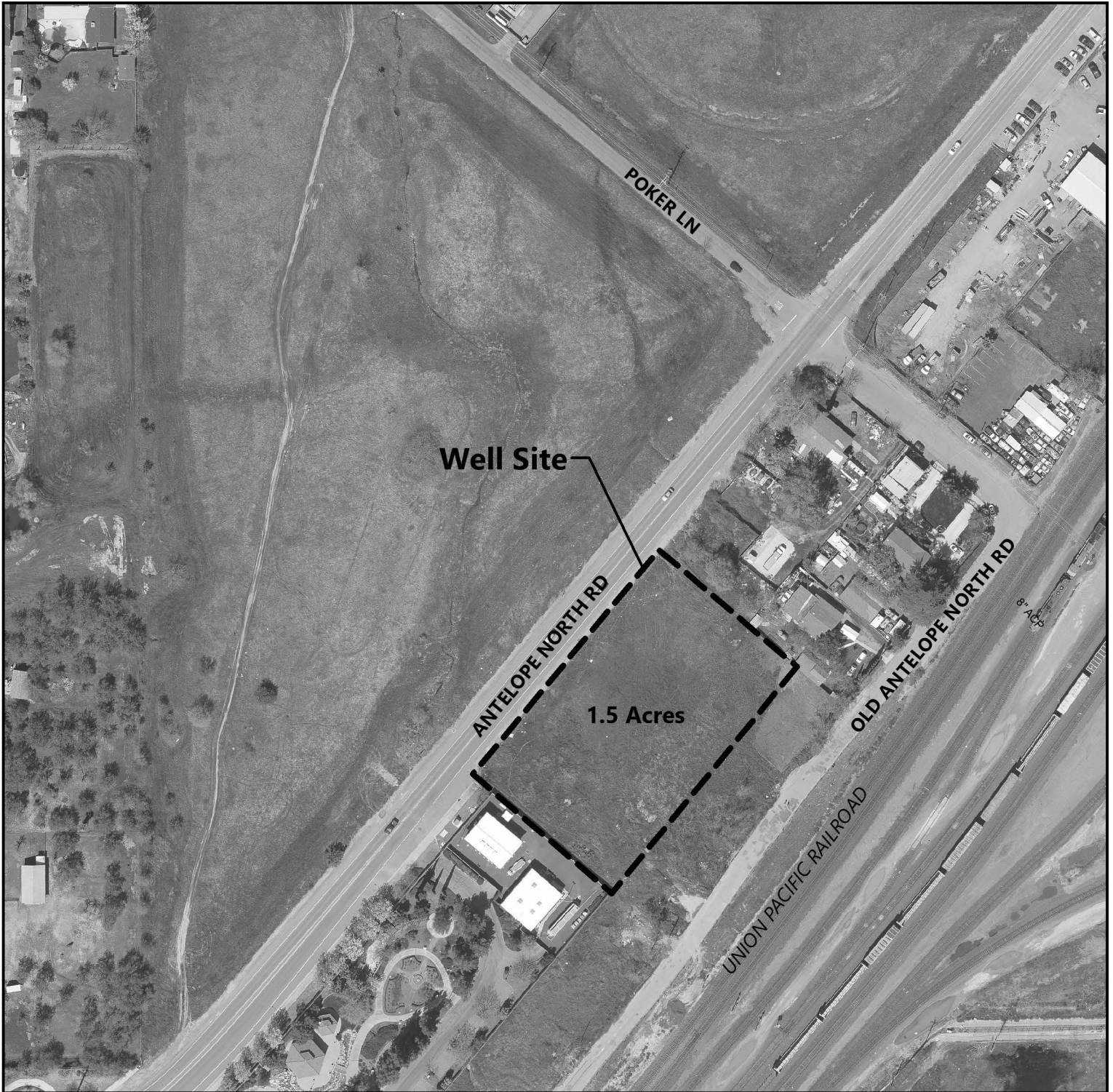
SE *(Reads summary of verbal and written communication(s) received.)*

President “The Board will now receive comments from the public. I would ask that those who wish to speak fill out a speaker card, give the card to General Manager. You will be called in turn to approach the podium. Please remember to give your name and address for the record.”

(Public comment is received from the public.)

(When there appears to be no further comment.)

“Are there any further comments from the public? If not, I declare the Public Hearing closed. On behalf of the Board, we want to thank the public for its participation in this matter. Our agenda calls for the District’s Board of Directors to adopt the Initial Study and Mitigated Negative Declaration for the Wells 81A, B, C Antelope North/Poker Project.”



Portion of Sacramento Suburban Water District



Wells 81A, B, C Antelope North/Poker Location Map



Prepared by: JWS, SSWD
Sacramento, CA - November 16, 2021
Well 81 Attachment.mxd

Appendix B - Mitigation Monitoring and Reporting Program

The table below indicates when compliance with each mitigation measure must occur. Some mitigation measures span multiple phases. Substantive descriptions of each mitigation measure's requirements are provided in the Final IS/MND.

Adopted Mitigation Measure	Prior to the Start of Construction	During Construction	Compliance with Mitigation Measure Completed?
Mitigation Measure AQ-1: Fugitive Dust Control Standards for Construction Emissions.		X	
Mitigation Measure AQ-2: Exhaust Control Standards for Construction Emissions.		X	
Mitigation Measure BIO-1: Implement Measures to Protect Special-Status Birds and Nesting Birds Regulated by the MBTA and California Fish and Game Code.	X		
Mitigation Measure CUL-1: Implement Unanticipated Discovery Protocol for Archaeological Resources, including Potential Tribal Cultural Resources.	X	X	
Mitigation Measure CUL-2: Implement Unanticipated-Discovery Protocol for Human Remains.	X	X	



Agenda Item: 12

Date: December 20, 2021

Subject: Adoption of an Initial Study/Mitigated Negative Declaration for the Wells 81A, 81B, 81C Antelope North/Poker Project

Staff Contact: David Morrow, P.E., Senior Engineer

Recommended Board Action:

Adopt the Initial Study/Mitigated Negative Declaration for the Wells 81A, 81B, 81C Antelope North/Poker Project and authorize the General Manager to execute a Notice of Determination.

Discussion:

The Initial Study/Mitigated Negative Declaration satisfies the District's obligation under the California Environmental Quality Act for the Wells 81A, B, C Antelope North/Poker Project (Project).

Based on the findings in the Initial Study, and after conducting a Public Hearing on December 20, 2021, to receive any further public comments on the proposed Project, a Mitigated Negative Declaration is determined to be suitable for this Project. If the Initial Study/Mitigated Negative Declaration is adopted by the Board, the Notice of Determination would then be executed by the General Manager and filed with the County Clerk/Recorder and with the State Clearinghouse. A copy of the Notice of Determination is included with this report as Attachment 1.

Fiscal Impact:

No significant additional costs are associated with the adoption of this Initial Study/Mitigated Negative Declaration, or the filing of the Notice of Determination.

Strategic Plan Alignment:

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

Attachments:

1. Notice of Determination

Notice of Determination**Appendix D****To:**

Office of Planning and Research
U.S. Mail: _____ *Street Address:* _____
 P.O. Box 3044 1400 Tenth St., Rm 113
 Sacramento, CA 95812-3044 Sacramento, CA 95814

County Clerk
 County of: _____
 Address: _____

From:

Public Agency: _____
 Address: _____

 Contact: _____
 Phone: _____

Lead Agency (if different from above): _____
 Address: _____

 Contact: _____
 Phone: _____

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): _____

Project Title: _____

Project Applicant: _____

Project Location (include county): _____

Project Description:

This is to advise that the _____ has approved the above
 (Lead Agency or Responsible Agency)

described project on _____ and has made the following determinations regarding the above
 (date)
 described project.

1. The project [will will not] have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [were were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [was was not] adopted for this project.
5. A statement of Overriding Considerations [was was not] adopted for this project.
6. Findings [were were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

 Signature (Public Agency): _____ Title: _____

Date: _____ Date Received for filing at OPR: _____



Agenda Item: 13

Date: December 20, 2021

Subject: Resolution No. 21-16 Honoring Ken Gebert on His Upcoming Retirement

Staff Contact: Dan York, General Manager

Recommended Board Action:

Adopt Resolution No. 21-16 Honoring Ken Gebert on His Upcoming Retirement.

Discussion:

Ken Gebert (Mr. Gebert) has been a valued employee of the Sacramento Suburban Water District for over 14 years, having been hired on November 7, 2007. His last day of work as the GIS/IT Technician will be December 31, 2021. The resolution commemorates his service. Staff has prepared a ceremonial, framed version of the resolution for presentation to Mr. Gebert.

Fiscal Impact:

Negligible.

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

Goal E - Retain and Recruit a Qualified and Stable Workforce

This resolution benefits District customers in that it recognizes a long-term employee's dedication to making the District a more efficient organization with superior customer service and increased water supply reliability.

Resolution No. 21-16
A Resolution Honoring
Ken Gebert
On His Retirement

Whereas, Ken Gebert completed 14 years of service with the Sacramento Suburban Water District, having been hired on November 7, 2007; and

Whereas, Ken’s dedication to public service is exemplified by his 31 years of total public service, first with 17 years at the Sacramento Area Council of Governments and then 14 years with Sacramento Suburban Water District; and

Whereas, Ken has dedicated his career to utilizing and enhancing the use of Geographic Information Systems and to the support and maintenance of general Information Technology systems; and

Whereas, Ken has earned the admiration and respect of his fellow employees, management staff, the Board of Directors and the public for his dedication, collegiality, enthusiasm, and hard work; and

Whereas, Ken can now spend time with Trina, Alexa, and his four greyhounds Martell, Shireen, Nymeria and Maura; continue his professional pub crawling endeavors; do more wine tasting with Trina; wait for Kelsey and RJ to bless him and Trina with grandchildren; work on his “honey do” list; lower his handicap from 36 to 30; remove some of the lead from his right foot; and just not worry about all of Matt’s emergency “can you run over to the office” texts.

Now therefore, be it resolved by the Board of Directors of the Sacramento Suburban Water District that:

The Board of Directors expresses its deep and sincere appreciation to Ken Gebert for his years of dedicated public service to the District.

The Board of Directors wishes Ken all the best for a healthy, happy, and productive future.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 20th day of December, 2021.

AYES:

NOES:

ABSENT:

By: _____
Craig Locke
President, Board of Directors
Sacramento Suburban Water District

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

(SEAL)



Agenda Item: 14

Date: December 20, 2021

Subject: Committee and Liaison Appointments for 2022

Staff Contact: Dan York, General Manager

Recommended Board Action:

The Board President makes appointments to Board standing and ad hoc committees and assigns Board member liaisons to outside organizations.

Discussion:

The Board President appoints Directors to various committees. Typically, there is an annual review of committee assignments.

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

Note that some assignments are to establish the District's voting representative with outside entities and others are to assign liaison interests for the purposes of establishing compensable attendance per District policies on Director compensation.

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
.....	Dave Jones, Alternate
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)	Vacant
.....	Craig Locke, Alternate

Liaison Assignments

ACWA/JPIA	Vacant
.....	Staff Position: Dan York
ACWA General Election Voting Delegate	Vacant
ACWA Groundwater Committee.....	Dave Jones
.....	Kevin Thomas
.....	Craig Locke
.....	Dan York
ACWA Water Quality Committee.....	Vacant
.....	Dave Jones
ACWA Energy Committee	Bob Wichert
ACWA Communications Committee	Kevin Thomas

ACWA Legal Affairs Committee	Ryan Bezerra
California Special Districts Association	Vacant
.....	Dave Jones
LAFCo Special District Advisory Committee	Vacant
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
Sacramento Water Forum Successor Effort.....	Staff Rep: Dan York
.....	Bob Wichert
.....	Craig Locke, Alternate
.....	Kevin Thomas, Alternate
.....	Dave Jones, Alternate



Agenda Item: 15

Date: December 20, 2021

Subject: Potential Refunding Opportunity – 2009A Adjustable Rate Certificates of Participation

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

Recommended Board Action:

1. Direct staff to work with the firms noted below in preparing the documentation and analysis necessary for the Board to consider refunding the District’s \$42.0 million Series 2009A variable rate Certificate of Participation (COP) with a new 13 year fixed rate financing (Series 2022A), in an approximate par amount of \$37.1 million, including estimated issuing costs of \$0.25 million, estimated underwriters discount of \$0.11 million and estimated swap agreement termination fee of \$6.6 million. Bring results to the January 2022 Board meeting.
2. Approve the services of the following firms – Citigroup Global Markets Inc. as Underwriter and Investment Banker; Stradling Yocca Carlson & Rauth, A Professional Corporation as Bond Counsel; Bartkiewicz, Kronick, & Shanahan, A Professional Corporation as General Counsel; Fieldman, Rolapp & Associates as Financial Advisor, and U.S. Bank, N.A. as Trustee; and where appropriate such other firms necessary to complete a potential 2009A COP refunding.

Summary:

Due to the current market rate environment, there is an opportunity to advance refund the 2009A variable rate COP (\$42.0 million) with fixed rate debt, thus eliminating the swap agreement and related liability, fees and charges related to managing and marketing the variable rate debt and associated swap and variable rate debt risks. The District’s Financial Advisor Fieldman, Rolapp & Associates (Fieldman) analyzed two scenarios assuming various variable interest rate assumptions for the remainder of the 2009A COP issuance. Both analyses indicated positive Net Present Value (NPV) savings between approximately \$133,000 and \$738,000 over the remaining life of the issuance. This refinance accomplishes two objectives: 1) de-risk the debt portfolio and 2) reduce the District’s outstanding debt par value by \$4.9 million. This matter is time sensitive and is being brought to the full Board for discussion and direction. Therefore, it was not brought before the Finance and Audit Committee.

Background:

During the decade from 2000 – 2010 the District issued several debt issuances utilizing variable rate debt as fixed rates were considered too high. There exists a financing mechanism to, in essence, make variable rate debt act fixed. This mechanism is an interest rate swap. One party

agrees to pay a fixed rate amount in exchange for receiving a variable rate amount. The swap variable rate amount is designed to mimic the actual variable rate paid on the debt. Therefore, the swap allows the debt to act as if it was fixed. The District originally entered into an interest rate swap agreement, in April of 2005, to create a “synthetically fixed” long-term borrowing cost for \$79 million in variable-rate debt. The objective of this financial strategy was to achieve a lower borrowing cost than traditional fixed-rate debt. In January 2012, an analysis of the swap estimated the strategy had saved the District approximately \$10.5 million on a present value basis.¹

In April of 2012, the District reduced the amount of the interest rate swap and converted a related portion of variable-rate debt to fixed-rate bonds (Series 2012A). Because of the decline in interest rates since the swap was originally executed in 2005, this required a termination fee to reduce the swap amount. The District left \$33.3 million of the interest rate swap in place, maintaining the synthetically-fixed rate strategy for a like amount of its \$42.0 million variable-rate 2009A Certificates of Participation (“COPs” or “Certificates”).

Discussion:

The interest rate swap is designed so that the \$33.3 million in hedged COPs have an effective, long-term borrowing cost of the 3.28% fixed swap rate, plus other ongoing fees and costs required to maintain the COPs in variable-rate mode (~\$260,000 per year). The analysis indicates the swapped COPs have had a net, all-inclusive interest cost of approximately 3.73% from 2015 – 2021. The entire 2009A debt has had an all-inclusive interest rate cost of approximately 3.45%. The difference is related to the interest cost of the unhedged \$8.7 million portion. Market rates have been low since 2015 and extremely low since April of 2020 driving down the interest paid on the unhedged portion.

If interest rates remain at their current levels (~0.05%), the interest rate cost of the 2009A series debt will remain around 3.00% – 3.30%. However, modest increases in interest rates could push the all-in interest cost around the 4.00% level. Staff engaged Fieldman to analyze scenarios in which interest rates would result in savings by refinancing with fixed rate debt.

Staff have attached two scenarios with different assumptions on the forecasted variable interest rates on the certificates through maturity. As discussed previously, the forecasted variable interest rate assumptions will impact the amount of potential savings generated. Staff have prepared the following assumptions for review and discussion:

1. The first attachment assumes the reset rates move to 0.45% in 2023 and remain through 11/1/2034 (full maturity). This is based on the average reset rate of 0.40% since the certificates were issued in 2009. This results in nominal dissavings on the unhedged portion of the certificates and negative NPV savings of ~\$298,000 or negative 3.2%. Assuming the hedged portion of the certificates with the swap has a termination expense of approximately \$6.6 million, the District would generate approximately \$431,000 NPV savings or ~1.3% savings. This scenario results in total NPV savings of ~\$133,000 or about 0.32% savings.

¹ Savings quoted in 2012 dollars. Analysis was prepared by Citi and covered the period of May 2005 – January 2012. The analysis factored in the all-in cost of the swapped bonds, and compared this to the alternative cost of traditional fixed-rate bonds.

2. The second attachment assumes the reset rates stay at 0.05% through next year (the District is only paying 0.05% currently) and thereafter increases annually by 0.25% through 11/1/2034 for a final reset rate of 3.05%. This results in annual cash flow savings of ~\$50,000 on the unhedged portion of the certificates (not including the first year) and approximately \$267,000 NPV savings or 3% savings. Assuming the hedged portion of the certificates with the swap has a termination expense of approximately \$6.6 million, the District would generate approximately \$471,000 NPV savings or ~1.4% savings. This scenario results in total NPV savings of ~\$738,000 or about 1.75% savings.

SWAP Fair Value

Based on existing market conditions as of October 29, 2021, the swap had an approximate negative fair value of \$6,594,543. The fair value of the District's swap was a negative number due to the overall decline in interest rates for a comparable swap. From the District's perspective, this is because the expected future variable-rate payments due from Wells Fargo Bank, N.A. (Wells Fargo) are lower than when the swap was entered into. This value tends to move up and down with market conditions and is an important component in the analysis of the economic benefit derived from the refinance.

The swap is intended to hedge interest rate risk on a portion of the District's outstanding Series 2009A COP, which bears interest at a variable rate. The swap, however, contains certain risks. The District has implemented various provisions to address such risks that include, amongst other risks, credit risk, basis risk, termination risk, credit and extension risk, collateral posting and tax risk.

Credit Risk

Counterparty Credit Risk – The counterparty, Wells Fargo could be in default on swap payments owed to the District, or file for bankruptcy. This could result in a termination event, in which case the District could immediately owe (or be owed) the fair value of the swap. Additionally, if the counterparty's credit rating falls below certain thresholds or is withdrawn, a termination event may result, in which case the District could immediately owe (or be owed) the fair value of the swap.

District Credit Risk – If the District's credit rating on the Series 2009A COP falls below certain thresholds or is withdrawn, a termination event may result, in which case the District could immediately owe (or be owed) the fair value of the swap.

Variable Interest Rate Risk (or Basis Risk)

Basis risk is the risk that the interest rates paid by the District on its variable-rate Series 2009A COP obligation may differ from the variable interest rate received from Wells Fargo. This could result from a general market disparity between weekly rates paid by the District compared to 1-month LIBOR received from Wells Fargo. It could also result from higher relative rates on the District's Series 2009A COP compared to similar securities. This could be related to factors such as negative investor perception of the credit quality of the Series 2009A COP. This occurs normally during the year as the synthetic rate approximates the market rate for variable rate municipal debt. However, during the spring of 2020 market risk also resulted in rates for variable rate municipal debt increasing while the synthetic rate remained stable. In addition, the one-month LIBOR index is set to be discontinued in June of 2023. However, talks still continue with regards to maintaining

a “synthetic” rate for a “further period” after June 2023. The one-month LIBOR index is the value used to determine the synthetic rate in the District’s swap agreement with Wells Fargo.

Events of Default and Termination Event Risk

A number of events are specified in the swap agreement that could result in the District immediately owing (or owed) the swap’s fair value. These include, but are not limited to, failure of either party to pay or deliver, breach of the agreement by either party, loss of a credit support provider, downgrades to either the District’s or Wells Fargo’s credit rating, events of default or bankruptcy of either party, and unscheduled redemptions of principal or modification to the amortization schedule of the District’s Series 2009A COP.

Liquidity/Credit Enhancement on Certificates – Credit and Extension Risk

The District’s Series 2009A COP is supported by Sumitomo Mitsui Banking Corporation through a direct-pay letter of credit facility which provides liquidity and credit support. Such a facility is required for the Series 2009A COP to remain marketable and outstanding as variable rate securities. If Series 2009A COP investors perceive this facility negatively, the Series 2009A COP may bear higher rates than comparable securities (which may result in basis risk). In addition, the Certificate credit and liquidity facility must be extended periodically or replaced by a comparable provider. The current facility expires on June 30, 2023. To the extent the facility cannot be replaced or extended, various potential impacts of this, including accelerations of Series 2009A COP principal repayment, could result in a swap termination event.

Collateral Posting Risk

Based on certain thresholds of the fair value of the swap and the ratings of the District or Wells Fargo, either party may be required to post collateral (i.e. cash or certain allowable securities). For example, based on the District’s current Moody’s Investor Services rating of Aa2, the negative fair value of the swap would need to exceed \$20 million before the District would need to post \$1 million in cash or securities as collateral.

Tax Risk

The swap exposes the District to tax risk if a permanent mismatch occurs between the variable-rate received from the swap and the variable-rate paid on the Series 2009A COP due to tax law changes such that the federal or state tax exemption on municipal debt is eliminated or its value reduced.

Based on these risks along with indications of sustained increases in inflation occurring in the near future, staff have begun investigating refinancing the 2009A outstanding debt. In August 2021, staff engaged Fieldman to analyze various refinancing scenarios and if there is economic benefit in refinancing the 2009A outstanding debt as interest rates are at historic lows. Under both scenarios analyzed by Fieldman there was a positive cash flow. This analysis was updated based on rates as of November 29, 2021 for scenario 2 and on December 7, 2021 for scenario 1. For scenario 1, using these current market rates in the fixed rate municipal market the District could refinance the \$42.0 million outstanding 2009A debt for approximately \$37.1 million of new debt with a coupon rate of 5.0% (real rate ~1.31%). At current rates this offering would yield an approximate \$11.9 million premium that would be used to buy down the debt, cover the issuance

costs and the termination of the swap with Wells Fargo. This scenario resulted in approximately \$147,000 in savings (\$133,000 NPV). However, if rates in the variable rate municipal market remain at the current levels of 0.04 - 0.06% over the remaining 13 years of the debt's life then the refinance may not make economic sense. Staff believes that de-risking the debt has value, both in terms of budgeting future debt service costs and avoiding potential swap termination events and other related risks. Based on all of the analyses performed, staff and Fieldman believe it to be in the District's best interest to continue to pursue the refinancing of the 2009A variable rate debt with fixed rate debt.

\$37.1 million in new debt with a coupon rate of 5.0% would result in approximately \$17.2 million in total fixed interest charges through the remaining term of the bonds (13 years). Over the past 5 years (2015 – 2021), the District on average has paid \$1.38 million in variable rate debt interest and fees per year. At a 10-year average remaining maturity, the district would pay approximately \$4.8 million more in interest but pay \$4.9 million less in debt.

Staff is requesting approval from the Board on continuing to pursue refinancing the 42.0 million of variable rate COPs with approximately \$37.1 million of new fixed rate debt.

Fiscal Impact:

The savings realized on the refinance will depend on how variable rates move in the future. The independent analysis estimates a range of savings from approximately \$100,000 to approximately \$700,000 over the remaining life of the debt. Interest expense will increase but is offset by a decrease in principal debt payouts. The District will be relieved of the associated risks and potential costs of the swap agreement. The District's par value long-term debt should decrease by approximately \$4.9 million as a result of the refinance. The costs associated with preparing a debt issuance in the event the market turns negative and the refinance no longer has an estimated economic advantage, which would be approximately \$35,000 to \$50,000.

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachments:

- 1) Refinance scenario #1
- 2) Refinance scenario #2
- 3) Presentation

SOURCES AND USES OF FUNDS

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Dated Date 03/01/2022
Delivery Date 03/01/2022

Sources:	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Total
<hr/>			
Bond Proceeds:			
Par Amount	30,500,000.00	6,560,000.00	37,060,000.00
Premium	9,718,795.65	2,211,803.40	11,930,599.05
	<hr/>	<hr/>	<hr/>
	40,218,795.65	8,771,803.40	48,990,599.05
<hr/> <hr/>			
Uses:	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Total
<hr/>			
Refunding Escrow Deposits:			
Cash Deposit	33,320,000.00	8,705,000.00	42,025,000.00
Delivery Date Expenses:			
Cost of Issuance	205,747.44	44,252.56	250,000.00
Underwriter's Discount	91,500.00	19,680.00	111,180.00
Termination Expense	6,600,000.00	6,600,000.00	6,600,000.00
	<hr/>	<hr/>	<hr/>
	6,897,247.44	63,932.56	6,961,180.00
Other Uses of Funds:			
Additional Proceeds	1,548.21	2,870.84	4,419.05
	<hr/>	<hr/>	<hr/>
	40,218,795.65	8,771,803.40	48,990,599.05
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SUMMARY OF REFUNDING RESULTS

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

	Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)	Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)	Total
Dated Date	03/01/2022	03/01/2022	03/01/2022
Delivery Date	03/01/2022	03/01/2022	03/01/2022
Arbitrage Yield	1.036739%	1.036739%	1.036739%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	30,500,000.00	6,560,000.00	37,060,000.00
True Interest Cost	1.303470%	1.348908%	1.312019%
Net Interest Cost	1.543451%	1.601535%	1.554373%
Average Coupon	5.000000%	5.000000%	5.000000%
Average Life	9.132	9.833	9.256
Par amount of refunded bonds	33,300,000.00	8,700,000.00	42,000,000.00
Average coupon of refunded bonds	3.286920%	0.386616%	2.686409%
Average life of refunded bonds	8.899	8.894	8.898
PV of prior debt	41,392,438.62	8,678,078.50	50,070,517.11
Net PV Savings	431,091.57	-297,910.74	133,180.83
Percentage savings of refunded bonds	1.294569%	-3.424261%	0.317097%
Percentage savings of refunding bonds	1.413415%	-4.541322%	0.359365%

SAVINGS

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/01/2022 @ 1.0367393%
11/01/2022	945,804.49	1,235,333.34	-289,528.85	-286,376.28
11/01/2023	2,510,676.19	2,488,000.00	22,676.19	23,693.56
11/01/2024	2,602,238.05	2,566,250.00	35,988.05	36,456.01
11/01/2025	2,607,402.60	2,569,000.00	38,402.60	38,292.74
11/01/2026	2,614,470.62	2,574,750.00	39,720.62	39,065.11
11/01/2027	2,624,866.44	2,588,250.00	36,616.44	35,645.33
11/01/2028	5,659,079.62	5,624,000.00	35,079.62	33,772.29
11/01/2029	5,707,311.55	5,670,750.00	36,561.55	34,621.63
11/01/2030	5,756,977.05	5,715,250.00	41,727.05	38,839.36
11/01/2031	5,774,795.05	5,737,000.00	37,795.05	34,736.10
11/01/2032	5,808,144.58	5,766,500.00	41,644.58	37,695.64
11/01/2033	5,861,919.02	5,827,750.00	34,169.02	30,537.66
11/01/2034	5,884,592.98	5,848,500.00	36,092.98	31,782.63
	54,358,278.24	54,211,333.34	146,944.90	128,761.78

Savings Summary

PV of savings from cash flow	128,761.78
Plus: Refunding funds on hand	4,419.05
Net PV Savings	133,180.83

SAVINGS

Sacramento Suburban and San Juan WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/01/2022 @ 1.0367393%
11/01/2022	899,577.98	1,016,666.67	-117,088.69	-114,960.64
11/01/2023	2,208,894.22	2,160,000.00	48,894.22	50,036.66
11/01/2024	2,251,671.07	2,203,250.00	48,421.07	49,006.36
11/01/2025	2,249,844.17	2,202,750.00	47,094.17	47,120.28
11/01/2026	2,249,808.63	2,200,500.00	49,308.63	48,662.67
11/01/2027	2,253,207.83	2,206,500.00	46,707.83	45,624.65
11/01/2028	4,650,846.75	4,605,250.00	45,596.75	44,050.27
11/01/2029	4,669,250.37	4,622,000.00	47,250.37	44,908.69
11/01/2030	4,689,324.81	4,639,750.00	49,574.81	46,372.31
11/01/2031	4,677,979.73	4,633,000.00	44,979.73	41,535.31
11/01/2032	4,682,505.92	4,632,500.00	50,005.92	45,415.89
11/01/2033	4,698,069.23	4,652,500.00	45,569.23	40,804.07
11/01/2034	4,697,966.68	4,651,500.00	46,466.68	40,966.82
	44,878,947.39	44,426,166.67	452,780.72	429,543.36

Savings Summary

PV of savings from cash flow	429,543.36
Plus: Refunding funds on hand	1,548.21
Net PV Savings	431,091.57

SAVINGS

Sacramento Suburban and San Juan WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/01/2022 @ 1.0367393%
11/01/2022	46,226.51	218,666.67	-172,440.16	-171,415.64
11/01/2023	301,781.97	328,000.00	-26,218.03	-26,343.10
11/01/2024	350,566.98	363,000.00	-12,433.02	-12,550.36
11/01/2025	357,558.43	366,250.00	-8,691.57	-8,827.54
11/01/2026	364,661.99	374,250.00	-9,588.01	-9,597.57
11/01/2027	371,658.61	381,750.00	-10,091.39	-9,979.32
11/01/2028	1,008,232.87	1,018,750.00	-10,517.13	-10,277.98
11/01/2029	1,038,061.18	1,048,750.00	-10,688.82	-10,287.06
11/01/2030	1,067,652.24	1,075,500.00	-7,847.76	-7,532.95
11/01/2031	1,096,815.32	1,104,000.00	-7,184.68	-6,799.21
11/01/2032	1,125,638.66	1,134,000.00	-8,361.34	-7,720.25
11/01/2033	1,163,849.79	1,175,250.00	-11,400.21	-10,266.40
11/01/2034	1,186,626.30	1,197,000.00	-10,373.70	-9,184.19
	9,479,330.85	9,785,166.67	-305,835.82	-300,781.58

Savings Summary

PV of savings from cash flow	-300,781.58
Plus: Refunding funds on hand	2,870.84
Net PV Savings	-297,910.74

SUMMARY OF BONDS REFUNDED

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Sacramento Suburban Adjustabe Rate Refunding Revenue Ceritificates of Participation (Hedged with Swap, 2009A_Z:					
TERM34	11/01/2034	3.283%	33,300,000.00	03/01/2022	100.000
Sacramento Suburban Adjustabe Rate Refunding Revenue Ceritificates of Participation (Unhedged), 2009A_Z2:					
BOND2	11/01/2023	0.000%	235,000.00	03/01/2022	100.000
	11/01/2024	0.000%	260,000.00	03/01/2022	100.000
	11/01/2025	0.000%	270,000.00	03/01/2022	100.000
	11/01/2026	0.000%	280,000.00	03/01/2022	100.000
	11/01/2027	0.000%	290,000.00	03/01/2022	100.000
	11/01/2028	0.000%	930,000.00	03/01/2022	100.000
	11/01/2029	0.000%	970,000.00	03/01/2022	100.000
	11/01/2030	0.000%	1,010,000.00	03/01/2022	100.000
	11/01/2031	0.000%	1,050,000.00	03/01/2022	100.000
	11/01/2032	0.000%	1,090,000.00	03/01/2022	100.000
	11/01/2033	0.000%	1,140,000.00	03/01/2022	100.000
	11/01/2034	0.000%	1,175,000.00	03/01/2022	100.000
			8,700,000.00		
			42,000,000.00		

BOND SUMMARY STATISTICS

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Dated Date	03/01/2022
Delivery Date	03/01/2022
Last Maturity	11/01/2034
Arbitrage Yield	1.036739%
True Interest Cost (TIC)	1.312019%
Net Interest Cost (NIC)	1.554373%
All-In TIC	3.289310%
Average Coupon	5.000000%
Average Life (years)	9.256
Weighted Average Maturity (years)	9.377
Duration of Issue (years)	7.840
Par Amount	37,060,000.00
Bond Proceeds	48,990,599.05
Total Interest	17,151,333.34
Net Interest	5,331,914.29
Total Debt Service	54,211,333.34
Maximum Annual Debt Service	5,848,500.00
Average Annual Debt Service	4,279,842.11
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	3.000000
Total Underwriter's Discount	3.000000
Bid Price	131.892658

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serials thru 2034	37,060,000.00	132.193	5.000%	9.256	35,569.55
	37,060,000.00			9.256	35,569.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	37,060,000.00	37,060,000.00	37,060,000.00
+ Accrued Interest			
+ Premium (Discount)	11,930,599.05	11,930,599.05	11,930,599.05
- Underwriter's Discount	-111,180.00	-111,180.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts		-6,600,000.00	
Target Value	48,879,419.05	42,029,419.05	48,990,599.05
Target Date	03/01/2022	03/01/2022	03/01/2022
Yield	1.312019%	3.289310%	1.036739%

BOND SUMMARY STATISTICS

Sacramento Suburban and San Juan WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Dated Date	03/01/2022
Delivery Date	03/01/2022
Last Maturity	11/01/2034
Arbitrage Yield	1.036739%
True Interest Cost (TIC)	1.303470%
Net Interest Cost (NIC)	1.543451%
All-In TIC	3.776916%
Average Coupon	5.000000%
Average Life (years)	9.132
Weighted Average Maturity (years)	9.264
Duration of Issue (years)	7.756
Par Amount	30,500,000.00
Bond Proceeds	40,218,795.65
Total Interest	13,926,166.67
Net Interest	4,298,871.02
Total Debt Service	44,426,166.67
Maximum Annual Debt Service	4,652,500.00
Average Annual Debt Service	3,507,328.95
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	3.000000
Total Underwriter's Discount	3.000000
Bid Price	131.564904

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serials thru 2034	30,500,000.00	131.865	5.000%	9.132	28,916.80
	30,500,000.00			9.132	28,916.80

	TIC	All-In TIC	Arbitrage Yield
Par Value	30,500,000.00	30,500,000.00	30,500,000.00
+ Accrued Interest			
+ Premium (Discount)	9,718,795.65	9,718,795.65	9,718,795.65
- Underwriter's Discount	-91,500.00	-91,500.00	
- Cost of Issuance Expense		-205,747.44	
- Other Amounts		-6,600,000.00	
Target Value	40,127,295.65	33,321,548.21	40,218,795.65
Target Date	03/01/2022	03/01/2022	03/01/2022
Yield	1.303470%	3.776916%	1.036739%

BOND SUMMARY STATISTICS

Sacramento Suburban and San Juan WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Dated Date	03/01/2022
Delivery Date	03/01/2022
Last Maturity	11/01/2034
Arbitrage Yield	1.036739%
True Interest Cost (TIC)	1.348908%
Net Interest Cost (NIC)	1.601535%
All-In TIC	1.410991%
Average Coupon	5.000000%
Average Life (years)	9.833
Weighted Average Maturity (years)	9.894
Duration of Issue (years)	8.225
Par Amount	6,560,000.00
Bond Proceeds	8,771,803.40
Total Interest	3,225,166.67
Net Interest	1,033,043.27
Total Debt Service	9,785,166.67
Maximum Annual Debt Service	1,197,000.00
Average Annual Debt Service	772,513.16
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	3.000000
Total Underwriter's Discount	3.000000
Bid Price	133.416515

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serials thru 2034	6,560,000.00	133.717	5.000%	9.833	6,652.75
	6,560,000.00			9.833	6,652.75

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,560,000.00	6,560,000.00	6,560,000.00
+ Accrued Interest			
+ Premium (Discount)	2,211,803.40	2,211,803.40	2,211,803.40
- Underwriter's Discount	-19,680.00	-19,680.00	
- Cost of Issuance Expense		-44,252.56	
- Other Amounts			
Target Value	8,752,123.40	8,707,870.84	8,771,803.40
Target Date	03/01/2022	03/01/2022	03/01/2022
Yield	1.348908%	1.410991%	1.036739%

BOND PRICING

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serials thru 2034:									
	11/01/2022		5.000%	0.200%	103.195				
	11/01/2023	635,000	5.000%	0.260%	107.877				50,018.95
	11/01/2024	745,000	5.000%	0.350%	112.331				91,865.95
	11/01/2025	785,000	5.000%	0.430%	116.606				130,357.10
	11/01/2026	830,000	5.000%	0.550%	120.473				169,925.90
	11/01/2027	885,000	5.000%	0.670%	124.036				212,718.60
	11/01/2028	3,965,000	5.000%	0.830%	126.989				1,070,113.85
	11/01/2029	4,210,000	5.000%	0.950%	129.876				1,257,779.60
	11/01/2030	4,465,000	5.000%	1.020%	132.931				1,470,369.15
	11/01/2031	4,710,000	5.000%	1.070%	135.998				1,695,505.80
	11/01/2032	4,975,000	5.000%	1.110%	136.722 C	1.301%	03/01/2032	100.000	1,826,919.50
	11/01/2033	5,285,000	5.000%	1.120%	136.609 C	1.556%	03/01/2032	100.000	1,934,785.65
	11/01/2034	5,570,000	5.000%	1.150%	136.270 C	1.787%	03/01/2032	100.000	2,020,239.00
		37,060,000							11,930,599.05

Dated Date	03/01/2022	
Delivery Date	03/01/2022	
First Coupon	05/01/2022	
Par Amount	37,060,000.00	
Premium	11,930,599.05	
Production	48,990,599.05	132.192658%
Underwriter's Discount	-111,180.00	-0.300000%
Purchase Price	48,879,419.05	131.892658%
Accrued Interest		
Net Proceeds	48,879,419.05	

BOND DEBT SERVICE

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Period Ending	Principal	Coupon	Interest	Debt Service
11/01/2022			1,235,333.34	1,235,333.34
11/01/2023	635,000	5.000%	1,853,000.00	2,488,000.00
11/01/2024	745,000	5.000%	1,821,250.00	2,566,250.00
11/01/2025	785,000	5.000%	1,784,000.00	2,569,000.00
11/01/2026	830,000	5.000%	1,744,750.00	2,574,750.00
11/01/2027	885,000	5.000%	1,703,250.00	2,588,250.00
11/01/2028	3,965,000	5.000%	1,659,000.00	5,624,000.00
11/01/2029	4,210,000	5.000%	1,460,750.00	5,670,750.00
11/01/2030	4,465,000	5.000%	1,250,250.00	5,715,250.00
11/01/2031	4,710,000	5.000%	1,027,000.00	5,737,000.00
11/01/2032	4,975,000	5.000%	791,500.00	5,766,500.00
11/01/2033	5,285,000	5.000%	542,750.00	5,827,750.00
11/01/2034	5,570,000	5.000%	278,500.00	5,848,500.00
	37,060,000		17,151,333.34	54,211,333.34

PRIOR BOND DEBT SERVICE

Sacramento Suburban and San Juan WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

Period Ending	Principal	Coupon	Interest	Debt Service	Other Cash Flow	Total
11/01/2022			733,817.98	733,817.98	165,760.00	899,577.98
11/01/2023	910,000	3.283%	1,093,239.03	2,003,239.03	205,655.19	2,208,894.22
11/01/2024	985,000	3.283%	1,066,277.03	2,051,277.03	200,394.04	2,251,671.07
11/01/2025	1,025,000	3.283%	1,031,026.14	2,056,026.14	193,818.03	2,249,844.17
11/01/2026	1,065,000	3.283%	997,375.43	2,062,375.43	187,433.20	2,249,808.63
11/01/2027	1,110,000	3.283%	962,411.41	2,072,411.41	180,796.42	2,253,207.83
11/01/2028	3,550,000	3.283%	928,507.07	4,478,507.07	172,339.68	4,650,846.75
11/01/2029	3,710,000	3.283%	809,423.64	4,519,423.64	149,826.73	4,669,250.37
11/01/2030	3,875,000	3.283%	687,624.34	4,562,624.34	126,700.47	4,689,324.81
11/01/2031	4,015,000	3.283%	560,408.07	4,575,408.07	102,571.66	4,677,979.73
11/01/2032	4,175,000	3.283%	429,769.86	4,604,769.86	77,736.06	4,682,505.92
11/01/2033	4,355,000	3.283%	291,530.42	4,646,530.42	51,538.81	4,698,069.23
11/01/2034	4,525,000	3.283%	148,555.72	4,673,555.72	24,410.96	4,697,966.68
	33,300,000		9,739,966.14	43,039,966.14	1,838,981.25	44,878,947.39

PRIOR BOND DEBT SERVICE

Sacramento Suburban and San Juan WD Outstanding Bonds
 Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

Period Ending	Principal	Interest	Debt Service	Other Cash Flow	Total
11/01/2022		2,919.84	2,919.84	43,306.67	46,226.51
11/01/2023	235,000	13,050.02	248,050.02	53,731.95	301,781.97
11/01/2024	260,000	38,196.84	298,196.84	52,370.14	350,566.98
11/01/2025	270,000	36,922.49	306,922.49	50,635.94	357,558.43
11/01/2026	280,000	35,707.48	315,707.48	48,954.51	364,661.99
11/01/2027	290,000	34,447.51	324,447.51	47,211.10	371,658.61
11/01/2028	930,000	33,233.28	963,233.28	44,999.59	1,008,232.87
11/01/2029	970,000	28,957.48	998,957.48	39,103.70	1,038,061.18
11/01/2030	1,010,000	24,592.51	1,034,592.51	33,059.73	1,067,652.24
11/01/2031	1,050,000	20,047.47	1,070,047.47	26,767.85	1,096,815.32
11/01/2032	1,090,000	15,364.44	1,105,364.44	20,274.22	1,125,638.66
11/01/2033	1,140,000	10,417.46	1,150,417.46	13,432.33	1,163,849.79
11/01/2034	1,175,000	5,287.54	1,180,287.54	6,338.76	1,186,626.30
	8,700,000	299,144.36	8,999,144.36	480,186.49	9,479,330.85

ESCROW REQUIREMENTS

Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A

Period Ending	Principal Redeemed	Total
03/01/2022	42,000,000.00	42,000,000.00
	42,000,000.00	42,000,000.00

SOURCES AND USES OF FUNDS**Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A**

Dated Date 12/15/2021
Delivery Date 12/15/2021

<i>Sources:</i>	<i>Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)</i>	<i>Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)</i>	<i>Total</i>
Bond Proceeds:			
Par Amount	30,430,000.00	6,540,000.00	36,970,000.00
Premium	9,789,427.65	2,231,783.40	12,021,211.05
	40,219,427.65	8,771,783.40	48,991,211.05
<i>Uses:</i>	<i>Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)</i>	<i>Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)</i>	<i>Total</i>
Refunding Escrow Deposits:			
Cash Deposit	33,320,000.00	8,705,000.00	42,025,000.00
Delivery Date Expenses:			
Cost of Issuance	205,774.95	44,225.05	250,000.00
Underwriter's Discount	91,290.00	19,620.00	110,910.00
Termination Expense	6,600,000.00		6,600,000.00
	6,897,064.95	63,845.05	6,960,910.00
Other Uses of Funds:			
Additional Proceeds	2,362.70	2,938.35	5,301.05
	40,219,427.65	8,771,783.40	48,991,211.05

SUMMARY OF REFUNDING RESULTS**Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A**

	<i>Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)</i>	<i>Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)</i>	<i>Total</i>
Dated Date	12/15/2021	12/15/2021	12/15/2021
Delivery Date	12/15/2021	12/15/2021	12/15/2021
Arbitrage Yield	1.034318%	1.034318%	1.034318%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	30,430,000.00	6,540,000.00	36,970,000.00
True Interest Cost	1.341058%	1.388185%	1.349942%
Net Interest Cost	1.589435%	1.649540%	1.600761%
All-In TIC	3.768179%	1.448942%	3.289370%
Average Coupon	5.000000%	5.000000%	5.000000%
Average Life	9.345	10.096	9.477
Par amount of refunded bonds	33,300,000.00	8,700,000.00	42,000,000.00
Average coupon of refunded bonds	3.285787%	1.208918%	2.855765%
Average life of refunded bonds	9.110	9.105	9.109
PV of prior debt	41,578,001.93	9,279,434.89	50,857,436.82
Net PV Savings	471,036.38	267,115.23	738,151.61
Percentage savings of refunded bonds	1.414524%	3.070290%	1.757504%
Percentage savings of refunding bonds	1.547934%	4.084331%	1.996623%

SAVINGS**Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A**

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 12/15/2021 @ 1.0343179%</i>
11/01/2022	1,225,583.58	1,622,572.22	-396,988.64	-392,096.34
11/01/2023	2,523,726.17	2,483,500.00	40,226.17	40,924.86
11/01/2024	2,610,726.26	2,521,750.00	88,976.26	87,864.12
11/01/2025	2,636,120.09	2,526,500.00	109,620.09	106,771.00
11/01/2026	2,662,080.62	2,554,250.00	107,830.62	103,964.26
11/01/2027	2,689,933.96	2,583,750.00	106,183.96	101,332.67
11/01/2028	5,740,316.62	5,634,750.00	105,566.62	99,717.04
11/01/2029	5,794,184.08	5,686,000.00	108,184.08	100,960.58
11/01/2030	5,844,417.04	5,734,750.00	109,667.04	101,133.58
11/01/2031	5,857,212.60	5,750,500.00	106,712.60	97,263.18
11/01/2032	5,879,845.53	5,774,250.00	105,595.53	95,093.20
11/01/2033	5,916,321.55	5,810,000.00	106,321.55	94,544.35
11/01/2034	5,915,142.93	5,806,500.00	108,642.93	95,378.07
	55,295,611.03	54,489,072.22	806,538.81	732,850.56

Savings Summary

PV of savings from cash flow	732,850.56
Plus: Refunding funds on hand	5,301.05
Net PV Savings	<u>738,151.61</u>

SAVINGS

Sacramento Suburban and San Juan WD Outstanding Bonds Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 12/15/2021 @ 1.0343179%</i>
11/01/2022	1,167,837.32	1,335,538.89	-167,701.57	-164,461.76
11/01/2023	2,208,894.22	2,156,500.00	52,394.22	53,366.91
11/01/2024	2,251,671.07	2,194,750.00	56,921.07	57,158.59
11/01/2025	2,249,844.17	2,194,500.00	55,344.17	54,952.31
11/01/2026	2,249,808.63	2,192,500.00	57,308.63	56,173.11
11/01/2027	2,253,207.83	2,198,750.00	54,457.83	52,828.64
11/01/2028	4,650,846.75	4,597,750.00	53,096.75	50,950.31
11/01/2029	4,669,250.37	4,614,750.00	54,500.37	51,505.78
11/01/2030	4,689,324.81	4,632,750.00	56,574.81	52,670.72
11/01/2031	4,677,979.73	4,621,250.00	56,729.73	52,068.35
11/01/2032	4,682,505.92	4,626,250.00	56,255.92	50,916.69
11/01/2033	4,698,069.23	4,641,500.00	56,569.23	50,459.46
11/01/2034	4,697,966.68	4,641,000.00	56,966.68	50,084.55
	45,147,206.73	44,647,788.89	499,417.84	468,673.68

Savings Summary

PV of savings from cash flow	468,673.68
Plus: Refunding funds on hand	2,362.70
	471,036.38
Net PV Savings	471,036.38

SAVINGS

Sacramento Suburban and San Juan WD Outstanding Bonds Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 12/15/2021 @ 1.0343179%</i>
11/01/2022	57,746.26	287,033.33	-229,287.07	-227,634.58
11/01/2023	314,831.95	327,000.00	-12,168.05	-12,442.06
11/01/2024	359,055.19	327,000.00	32,055.19	30,705.54
11/01/2025	386,275.92	332,000.00	54,275.92	51,818.68
11/01/2026	412,271.99	361,750.00	50,521.99	47,791.15
11/01/2027	436,726.13	385,000.00	51,726.13	48,504.03
11/01/2028	1,089,469.87	1,037,000.00	52,469.87	48,766.72
11/01/2029	1,124,933.71	1,071,250.00	53,683.71	49,454.80
11/01/2030	1,155,092.23	1,102,000.00	53,092.23	48,462.86
11/01/2031	1,179,232.87	1,129,250.00	49,982.87	45,194.82
11/01/2032	1,197,339.61	1,148,000.00	49,339.61	44,176.51
11/01/2033	1,218,252.32	1,168,500.00	49,752.32	44,084.88
11/01/2034	1,217,176.25	1,165,500.00	51,676.25	45,293.52
	10,148,404.30	9,841,283.33	307,120.97	264,176.88

Savings Summary

PV of savings from cash flow	264,176.88
Plus: Refunding funds on hand	2,938.35
	267,115.23
Net PV Savings	267,115.23

SUMMARY OF BONDS REFUNDED

Sacramento Suburban and San Juan WD Outstanding Bonds Fixed Rate Refunding of Adjustable Rate Series 2009A

<i>Bond</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Call Date</i>	<i>Call Price</i>
Sacramento Suburban Adjustabe Rate Refunding Revenue Ceritfcates of Participation (Hedged with Swap, 2009A_Z, TERM34:					
	11/01/2023	3.283%	910,000.00	12/15/2021	100.000
	11/01/2024	3.283%	985,000.00	12/15/2021	100.000
	11/01/2025	3.283%	1,025,000.00	12/15/2021	100.000
	11/01/2026	3.283%	1,065,000.00	12/15/2021	100.000
	11/01/2027	3.283%	1,110,000.00	12/15/2021	100.000
	11/01/2028	3.283%	3,550,000.00	12/15/2021	100.000
	11/01/2029	3.283%	3,710,000.00	12/15/2021	100.000
	11/01/2030	3.283%	3,875,000.00	12/15/2021	100.000
	11/01/2031	3.283%	4,015,000.00	12/15/2021	100.000
	11/01/2032	3.283%	4,175,000.00	12/15/2021	100.000
	11/01/2033	3.283%	4,355,000.00	12/15/2021	100.000
	11/01/2034	3.283%	4,525,000.00	12/15/2021	100.000
			33,300,000.00		
Sacramento Suburban Adjustabe Rate Refunding Revenue Ceritfcates of Participation (Unhedged), 2009A_Z2, BOND2:					
	11/01/2023	0.000%	235,000.00	12/15/2021	100.000
	11/01/2024	0.000%	260,000.00	12/15/2021	100.000
	11/01/2025	0.000%	270,000.00	12/15/2021	100.000
	11/01/2026	0.000%	280,000.00	12/15/2021	100.000
	11/01/2027	0.000%	290,000.00	12/15/2021	100.000
	11/01/2028	0.000%	930,000.00	12/15/2021	100.000
	11/01/2029	0.000%	970,000.00	12/15/2021	100.000
	11/01/2030	0.000%	1,010,000.00	12/15/2021	100.000
	11/01/2031	0.000%	1,050,000.00	12/15/2021	100.000
	11/01/2032	0.000%	1,090,000.00	12/15/2021	100.000
	11/01/2033	0.000%	1,140,000.00	12/15/2021	100.000
	11/01/2034	0.000%	1,175,000.00	12/15/2021	100.000
			8,700,000.00		
			42,000,000.00		

BOND SUMMARY STATISTICS

Sacramento Suburban and San Juan WD Outstanding Bonds Fixed Rate Refunding of Adjustable Rate Series 2009A

	<i>Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)</i>	<i>Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)</i>	<i>Aggregate</i>		
Dated Date	12/15/2021	12/15/2021	12/15/2021		
Delivery Date	12/15/2021	12/15/2021	12/15/2021		
First Coupon	05/01/2022	05/01/2022	05/01/2022		
Last Maturity	11/01/2034	11/01/2034	11/01/2034		
Arbitrage Yield	1.034318%	1.034318%	1.034318%		
True Interest Cost (TIC)	1.341058%	1.388185%	1.349942%		
Net Interest Cost (NIC)	1.589435%	1.649540%	1.600761%		
All-In TIC	3.768179%	1.448942%	3.289370%		
Average Coupon	5.000000%	5.000000%	5.000000%		
Average Life (years)	9.345	10.096	9.477		
Weighted Average Maturity (years)	9.466	10.137	9.586		
Duration of Issue (years)	7.904	8.400	7.993		
Par Amount	30,430,000.00	6,540,000.00	36,970,000.00		
Bond Proceeds	40,219,427.65	8,771,783.40	48,991,211.05		
Total Interest	14,217,788.89	3,301,283.33	17,519,072.22		
Net Interest	4,519,651.24	1,089,119.93	5,608,771.17		
Total Debt Service	44,647,788.89	9,841,283.33	54,489,072.22		
Maximum Annual Debt Service	4,641,500.00	1,168,500.00	5,810,000.00		
Average Annual Debt Service	3,467,041.42	764,206.64	4,231,248.06		
Underwriter's Fees (per \$1000)					
Average Takedown					
Other Fee	3.000000	3.000000	3.000000		
Total Underwriter's Discount	3.000000	3.000000	3.000000		
Bid Price	131.870318	133.825128	132.216124		
<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>	<i>PV of 1 bp change</i>
Serials thru 2034	36,970,000.00	132.516	5.000%	9.477	35,822.60
	36,970,000.00			9.477	35,822.60

BOND SUMMARY STATISTICS

Sacramento Suburban and San Juan WD Outstanding Bonds Fixed Rate Refunding of Adjustable Rate Series 2009A

	TIC	All-In TIC	Arbitrage Yield
Par Value	36,970,000.00	36,970,000.00	36,970,000.00
+ Accrued Interest			
+ Premium (Discount)	12,021,211.05	12,021,211.05	12,021,211.05
- Underwriter's Discount	-110,910.00	-110,910.00	
- Cost of Issuance Expense		-250,000.00	
- Other Amounts		-6,600,000.00	
	48,880,301.05	42,030,301.05	48,991,211.05
Target Value			
Target Date	12/15/2021	12/15/2021	12/15/2021
Yield	1.349942%	3.289370%	1.034318%

BOND PRICING

Sacramento Suburban and San Juan WD Outstanding Bonds Fixed Rate Refunding of Adjustable Rate Series 2009A

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serials thru 2034:									
	11/01/2023	635,000	5.000%	0.260%	108.872				56,337.20
	11/01/2024	705,000	5.000%	0.350%	113.302				93,779.10
	11/01/2025	745,000	5.000%	0.430%	117.555				130,784.75
	11/01/2026	810,000	5.000%	0.550%	121.387				173,234.70
	11/01/2027	880,000	5.000%	0.670%	124.914				219,243.20
	11/01/2028	3,975,000	5.000%	0.830%	127.820				1,105,845.00
	11/01/2029	4,225,000	5.000%	0.950%	130.669				1,295,765.25
	11/01/2030	4,485,000	5.000%	1.020%	133.697				1,511,310.45
	11/01/2031	4,725,000	5.000%	1.070%	136.744				1,736,154.00
	11/01/2032	4,985,000	5.000%	1.110%	136.296 C	1.392%	11/01/2031	100.000	1,809,355.60
	11/01/2033	5,270,000	5.000%	1.120%	136.184 C	1.636%	11/01/2031	100.000	1,906,896.80
	11/01/2034	5,530,000	5.000%	1.150%	135.850 C	1.857%	11/01/2031	100.000	1,982,505.00
		36,970,000							12,021,211.05

Dated Date	12/15/2021	
Delivery Date	12/15/2021	
First Coupon	05/01/2022	
Par Amount	36,970,000.00	
Premium	12,021,211.05	
Production	48,991,211.05	132.516124%
Underwriter's Discount	-110,910.00	-0.300000%
Purchase Price	48,880,301.05	132.216124%
Accrued Interest		
Net Proceeds	48,880,301.05	

BOND DEBT SERVICE**Sacramento Suburban and San Juan WD Outstanding Bonds
Fixed Rate Refunding of Adjustable Rate Series 2009A**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
11/01/2022			1,622,572.22	1,622,572.22
11/01/2023	635,000	5.000%	1,848,500.00	2,483,500.00
11/01/2024	705,000	5.000%	1,816,750.00	2,521,750.00
11/01/2025	745,000	5.000%	1,781,500.00	2,526,500.00
11/01/2026	810,000	5.000%	1,744,250.00	2,554,250.00
11/01/2027	880,000	5.000%	1,703,750.00	2,583,750.00
11/01/2028	3,975,000	5.000%	1,659,750.00	5,634,750.00
11/01/2029	4,225,000	5.000%	1,461,000.00	5,686,000.00
11/01/2030	4,485,000	5.000%	1,249,750.00	5,734,750.00
11/01/2031	4,725,000	5.000%	1,025,500.00	5,750,500.00
11/01/2032	4,985,000	5.000%	789,250.00	5,774,250.00
11/01/2033	5,270,000	5.000%	540,000.00	5,810,000.00
11/01/2034	5,530,000	5.000%	276,500.00	5,806,500.00
	36,970,000		17,519,072.22	54,489,072.22

PRIOR BOND DEBT SERVICE**Sacramento Suburban and San Juan WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Hedged Portion)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Other Cash Flow</i>	<i>Total</i>
11/01/2022			961,451.32	961,451.32	206,386.00	1,167,837.32
11/01/2023	910,000	3.283%	1,093,239.03	2,003,239.03	205,655.19	2,208,894.22
11/01/2024	985,000	3.283%	1,066,277.03	2,051,277.03	200,394.04	2,251,671.07
11/01/2025	1,025,000	3.283%	1,031,026.14	2,056,026.14	193,818.03	2,249,844.17
11/01/2026	1,065,000	3.283%	997,375.43	2,062,375.43	187,433.20	2,249,808.63
11/01/2027	1,110,000	3.283%	962,411.41	2,072,411.41	180,796.42	2,253,207.83
11/01/2028	3,550,000	3.283%	928,507.07	4,478,507.07	172,339.68	4,650,846.75
11/01/2029	3,710,000	3.283%	809,423.64	4,519,423.64	149,826.73	4,669,250.37
11/01/2030	3,875,000	3.283%	687,624.34	4,562,624.34	126,700.47	4,689,324.81
11/01/2031	4,015,000	3.283%	560,408.07	4,575,408.07	102,571.66	4,677,979.73
11/01/2032	4,175,000	3.283%	429,769.86	4,604,769.86	77,736.06	4,682,505.92
11/01/2033	4,355,000	3.283%	291,530.42	4,646,530.42	51,538.81	4,698,069.23
11/01/2034	4,525,000	3.283%	148,555.72	4,673,555.72	24,410.96	4,697,966.68
	33,300,000		9,967,599.48	43,267,599.48	1,879,607.25	45,147,206.73

PRIOR BOND DEBT SERVICE**Sacramento Suburban and San Juan WD Outstanding Bonds
Refunding 2009A Sacramento adjustable rate COPs (Unhedged Portion)**

<i>Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Other Cash Flow</i>	<i>Total</i>
11/01/2022		3,825.59	3,825.59	53,920.67	57,746.26
11/01/2023	235,000	26,100.00	261,100.00	53,731.95	314,831.95
11/01/2024	260,000	46,685.05	306,685.05	52,370.14	359,055.19
11/01/2025	270,000	65,639.98	335,639.98	50,635.94	386,275.92
11/01/2026	280,000	83,317.48	363,317.48	48,954.51	412,271.99
11/01/2027	290,000	99,515.03	389,515.03	47,211.10	436,726.13
11/01/2028	930,000	114,470.28	1,044,470.28	44,999.59	1,089,469.87
11/01/2029	970,000	115,830.01	1,085,830.01	39,103.70	1,124,933.71
11/01/2030	1,010,000	112,032.50	1,122,032.50	33,059.73	1,155,092.23
11/01/2031	1,050,000	102,465.02	1,152,465.02	26,767.85	1,179,232.87
11/01/2032	1,090,000	87,065.39	1,177,065.39	20,274.22	1,197,339.61
11/01/2033	1,140,000	64,819.99	1,204,819.99	13,432.33	1,218,252.32
11/01/2034	1,175,000	35,837.49	1,210,837.49	6,338.76	1,217,176.25
	8,700,000	957,603.81	9,657,603.81	490,800.49	10,148,404.30

ESCROW REQUIREMENTS

Sacramento Suburban and San Juan WD Outstanding Bonds Fixed Rate Refunding of Adjustable Rate Series 2009A

<i>Period Ending</i>	<i>Principal Redeemed</i>	<i>Total</i>
12/15/2021	42,000,000.00	42,000,000.00
	42,000,000.00	42,000,000.00

Sacramento Suburban Water District

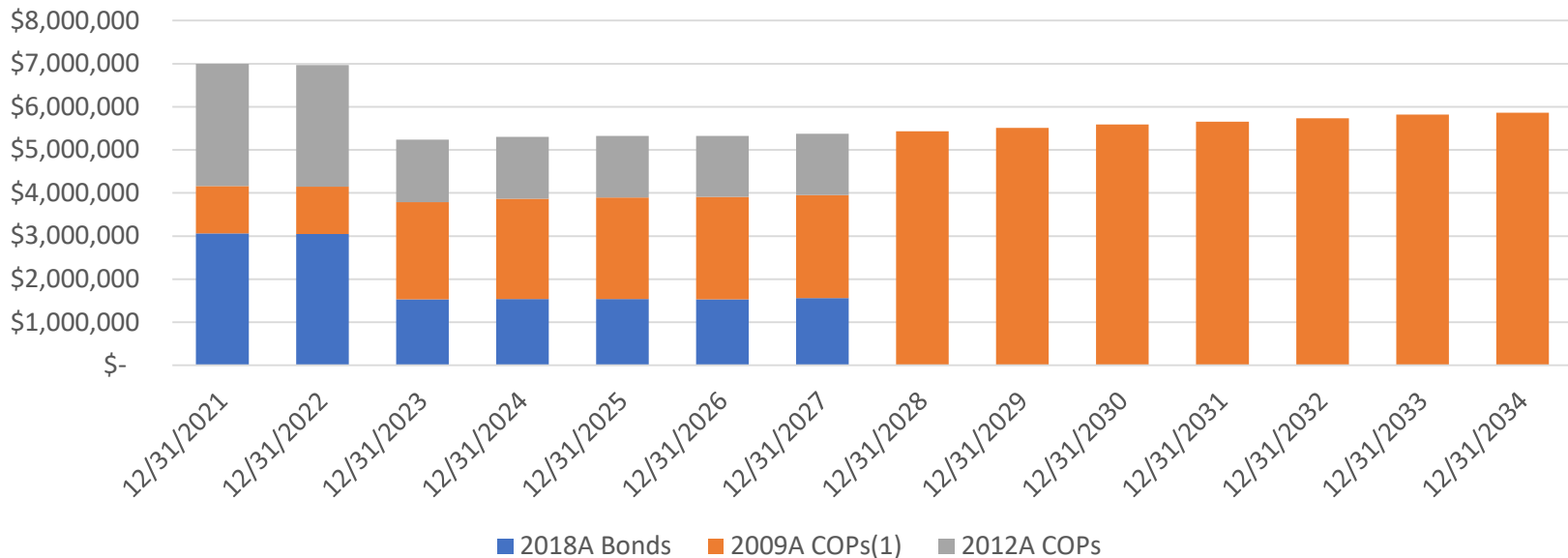
Fixed Rate Refunding of Series 2009A



Debt Overview

- SSWD has ~\$65.2 million debt outstanding (approximately \$42 million is variable rate debt associated with the 2009A COPs or 64%; however, \$33.3 million of variable rate debt is hedged with a swap)

Aggregate Debt Profile

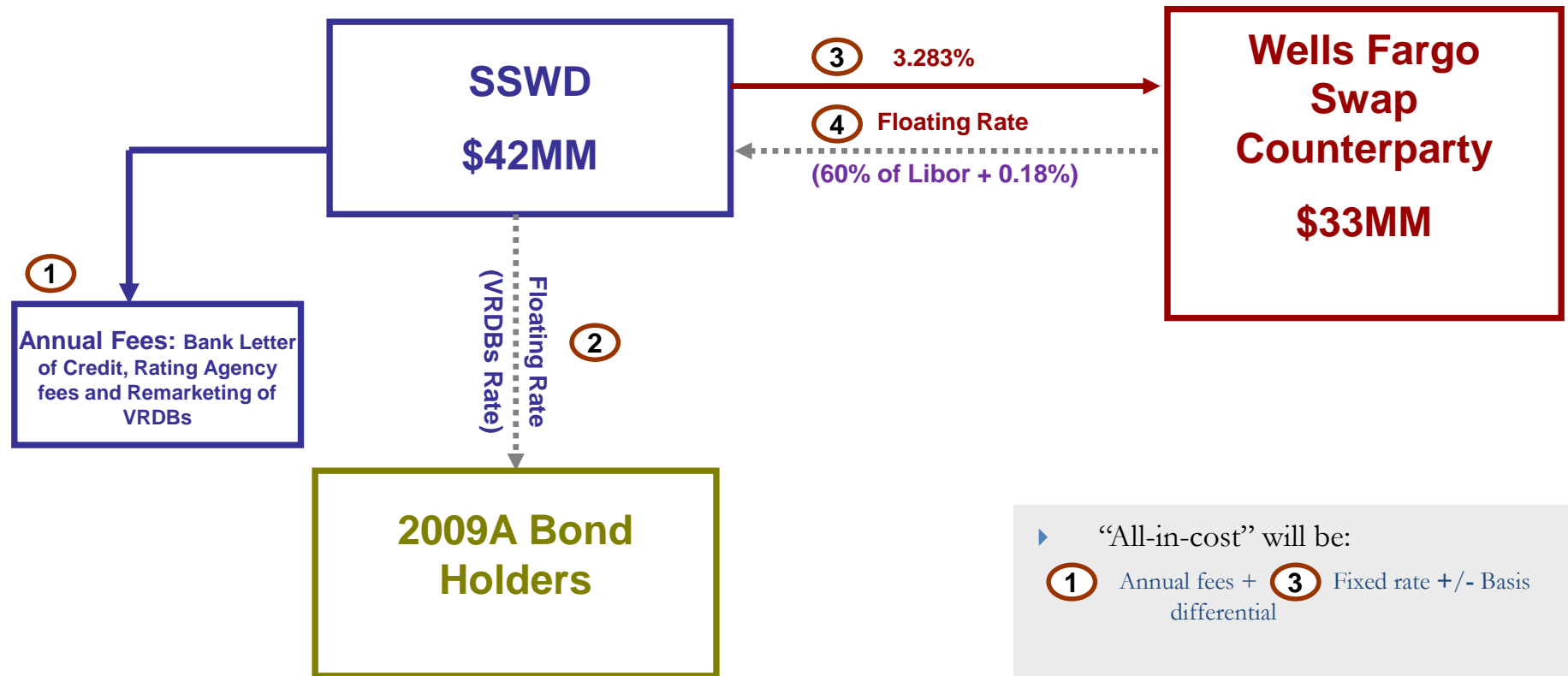


(1) Preliminary, subject to change. Interest projected at 2012 Swap Agreement rate of 3.283% for \$33,300,000 aggregate principal amount of 2009A Certificates and projected at rate of variable interest rates for \$8,700,000 aggregate principal amount of 2009A Certificates.

Variable Rate Debt Overview

- The District's 2009A COPs interest rate resets on a weekly basis
 - The remarketing agent determines the rate for each weekly reset
 - The District makes installment payments on a monthly basis
- Payments are secured by a Letter of Credit (LOC)
 - Sumitomo Mitsui Banking Corporation (“SMBC”) provides a letter of credit for Series 2009A
 - District is currently paying SMBC 0.48% for the 2009A LOC
 - The letter of credit expires on June 30, 2023
- LOCs are generally renewed or replaced every three years

Interest Rate Swaps



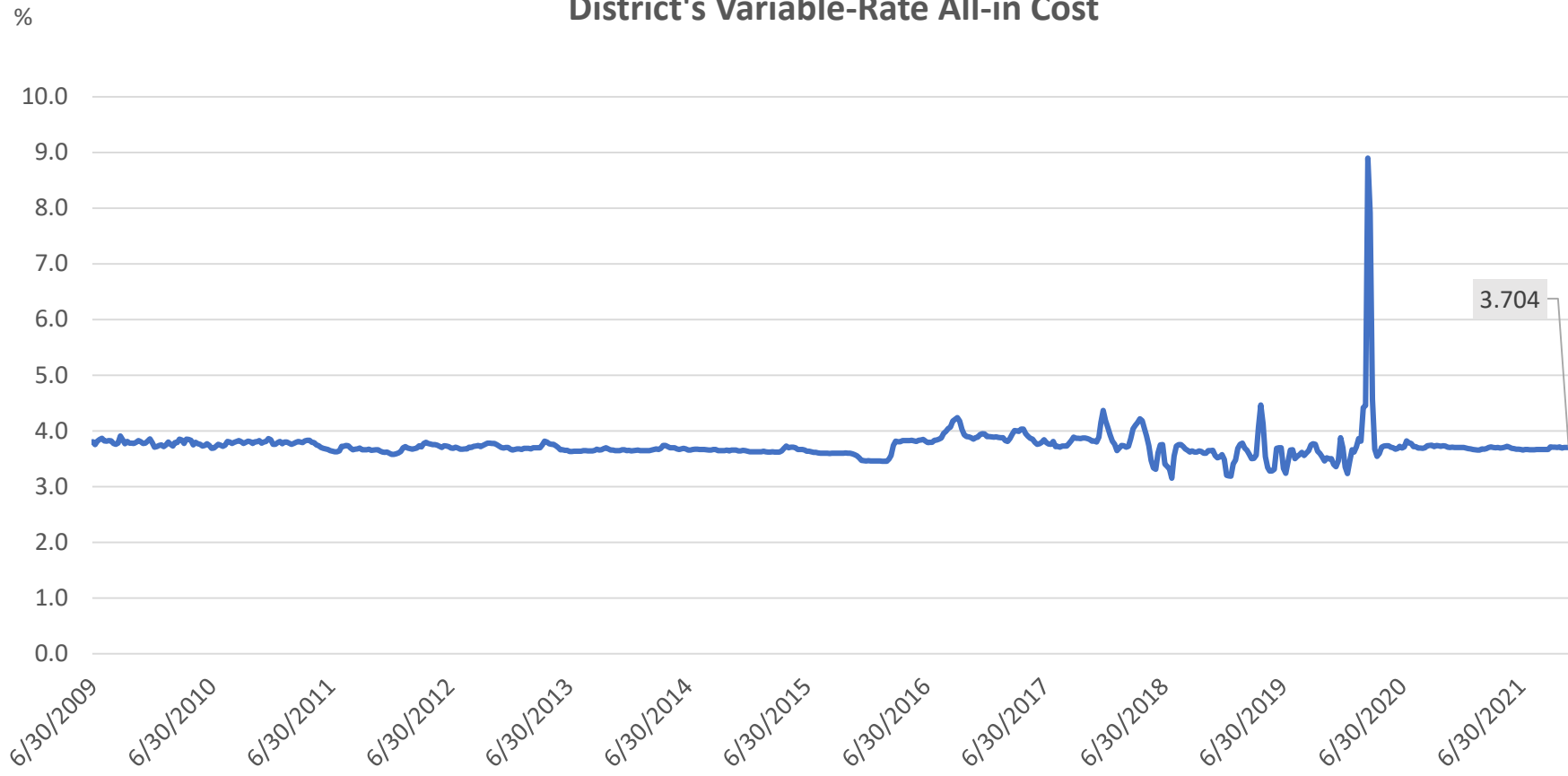
- ▶ “All-in-cost” will be:
 - 1** Annual fees + **3** Fixed rate +/- Basis differential
- ▶ *Basis differential* – The difference between **2** & **4**; the relationship between the two may change over time as market conditions shift.

2009A Interest Rate Swap

- Swap is designed to provide a synthetic fixed rate borrowing of 3.283% on a portion of the District's outstanding 2009A COPs
 - Variable rate payments from Wells Fargo are expected to be, on average over the life of the swap, substantially equal to the payments the District makes to the Certificate holders
 - Swap is intended to insulate the District from variability in short term floating interest rates
- The District can terminate the swap with sufficient notice
 - Termination payments to Wells Fargo are based on market rates and can fluctuate over time
- Current estimated termination payment of \$6.6 million as of October 29, 2021
 - The District can use tax-exempt proceeds from the refunding bonds to fund the swap termination payment, subject to tax counsel confirmation

Variable-Rate Market Update

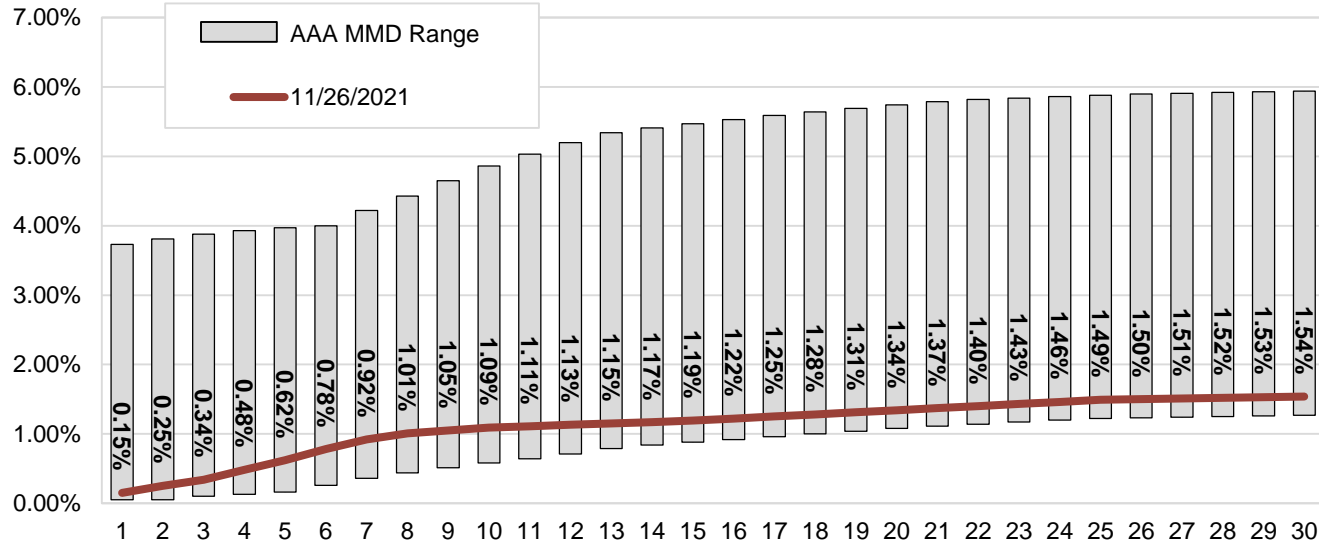
District's Variable-Rate All-in Cost



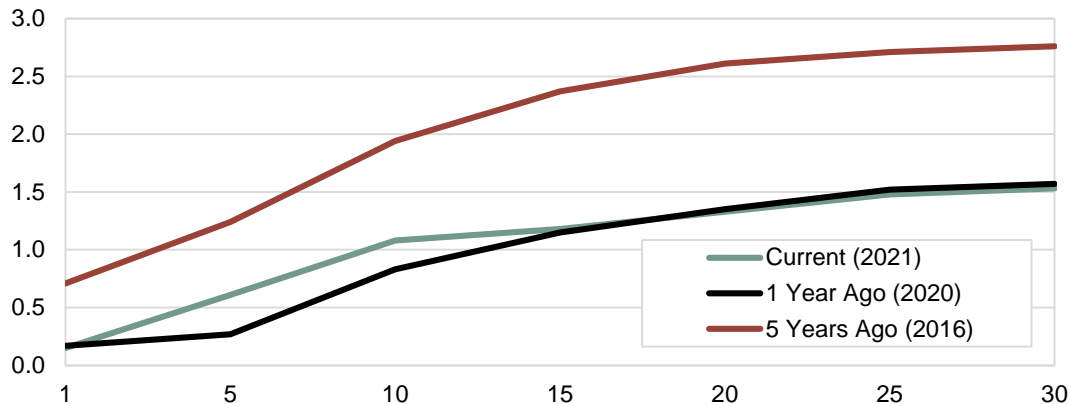
*Notes: All-in fees include 0.125% remarketing fees, 0.48% current letter of credit fee and the Swap rate of 3.283% on a portion of Series 2009A, less the variable rate payments received from Wells Fargo Bank..

Fixed-Rate Market Update

Historical AAA MMD Yield Curve Range: 2005 to November 26, 2021



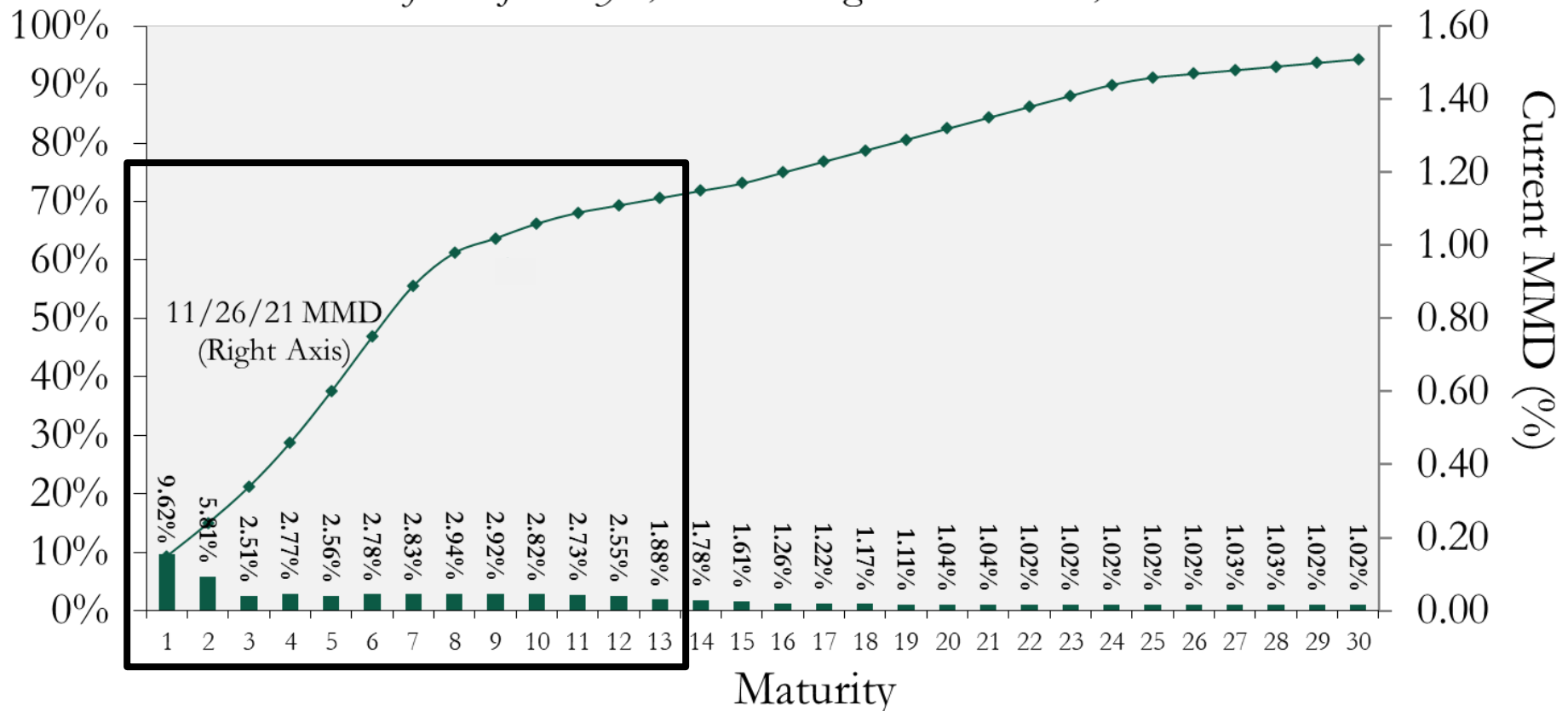
AAA MMD Yield Curve



Fixed-Rate Market Update cont.

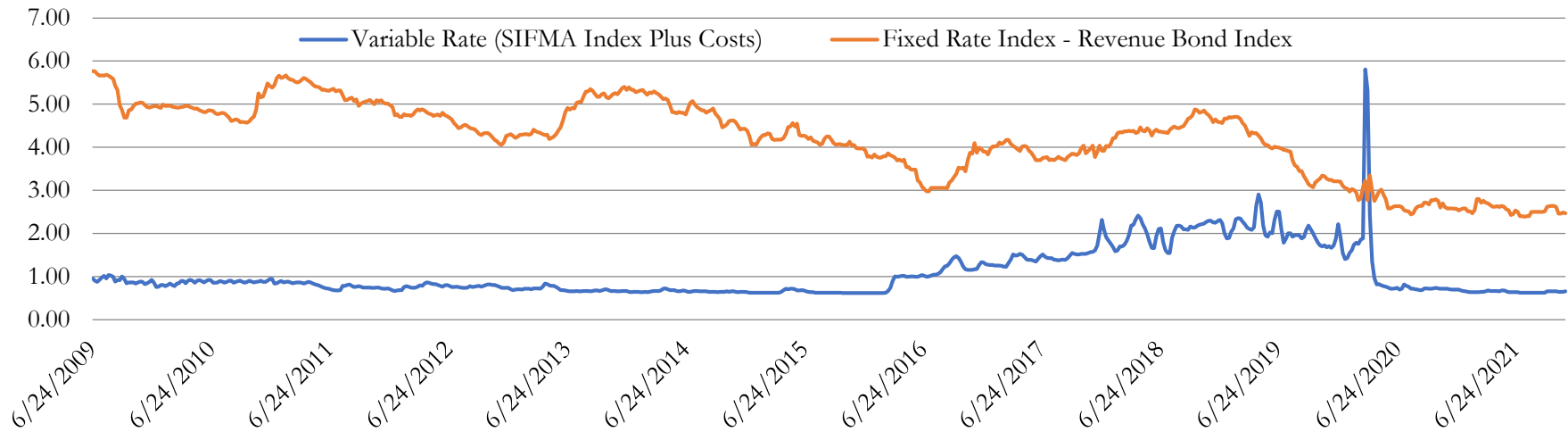
Current "AAA" MMD and Percentage of Time Historical "AAA" MMD has been Lower than Current "AAA" MMD

from January 2, 1998 through November 26, 2021

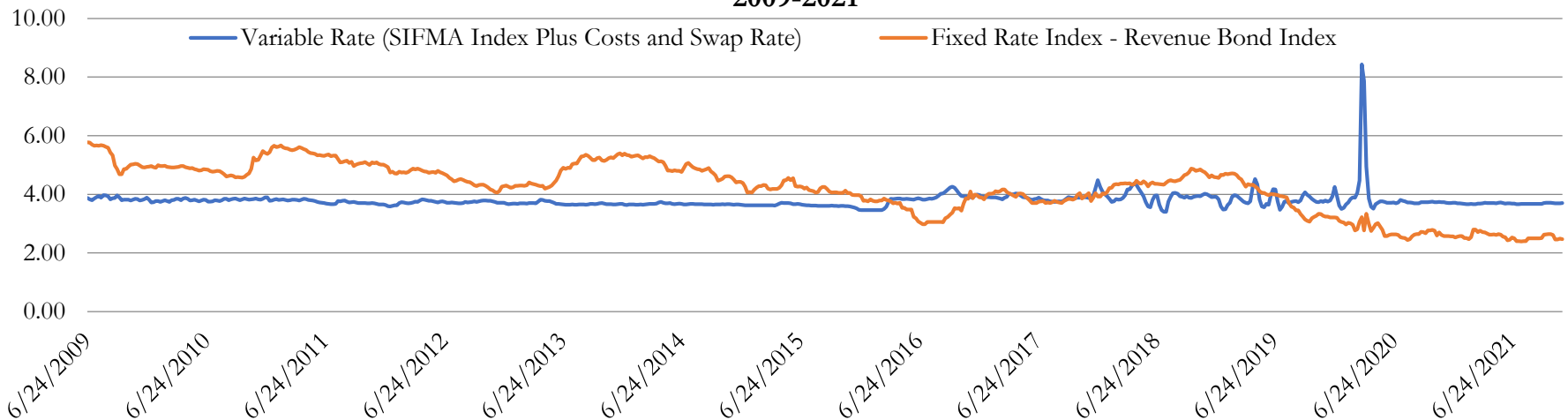


Variable-Rate vs. Fixed-Rate

Variable-Rate versus Fixed-Rate Bond Interest Rates (%) 2009-2021



Variable-Rate versus Fixed-Rate Bond Interest Rates plus Swap Rate (%) 2009-2021



*Notes: SIFMA Index is proxy / average municipal variable-rate. Total costs include fees of 0.61% and Swap rate of 3.28%. Revenue Bond index is a proxy for bond deals with 30-year maturities.

Risks of Maintaining Variable-Rate Debt & Swap

- Swap Risks
 - The swap is intended to hedge the variable interest rate but has counterparty credit risk with Wells Fargo
 - Reduction in credit ratings of the District or Counterparty may result in termination events
 - Interest rate volatility will cause a basis risk between the variable interest rates paid by Wells Fargo and the variable interest rates paid by the District
- Risks of variable rate obligations
 - Interest rate volatility, changes in short-term interest rate environment
 - Exposure to letter of credit bank's ratings downgrade; could increase SSWD's interest cost
 - Bank's business model; bank may decline to renew LOC, or offer to renew at significantly higher cost
- Credit profile
 - Traditional rating agency methodology expresses concerns where variable rate obligations exceed 30% of aggregate debt – This concern is mitigated where cash and cash equivalents effectively hedge the District's exposure to fluctuations in short-term interest rates. The District's unhedged portion of the 2009A COPs is ~13% of outstanding debt and represents about 17.5% of the District's cash and cash equivalent balances as stated in the FY 2020 CAFR.
- Staff time, expertise, monitoring, need for bank facility actions every ~3 years would be eliminated

Estimated Refunding Savings*

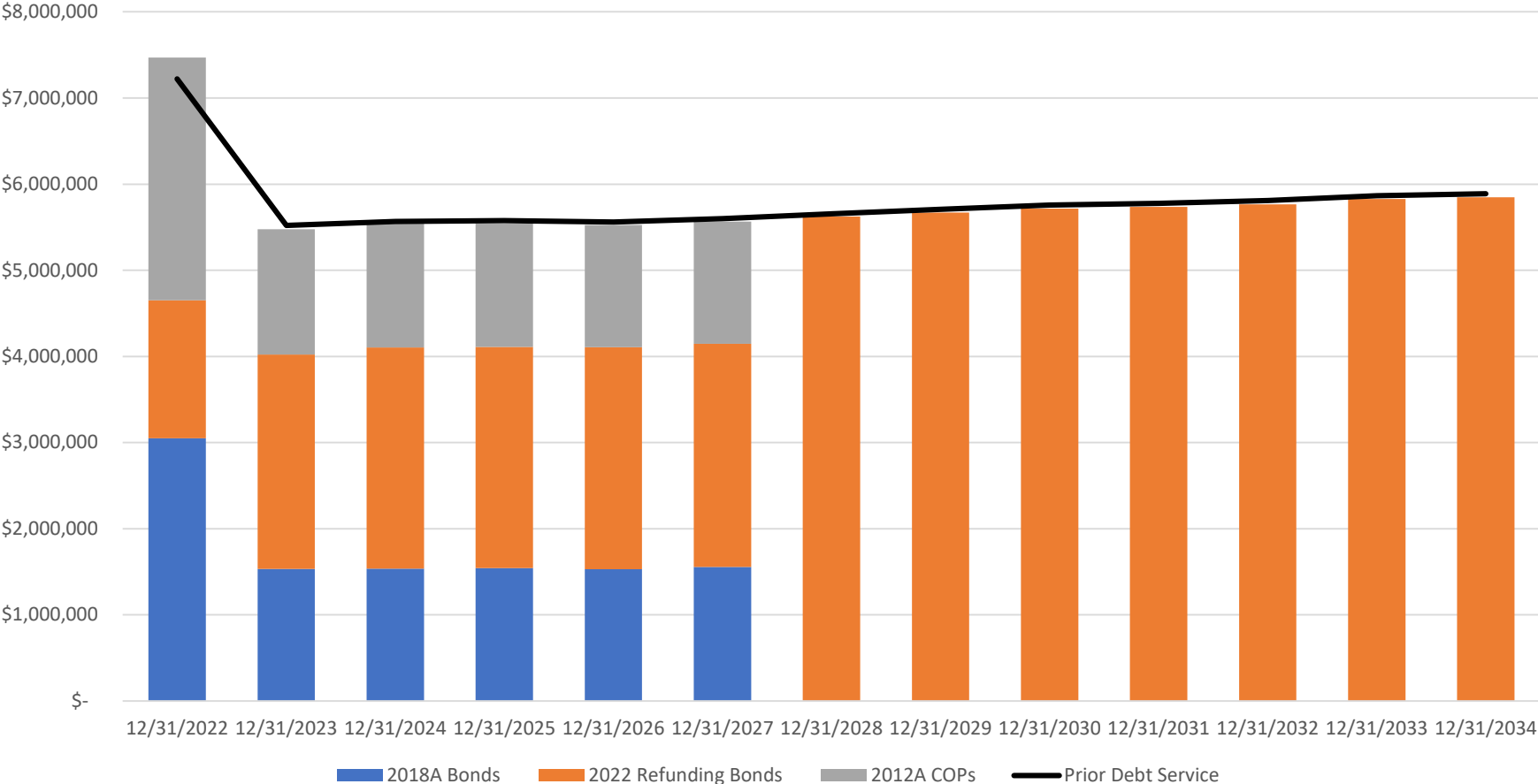
Period	Prior Debt Service ⁽¹⁾	Refunding Debt Service	Savings	Present Value	<i>Estimated Variable Rate Payments</i>		
					<i>Begin Date</i>	<i>End Date</i>	<i>Reset Rates</i>
11/01/2022	945,804.49	1,235,333.34	-289,528.85	-\$286,376.28	11/15/2021	11/1/2022	0.05%
11/01/2023	2,510,676.19	2,488,000.00	22,676.19	\$23,693.56	11/1/2022	11/1/2023	0.15%
11/01/2024	2,602,238.05	2,566,250.00	35,988.05	\$36,456.01	11/1/2023	11/1/2024	0.45%
11/01/2025	2,607,402.60	2,569,000.00	38,402.60	\$38,292.74	11/1/2024	11/1/2025	0.45%
11/01/2026	2,614,470.62	2,574,750.00	39,720.62	\$39,065.11	11/1/2025	11/1/2030	0.45%
11/01/2027	2,624,866.44	2,588,250.00	36,616.44	\$35,645.33	11/1/2030	11/1/2031	0.45%
11/01/2028	5,659,079.62	5,624,000.00	35,079.62	\$33,772.29	11/1/2031	11/1/2032	0.45%
11/01/2029	5,707,311.55	5,670,750.00	36,561.55	\$34,621.63	11/1/2032	11/1/2033	0.45%
11/01/2030	5,756,977.05	5,715,250.00	41,727.05	\$38,839.36	11/1/2033	11/1/2034	0.45%
11/01/2031	5,774,795.05	5,737,000.00	37,795.05	\$34,736.10			
11/01/2032	5,808,144.58	5,766,500.00	41,644.58	\$37,695.64			
11/01/2033	5,861,919.02	5,827,750.00	34,169.02	\$30,537.66			
11/01/2034	5,884,592.98	5,848,500.00	36,092.98	\$31,782.63			
TOTAL	\$54,358,278.24	\$54,211,333.34	\$146,944.90	\$128,761.78			

(1) Reflects all-in debt service costs for Series 2009A inclusive of letter of credit fees, remarketing fees and the swap rate. Estimated variable interest rates used for the analysis is shown above. Changes to these assumptions will adjust the estimated NPV savings.

*Preliminary, subject to change. Based on market conditions as of November 29, 2021.

Estimated Refunding Debt Profile*

Aggregate Debt Profile



*Preliminary, subject to change. Based on market conditions as of November 29, 2021. Prior Debt Service costs does not include additional LOC and remarketing fees paid by the District.

Conclusion

- Historically VRDOs have benefited the District – uncertainty surrounding future short-term rates and availability and costs of LOC
- Refunding using long-term fixed rates will lock-in near historically low interest rates
- The current market provides the following strategic opportunities:
 - Eliminates exposure to interest rate volatility, liquidity bank credit risk and availability and pricing of letters of credit
 - Estimated savings are driven by projected VRDO all-in variable rate costs

Thank You

Disclaimer

These materials include an assessment of current market conditions, and include assumptions about interest rates, execution costs, and other matters related to municipal securities issuance or municipal financial products. These assumptions may change at any time subsequent to the date these materials were provided. The refinancing and refunding scenarios presented herein are not intended to be inclusive of every feasible or suitable refinancing alternative.

Fieldman, Rolapp & Associates, Inc. is an SEC-registered Municipal Advisor, undertaking a fiduciary duty in providing financial advice to public agencies. Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that our compensation for a transaction is contingent on successful completion of the transaction, a potential conflict of interest exists as we would have a potential incentive to recommend the completion of a transaction that might not be optimal for the public agency. However, Fieldman, Rolapp & Associates, Inc. undertakes a fiduciary duty in advising public agencies regardless of compensation structure.



Agenda Item: 16

Date: December 20, 2021

Subject: COLA Adjustment CY2022

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

Recommended Board Action:

Direct the General Manager to adjust the 2022 COLA to 6.7%, adjust the 2022 salary bands to match the increased COLA (6.7%), and direct staff to set the 2023 COLA to the October 2021 to August 2022 index values when calculating the COLA for the CY2023 Budget. The CY2022 Annual Budget will not be amended until such time that a forecasted shortfall in the labor portion of the annual budget is certain. At such time, a budget transfer will be prepared utilizing other operations and maintenance budget variances to fund any labor shortfall related to the increased COLA.

Summary:

The Board President directed the General Manager to bring before the Board an adjustment to the CY2022 annual COLA that was part of the CY2022 budget approved by the Board at the October 18, 2021, Board meeting. The approved COLA was 5.6%. However, the October 2021 US Bureau of Labor Statistics (USBLS) West – Size Class B/C percentage is 6.7% based on the Consumer Price Index (CPI) for August 2020 - October 2021. This would increase the CY2022 COLA adjustment by approximately \$66,000 and increase the CY2022 salary bands from 5.6% to 6.7%. Staff do not believe that a budget amendment is necessary at this time as staff vacancies usually result in underspending of the labor portion of the annual budget.

Note: The most recent CPI index for November is 7.3%.

Background:

District Policy PL-HR 003 – Employee Performance Evaluation, Merit and COLA establishes that the annual COLA be based on the US Bureau of Labor Statistics West – Size Class B/C percentage as established for the month of August each year. For 2021, this percentage was 5.6%. Therefore, 5.6% was the percentage presented to and approved by the Board at the October 18, 2021, Board meeting as part of the CY2022 Annual Budget. District Policy PL-HR 002 – Employee Compensation, Section 300.00 (b) states that the Board will consider, amend as needed and approve the annual labor budget of which the annual COLA is part. The Board also has the authority to establish the COLA at a value of their choosing. Due to the current policy, staff believes there is no need to amend the subject policy.

Discussion:

The actual CPI percentage is calculated based on an index value that is determined each month. The increase in that index value over a period of time represents the CPI as a percentage. For the CY 2022 budget, the index values used were 160.528 (August 2020) and 169.477 (August 2021) for an increase of 5.6% rounded. The reasoning for using a consistent month (August in our case) for budgeting purposes is so the increase will always represent an actual 12 months of increase in the CPI for COLA calculation purposes. By using the October 2021 index value (171.226) as compared to the August 2021 index value (169.477) the CPI increase for this 14 month period is 6.7% or an approximately 1.1% change from August 2021. However, when staff determines the COLA in August 2022 for the CY2023 COLA, staff would normally use the August over August index values to calculate the percentage which will have already included the increase from August 2021 to October 2021. This will increase the percentage by approximately 1.1% over the actual 10 month increase in the CPI (October 2021 – August 2022). Staff wants the Board to be aware of this so that they may provide guidance on how to calculate the COLA for CY2023. The increase in the COLA from 5.6% to 6.7% would increase the CY2022 COLA by \$66,000 and increase the 2022 salary bands by the same percentage.

Fiscal Impact:

The fiscal impact of this item would increase the CY2022 COLA allocation by \$66,000 and increase the top and bottom of the CY2022 salary bands by 6.7%.

Strategic Plan Alignment:

Goal E: Retain and Recruit a Stable and Qualified Workforce



Agenda Item: 17

Date: December 20, 2021

Subject: Combination Study Business Case Analysis – Request for Proposal

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the draft Request for Proposal for a Combination Study and Business Case Analysis between Carmichael Water District and Sacramento Suburban Water District and direct the General Manager to proceed with distributing the Request for Proposal, pending review of District legal counsel.

Summary:

This item was presented to the 2x2 Ad Hoc Committee (Committee) at their November 18, 2021, meeting. It received support from all Committee members recommending the General Managers of the respective agencies present the draft Request for Proposal (RFP) to their respective Boards for approval. The intent of the analysis is the desire for Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) to become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. The Scope of Work is a threshold study of the range of alternatives, including no change to existing operations, contracts between agencies, programs and services, as well as integration or combination of the two Agencies into a single organization.

Discussion:

At the October 6, 2021, Joint Board meeting between CWD and SSWD, staff was directed to develop a draft RFP (see Attachment 1) for the purpose of conducting a business case analysis of a potential combination between CWD and SSWD. In addition to the RFP, staff was directed to provide an estimated budget to conduct the subject study. Staff is estimating the budget for the study is not to exceed \$200,000. Therefore, staff is requesting each agency to approve \$100,000.

Staff presented the draft RFP and estimated budget to the Committee at the November 18th meeting. There were no substantial recommendations to the draft RFP from the Committee members, therefore, the draft RFP is being submitted to the respective Boards for final review and comment.

If the respective Boards of CWD and SSWD approve of the RFP and a consultant is selected, a Memorandum of Agreement (MOA) will be entered between CWD and SSWD. SSWD will be

responsible for administering the contract for services of the consultant in accordance with SSWD procurement and contracting requirements and procedures. SSWD shall be reimbursed by CWD for their respective percentage share of any and all money ultimately paid to the consultant by SSWD.

Schedule:

If the respective Boards approve of the RFP at their December 2021 regular Board meetings, it's anticipated for staff to finalize the RFP and distribute it to the consultants near the end of December 2021. Staff will allow the consultants to respond by February 11, 2022 and consultant selected by February 23, 2022.

Fiscal Impact:

The estimated cost for the study is approximately \$200,000, which will be split 50/50 between CWD and SSWD. As noted in the consultant agreement, SSWD will be responsible for administration of the study.

Strategic Plan Alignment:

Goal B - Optimize Operational and Organizational Efficiencies

Goal C - Ensure Fiscal Responsibility and Affordable Rates

Attachment:

- 1) Draft Request for Proposal

Attachment 1

DRAFT

REQUEST FOR PROPOSAL

**CONSULTANT SERVICES FOR
A BUSINESS CASE ANALYSIS FOR A POTENTIAL COMBINATION
BETWEEN
CARMICHAEL WATER DISTRICT AND
SACRAMENTO SUBURBAN WATER DISTRICT**

A. INTRODUCTION:

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) are issuing this Request for Proposals (RFP) to select a qualified firm to conduct an analysis on a potential combination/consolidation of the two agencies as well as other collaboration opportunities for efficiencies.

Study Objective

CWD and SSWD desire to become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. As part of the Study for the potential combination activities, the selected consultant should 1) evaluate a governance structure and board advisory committees to ensure customer equality and equity for both districts and achieve an overall cost benefit to the Agencies' customers, and 2) perform detailed financial analyses of each agency's current water rates, fees, debts, retirement funding obligations, costs, and reserves, and future equities based on current capital improvement projects (CIP) plans. The Scope of Work is a threshold study of the range of alternatives, including no change to existing operations, contracts between agencies, programs and services, as well as integration or combination of the two Agencies into a single organization.

Background

In 2019, CWD and SSWD were part of a regional effort to identify opportunities to improve collaboration and potentially merge operations into one combined district.

In June 2021, the regional effort was finalized. CWD and SSWD chose to continue discussions on both collaboration and combination efforts. The respective Boards implemented a 2X2 Ad Hoc Committee to develop goals and discussion points and report back to the Boards as appropriate.

On October 6, 2021, a joint Board meeting was held between CWD and SSWD. Direction was given to the 2x2 Ad Hoc Committee and General Managers to develop a RFP for the purpose of analyzing the pros and cons of a potential combination of the two agencies.

Structure and Meetings

SSWD will be responsible for administration of the project, and will be the primary contact for the consultant. The project will be overseen by the General Managers of CWD and SSWD.

The consultant will also need to plan to present the results to the 2x2 Ad Hoc Committee and present the final results of the Study to a facilitated joint meeting of the Boards of Directors of CWD and SSWD.

B. REQUESTED SCOPE OF WORK:

1. SERVICES DESIRED:

The following is a requested scope of work to be utilized in submitting a response.

Scope of Work Activity 1: Describe the current environment

(a) Provide general background of the Agencies

Provide an overview of current organizational structure, service standards, policies, procedures and organizational staffing for each agency. Provide an overview of how customers receive their water supplies in the areas served by the Agencies.

Identify program/service operating goals, operating costs, water supply costs, performance data and key projects that are either planned or in execution.

Inventory Agency Capital Improvement Programs and Advanced Planning Efforts for Infrastructure and Significant Asset Management Programs, including expected future costs.

(b) Describe existing financial status

Prepare a description of the current financial environment of the Agencies, including but not limited to debt capacity and obligations, credit ratings, rate structure, financial policies, asset base, reserve levels, number of customers, annual revenues, pension liabilities, operating expenses, water rates and connection fees, and other relevant factors.

Scope of Work Activity 2: Identify opportunities and challenges for the future

(a) Identify opportunities and challenges for governance structures

Evaluate and recommend a governance structure or structures, with related implementation phasing steps, for the combined entity including, but not limited to, the number of board of directors and board advisory committees and their

roles. Analyze potential governance structure to ensure apportionment and customer equality and equity for both Agencies.

(b) Identify opportunities and challenges for service integration

Identify opportunities and challenges for integrating services within the Agencies. Specify which services could be integrated, the associated costs and benefits, and key factors that would need to be addressed. Recognize that there will be a growth in service connections in the future.

(c) Identify opportunities and challenges for facilities integration

Identify opportunities and challenges for combining or integrating facilities (i.e., buildings and grounds, but not water treatment and distribution) that would create cost savings to the Agencies and their customers. Describe the potential benefit and the factors that would need to be addressed in integrating such facilities. Recognize that there will be a growth in service connections in the future.

(d) Identify impacts and challenges for financial obligations and thresholds

Identify challenges and opportunities for combining agencies including but not limited to water rates, liabilities, reserves, (re)financing options, and other short and long term obligations by each agency's rate payers.

(e) Identify opportunities and challenges in staffing resources

Identify opportunities for staff and cost savings. Discuss benefits of a combined agency for staffing flexibilities and resources opportunities. Portions of CWD employees are represented by the American Federation of State, City, and Municipal Employees (AFSCME). Provide detailed discussion with respect to representation.

(f) Identify outreach stakeholders and community organizations

Identify current stakeholders of the Agencies and their interests, including but not limited to customers (particularly those in Disadvantaged Communities), developers, employees and other stakeholders.

(g) Identify other potential opportunities and challenges

Both agencies are in the Sacramento area and belong to similar regional and statewide organizations. Identify and discuss potential opportunities with respect to advancing the agencies' interests in the region and the state.

2. MINIMUM QUALIFICATIONS OF CONSULTANT:

It is expected that the proposer will have experience with public sector projects of similar nature and scope, including the ability (whether directly or through a sub-consultant) to address relevant legal, financial, management/governance and operational issues. The

successful proposer will demonstrate experience with a minimum of three municipally-directed projects pertaining specifically to evaluation of utility services.

3. INSURANCE REQUIREMENTS:

The firm or individual selected to perform the work will be required to provide with the contract insurance and indemnification in the amount shown in Exhibit B within Attachment A.

C. THE PROPOSAL:

1. FORMAT AND REQUIREMENTS:

The Proposal shall be 8-1/2" by 11", with the pages numbered sequentially, and double-sided. 1" margins shall be provided on all pages. Proposals shall be in a 12-point font and may be single or double-spaced.

Proposals shall be submitted in electronic format using Microsoft Word and Adobe Acrobat (.pdf).

2. PROPOSAL CONTENTS:

The Proposal shall include the following:

- A. Letter of Transmittal. Identify the individual or parties, and provide its (their) address along with the name of a contact person and a telephone number (one page maximum).
- B. Include a general statement of the consultant's approach to conducting a financial and operational review of public utilities (two pages maximum).
- C. Describe the Firm's experience with public sector projects of a similar nature and scope. Emphasis should be placed on projects undertaken within the past three years.
- D. Identify a team organization clearly showing all key personnel (consultant employees and sub-consultants, if any) and their respective roles. Include brief summaries, up to one-page of their background, knowledge, and experience relevant to the project.
- E. A general statement of the consultant's approach to conducting the required Study. This discussion should estimate the total cost for the Study (two pages maximum).
- F. Identify any sub-consultants and include the same information as described in "D".
- G. Provide a table showing the estimated hours for each position/role shown on the organization chart, as well as the individuals' availability for the Project. The staffing plan shall also include a table with level of effort by task and subtask for

each proposed staff member. Hours for sub-consultants may be shown as an aggregate total. The hours shown shall be consistent with the hours presented in the fee table that shall be submitted as a separate document.

- H. Provide a timeline for completion of the project. Any assumptions regarding turnaround time for review should be clearly noted.
- I. Provide references for your firm's three most representative projects. Include the following:
 - 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.
 - 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.
- J. Provide a summary of all similar past projects involving any Agency. This summary shall include
 - 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.
 - 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.
 - 6) To avoid a conflict of interest, if your firm, is/has provided professional services to any of the Agencies please list the name of the agency and services provided.

3. PROJECT APPROACH:

Include a brief discussion describing your firm's approach to preparing the Study. Detail your strategy and include your vision for the final deliverable resulting from this Study.

D. THE SELECTION PROCESS:

1. MANDATORY PROPOSERS MEETING:

A mandatory proposers meeting will be held **January 11, 2022, at 2:00 p.m., at 3701 Marconi Avenue, Sacramento, CA 95821**, to provide all consulting teams with information concerning the Scope of the Study and to ask any questions. This meeting will be held in-person and Zoom. Moreover, any written questions should be submitted to Heather Hernandez via email to: hhernandez@sswd.org by no later than **2:00 p.m. on January 10, 2022**.

2. SUBMITTAL OF THE PROPOSAL:

The Proposal shall be submitted electronically using Adobe Acrobat (.pdf format) to Heather Hernandez via email hhernandez@sswd.org no later than **2:00 p.m. on February 11, 2022**. The Technical Proposal and the Cost Proposal shall be saved as two different documents and submitted concurrently in one email. Please include a cover page with the consultant firm's name and date on the Cost Proposal which will be treated confidentially and only be reviewed or presented if selected for the interview process.

3. CRITERIA FOR EVALUATION OF PROPOSALS

The Agencies will evaluate and rank Proposals according to the criteria listed below.

- The firm's recent demonstrated experience and knowledge of successfully completing projects of a similar nature, complexity, including associated references.
- The proposed team's recent demonstrated experience and knowledge of successfully completing projects of a similar nature, complexity and size. Relevant experience of the proposed project manager and other key personnel are of high importance.
- Understanding of the project objectives and issues.
- A thoughtful, realistic, and clearly articulated project approach.
- Ability of the team to meet complete the work in a timely and cost effective fashion.
- Ability to work collaboratively and communicate effectively with both agencies' representatives.
- Compliance with proposal requirements.
- Level of effort
- Results of interview.

The above criteria will be weighted as follows:

Criteria	Weight
Qualifications of Key Personnel	25%
Qualifications of the Firm	25%
Project Approach	20%
Project Schedule	10%
Level of Effort	15%
Clarity and Responsiveness of Proposal	5%
Total	100%

4. PROPOSAL REVIEW:

Qualifications will be evaluated by the General Managers of the Agencies. Submittals will be evaluated according to project understanding by the consultant, and the qualifications of your key personnel and firm in providing services of a similar nature and how relevant that experience is to this project.

The top two to four proposers will be invited for an interview on **February 18, 2022**. The interviewing panel will be comprised of the General Managers and 2x2 Ad Hoc

Committee. Proposers may be invited to additional interviews on another date if requested by the Committee or the Boards.

The Consultant selected to perform the Study will be notified by February 23, 2022.

5. AWARD:

The top ranked party will be invited to enter into negotiations with the Agencies on the terms of a consultant contract based on a final proposal to be submitted at that time. The negotiations will occur in February/March of 2022. If a satisfactory agreement cannot be negotiated, then the same process will be undertaken with the next highest ranked party on this list until a satisfactory agreement can be reached. The Agencies anticipate executing a contract in March 2022 to begin providing services immediately.

The Consultant, as an independent contractor, will report to the General Managers from the Agencies. SSWD staff will provide contract administration and project coordination. The Agencies reserve the right to reject all proposals, directly contract with any proposer or non-proposer and request additional information.

6. CONFLICT OF INTEREST:

By submitting a Proposal, the Respondent declares and warrants that no elected or appointed official, officer or employee of the Agencies has been or shall be compensated, directly or indirectly, in connection with the award of the Agreement or any work for the proposed project.

E. CONCLUSION:

If you have any questions, or need additional information, please contact Dan York at dyork@sswd.org or 916-679-3973.

Sincerely,

Dan York
General Manager, SSWD

Attachments: A – Professional Services Agreement
B – Conflict of Interest form

**Attachment A
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with Carmichael Water District (collectively, "Agencies"), and _____, (hereinafter referred to as "Consultant").

RECITALS

SSWD requires the services of Consultant to: (insert finalized Scope of Work)

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. Retention as Consultant. SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.

2. Relationship of Parties – Independent Contractors. The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers' compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

3. Description of Services. Consultant shall provide professional _____ services to identify ways the Agencies can become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community;

Request for Proposal - Consultant Services for a Consolidation Study between Carmichael Water District and Sacramento Suburban Water District

and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

4. Consultant's Responsibilities. In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the General Managers to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the General Managers related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the General Managers in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

(1) Consultant shall make such records and invoices immediately available to SSWD upon delivery of a written request to examine, audit, or copy such records and invoices.

- (2) Within three (3) business days of the delivery of a written notice by SSWD, Consultant shall prepare and submit a written report to SSWD, with copies for CWD, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or CWD an opportunity to take possession.

5. Compensation and Payment.

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$_____ (hereinafter "not to exceed amount"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in Exhibit "A."

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Management Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

6. Extra Services. Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement shall not be more than 10% of the not to exceed amount.

7. Term. The term of this Agreement shall commence on date this agreement is executed by both parties.

8. Termination by SSWD or CWD. Upon thirty (30) calendar days written notice to Consultant, SSWD or CWD may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual
Request for Proposal - Consultant Services for a Consolidation Study between Carmichael Water District and Sacramento Suburban Water District

work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

9. No Assignment. No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or CWD's express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

10. Project Manager. Consultant's services under this Agreement shall be performed under the general direction of Dan York, or such person as the Agencies may designate.

11. Ownership of Documents. All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

12. Confidentiality. Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

13. Hold Harmless and Indemnity. Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

14. Insurance. For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or

damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

15. Acceptance of Final Payment. Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release the Agencies from all claims and liabilities for compensation under this Agreement.

16. Acceptance of Work. The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by the Agencies for any defect or error in Consultant's services.

17. Waiver; Remedies. A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

18. Notice. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail with copies for all Agencies, postage prepaid, and addressed as follows:

TO SSWD: Attention: Dan York
 General Manager
 Sacramento Suburban Water District
 3701 Marconi Avenue
 Sacramento, California 95821

TO CONSULTANT: _____

Either party may change such address or contact person by written notice by registered mail to the other.

19. Conflict of Interest. Consultant is unaware of any Agency employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage, or accept any financial interest in Consultant's business by any Agency employee or official.

20. Construction of Language. The provisions of this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to revise the provisions and have them reviewed by legal counsel. The parties agree that any ambiguities in construing or interpreting this Agreement shall not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language of this Agreement and an attachment hereto, the language of the Agreement shall control.

21. Non-Exclusive Agreement. The Agencies reserve the right to engage other consultants in connection with the services described in this Agreement.

22. Entire Agreement. This Agreement, including the attachments hereto, supersede any other agreements, either oral or written, between the parties with respect to the described services, and this Agreement contains all of the covenants and agreements between the parties with respect to said services. Any modification to this Agreement must be in writing and signed by both parties.

23. Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

CONSULTANT:

By:

Title:

SSWD

Dan York
General Manager

Attachments:

Exhibit A – Scope of Work

Exhibit B – Insurance Coverage, Amounts and Terms

Exhibit B

INSURANCE COVERAGE

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:
\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:
\$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability:
\$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

Verification of Coverage

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this section.



Agenda Item: 18

Date: December 20, 2021

Subject: State of the District 2021

Staff Contact: Dan York, General Manager

Recommended Board Action:

None. The General Manager will provide the State of the District 2021 presentation, which also includes Long Term Planning topics.

SACRAMENTO SUBURBAN WATER DISTRICT

2021 STATE OF THE DISTRICT

Dan York

General Manager

December 20, 2021

MESSAGE FROM THE GENERAL MANAGER

I am pleased to bring before the Board the 2021 State of the District presentation.

As we look to the future, we will need to continue to innovate and improve our water system and maintain planning efforts and initiatives that reflect our commitment to delivering high-quality water and reliable service to our customers for today, but most importantly, into the future.

The facts of the pandemic, to give the most difficult example, 2.6 million deaths worldwide, can be overwhelming. However, beyond the numbers, I know each of us has been touched by the pandemic in personal ways. It has been an incredibly hard time and, while I am confident better days are coming, it's important to acknowledge that people are still hurting, frustrated, and just tired of this pandemic.

It is the tough times that test a company's culture and values. The commitment this District has shown to our customers, and each other, has been nothing short of extraordinary. The District was strong heading into the pandemic, it is strong today, and it will be strong in the future. The SSWD employees are the strength getting us through this pandemic.

HISTORY

- 1954 - Arcade Water District established
- 1956 - Northridge Water District established
- 1998 - Northridge Water District assumes operations of McClellan Air Force Base and military housing
- 2002 - Arcade Water District and Northridge Water District consolidate into Sacramento Suburban Water District
- 2022 – Sacramento Suburban Water District's 20th Anniversary

OVERVIEW

- Though much has changed over the past twenty years, SSWD's mission has remained consistent: to deliver a high-quality, reliable supply of water and superior customer service.
- SSWD is an organization that provides an essential service that is critical to public health and safety.
- Our commitment to SSWD's vision is to be a model public agency that maintains stakeholder trust through fiscal responsibility, environmental stewardship, leadership, and transparency. To date, this organization has fulfilled that commitment, and will continue to do so into the future.

STRATEGIC PLAN

The District's 2019 Strategic Plan was developed through an inclusive and integrated process that engaged not only the Board, but all District employees and external stakeholders. The plan details a commitment to continue to be a model public agency that maintains stakeholder trust through fiscal responsibility, environmental stewardship, and leadership and to also deliver a high quality, reliable supply of water and superior customer service at the lowest responsible water rate.

STRATEGIC PLAN - GOALS

The 2019 Strategic Plan reflects the high-level goals and strategic objectives to capture the intent of SSWD's mission and vision. The goals and strategic objectives serve as a high-level roadmap for how we will achieve our mission and define actions that are needed in the near-, mid-, and long-term.

- **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 C** Ensure Fiscal Responsibility and Affordable Rates
- **Goal D** Maintain Excellent Customer Service
- **Goal E** Retain and Recruit a Qualified and Stable Workforce

VALUES

Professionalism	Attract and retain a skilled and professional workforce to deliver high quality water and customer service.
Ethics	Practice ethical standards and integrity in all of our communications and actions.
Respect	Conduct business through open and transparent governance, communication, and conduct.
Robust Standards	Ensure assets, resources, and finances are maintained and sustainable through cost effective business practices.
Collaboration	Emphasize internal and external collaboration in addressing issues and attaining objectives.
Health and Safety	Ensure public health and safety by conducting operations in accordance with statutory and regulatory requirements.

FINANCIAL SUMMARY

In 2019, SSWD approved a 5-year rate increase, effective January 1, 2020.

1. 2020 = 5% 2. 2021 = 4% 3. 2022 = 3% 4. 2023 = 3% 5. 2014 = 3%

- CY2022 budget is \$56,068,000
(CIP = \$24.7 million, O&M = \$23.7 million, Debt Service = \$7.5 million)
- SSWD credit rating is AA2+

FINANCIAL NOTABLES

- The District received a “clean” audit for CY2020 and had no recommended control or procedural changes from the auditor
- For the 9th straight year the District has received the Government Finance Officer’s Associations award for financial reporting excellence
- The District’s long-term debt was reduced by \$4.96 million
- The District submitted a request for \$775,870 to the State Water Resources Control Board for reimbursement of customer arrearages resulting from the State’s water disconnection moratorium during the COVID-19 Pandemic. The requested funds were received from the State on December 3, 2021.

COLLABORATION EFFORTS

- Participated in the Sacramento Regional Water Utility Collaboration Study, along with six other participating agencies.
- Continued participation in the regional Meter Replacement Program Planning Study, along with six other participating agencies.
- Groundwater delivery in response to the City of Sacramento's emergency water quality issues. The City needed to take one of its treatment plants offline due to raw water quality issues associated with recent storms. District staff promptly responded to the City's emergency water supply need.
- Continued to collaborate with San Juan Water District on the Hinkle Reservoir Liner and Cover Replacement Project. Due to ongoing drought conditions, this project has been postponed until 2023/2024.

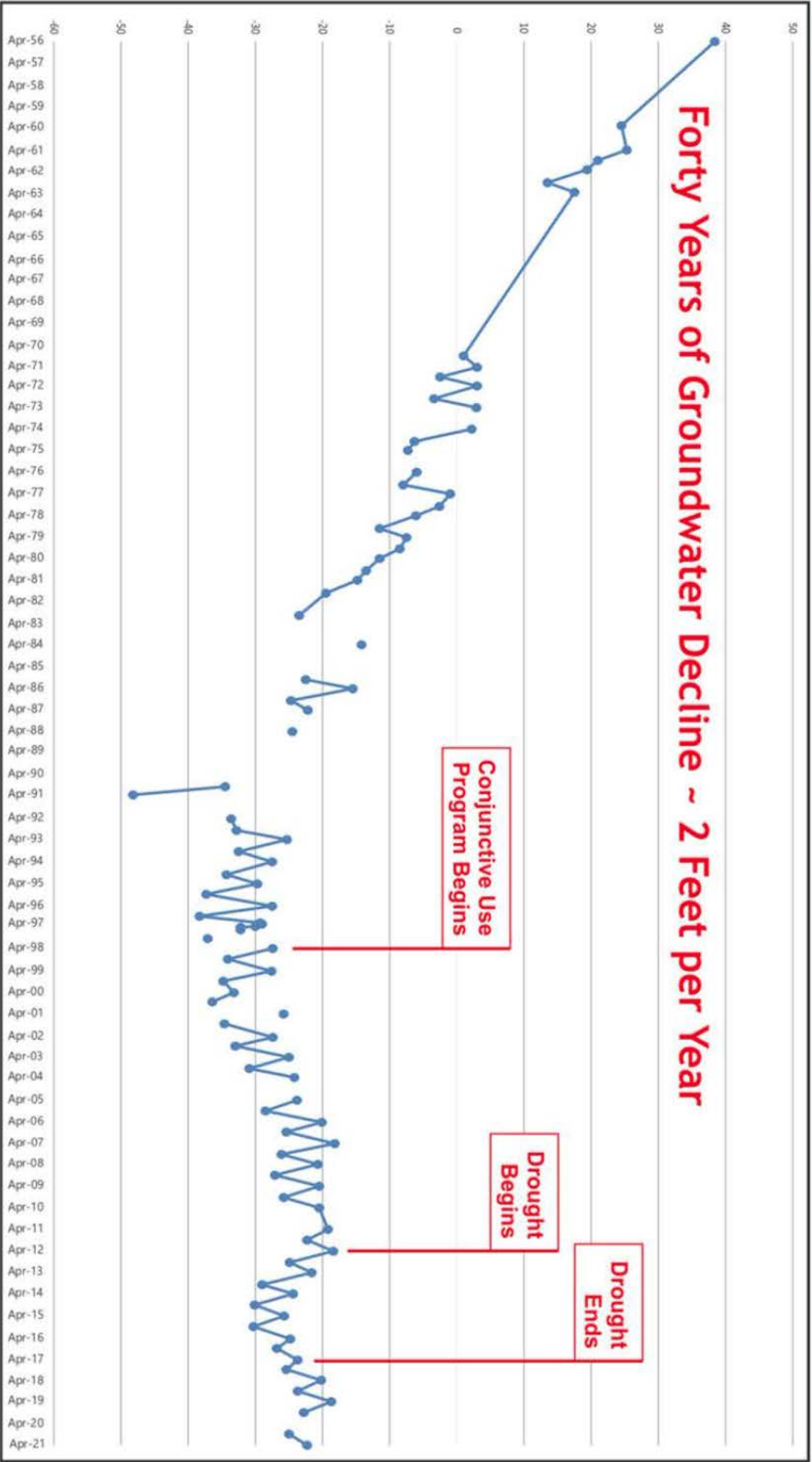
2022 - CAPITAL IMPROVEMENT PLAN

- Complete Butano / Cottage Well (South Service Area)
- Complete Verner / Panorama Well (North Service Area)
- Complete Walnut / Auburn Well (North Service Area)
- Continue work on Antelope North / Poker Wells (North Service Area)
- Continue ongoing process to acquire property for future well sites
- Complete metering of water services for State compliance
- Complete the Watt Avenue Main Extension (approximately 2,800 feet)
- Complete the Building 251 Main Replacement at McClellan Business Park (approximately 1,200 feet)
- Conduct Condition Assessment of the Capehart elevated water storage tank
- Conduct Well Condition Assessments at various sites
- Continue the multi-year project upgrading SCADA equipment
- Complete the replacement of water meter reading endpoints that are failing or have outlived their useful life (approx. 10,000)

CONJUNCTIVE USE PROGRAM

- Forty years of groundwater use in the Sacramento Region depleted the basin at approximately 1.5 feet per year.
- 100% Groundwater in dry and very dry years. (70 groundwater wells)
- “Contract” rights for surface water totaling 55,064 acre feet per year, which is only available in average and wet years
- \$120 million in conjunctive use for infrastructure and purchase of surface water
- Over 230,000 acre feet of groundwater banked

Forty Years of Groundwater Decline ~ 2 Feet per Year



LONG TERM PLANNING

Water Supply

- To potentially increase the District's water portfolio, SSWD has had discussions with Carmichael Water District and PCWA, San Juan Water District, City of Sacramento, SMUD, and Rio Linda/Elverta Community Water District.
- Groundwater Supplies
 - Regulatory Challenges – PFAS, Cr6, 1,2,3 PCE
- Fluoridation
 - Existing agreement with First 5 expires in 2027
- Sustainable Groundwater Management Act
 - North American Subbasin - Groundwater Sustainability Plan adopted by Sacramento Groundwater Authority on December 9, 2021

SUSTAINABLE GROUNDWATER MANAGEMENT ACT

- 2014 – California Legislature passed the Sustainable Groundwater Management Act (SGMA), which became effective January 1, 2015
- Requires local Groundwater Sustainability Agencies to develop Groundwater Sustainability Plans (GSP) that will explain how the basin will be managed sustainably over a 20 year timeframe
- Sacramento Groundwater Authority (SGA) became first GSP in California
- SGA approved the GSP on December 9, 2021

COMBINATION PLANNING

Carmichael Water District

On June 21, 2021, the SSWD Board of Directors accepted the Regional Collaboration Study and directed the General Manager to continue seeking collaboration/consolidation opportunities.

SSWD and Carmichael Water District (CWD) continued the efforts of regional collaboration and developed a 2x2 Ad Hoc Committee, holding the first meeting in July 2021. The 2x2 Ad Hoc Committee has continued to meet regularly to evaluate collaboration opportunities, up to and including a potential combination of the two districts.

At the October 6, 2021, Joint Board meeting between SSWD and CWD, staff was directed to develop a draft Request for Proposal (RFP) for the purpose of conducting a business case analysis of a potential combination between SSWD and CWD.

Del Paso Manor Water District

November 5, 2021 - Grand Jury Report.

PCWA SURFACE WATER

- SSWD signed a Long-Term Warren Act Contract with the U.S. Bureau of Reclamation in 2018 that helps secure surface water during “wet years” for the next 26 years, which allows SSWD to access up to 29,000 AF of water at Folsom Reservoir purchased from PCWA.
- Potential to enter into a future agreement with PCWA for utilization/buy-in of the CTP for surface water supplies into City of Roseville.

CITY OF SACRAMENTO SURFACE WATER

- The District has an agreement to take 26,064 AF of surface water from their Fairbairn Treatment Plant.
- In 2004, the cost to receive that water supply was \$116 AF. Today's cost is \$662.34 AF.
- In 2019, the District and City of Sacramento agreed to conduct a wholesale pilot program where the District would put in place its Conjunctive Use Program by purchasing 9,000 AF of surface water at a cost of \$120 AF. City has agreed to conduct an additional wholesale pilot program to sell the District surface water at \$120 AF.
- City owes the District 6,000 AF of surface water when available from the 2020 water transfer.

CLIMATE CHANGE – FUTURE EFFECTS

- Temperatures will continue to rise
- Frost-free season (and growing season) will lengthen
- Changes in precipitation patterns
- More drought and heat waves
- Sea level will rise 1-8 feet by 2100

FOLSOM LAKE



LAKE OROVILLE



SHASTA LAKE



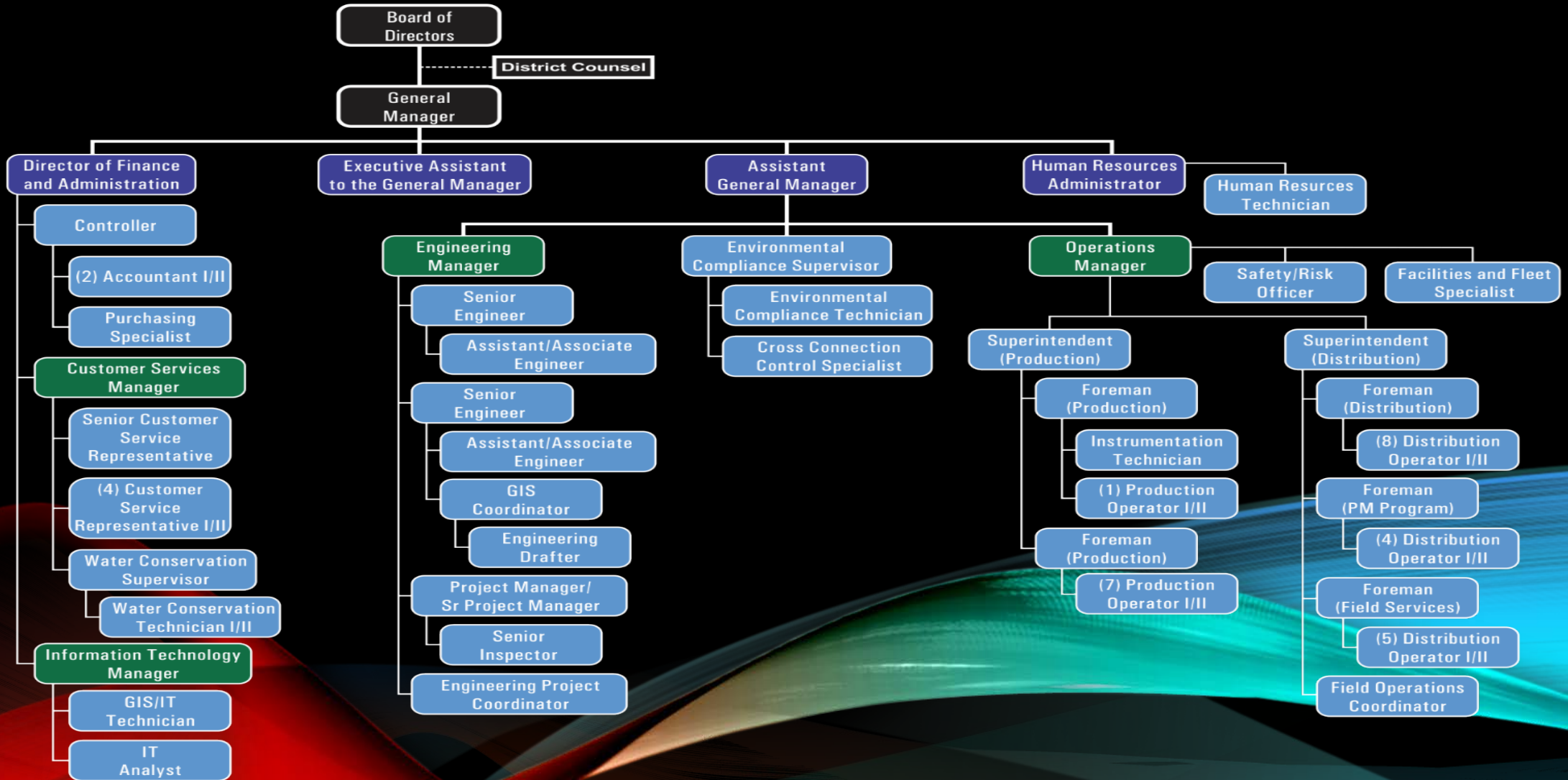
2021 CUSTOMER OUTREACH

- Conservation in the Garden – Thirty people attended a landscape workshop at the District's Garden on Eden
- Alliance for Water Efficiency Community Outreach (raising awareness of household leaks)
- Water Smart Innovations (Presentation on Leak Brothers)
- Online Advertising (Articles: repair leaks, 15 gallon challenge, SSWD rebates, etc)
- Ads and Articles in Community Newspapers (Accuweather, CNN, Sacramento Bee, USA Today)
- KTXL-TV Interview (Conserving water at home)
- Faces of SSWD (Highlight staff members in bill inserts)
- Outreach to Customers Financially Impacted by COVID (Direct outreach to affected customers)
- Mulch Mayhem
- The Leak Brothers Return (Placed in bill inserts re: water waste and household leaks)

SUCCESSION PLANNING PROGRAM

- Everyone has a role to play in a successful Succession Management Program, from the Board down to a participating program staff member
- Retention – Key leaders/key technical staff will find organizations that encourage/provide for their development." ...at least the good ones will"
- Talent is a "System" – When one key position is vacated, staff "need" to move up in the organization
- Due to vacancies and retirements, six leadership positions were filled – all with internal candidates: (1) AGM, (1) Ops Manager, (2) Superintendents, (2) Foreman. Demonstrates the District's commitment to retaining highly qualified staff that are ready to step up to the next level
- Be Prepared!

ORGANIZATION CHART – SSWD TEAM



CLOSING REMARKS

- It took some tough decisions and courageous leadership to get to where we are this evening and undoubtedly, tough decisions lie ahead.
- However, I know that I, along with our Board, remain committed to making the best decisions we can that we believe will ultimately be in the best interest of our workforce and our customers.
- Regulatory compliance and water supplies will be a challenge and very costly in the future.
- It's all about commitment. That message begins with the Board of Directors and is passed down through the organization to each and every SSWD employee.



Agenda Item: 19

Date: December 20, 2021

Subject: General Manager's Report

Staff Contact: Dan York, General Manager

a. Social Media Update

In regards to the Board's request that staff look into starting a social media presence, staff has been working diligently, reviewing social media options (like Facebook and Twitter), researching how to effectively implement a social media program, potential impacts to staff's work load to implementing a social media presence, and the positive impacts to customer communications. Staff will bring its findings to the Board in either January or February. In regards to the false District Facebook page, staff worked with Facebook and has successfully removed the page.

b. Conjunctive Use Program - North Service Area

In June 2020, the District established a relationship with San Juan Water District (SJWD) to purchase surface water that has the potential to provide multiple benefits to the District: (1) increased access to groundwater stabilization supplies; (2) reduced costs for the purchase of groundwater stabilization supplies; (3) enhanced conjunctive use management of the District's North Service Area (NSA); and, (4) improved capability to undertake future groundwater substitution transfers with SJWD with reduced regulatory uncertainty.

The proposal was to enter into a pilot purchase agreement with SJWD for up to 4,000 AF when water is unavailable from PCWA. It is important to note that undertaking this pilot project, and a potential longer-term agreement in the future, would not impact the supply or reliability of water available to SJWD's Wholesale Customer Agencies (WCAs). SJWD will always meet its contractual obligations to its WCAs when the District is purchasing water from SJWD under this proposed pilot and any potential future long-term agreement.

The District began purchasing surface water from SJWD in 2020, however, due to the drought declaration by the Governor, the District chose to discontinue the surface water supplies and went back to groundwater supplies. Due to the most recent storms, water levels at Folsom Lake returned to approximately 365,000 AF. Therefore, the District contacted SJWD to determine if they had sufficient surface water supplies, which would allow the District to activate its Conjunctive Use Program. The two agencies are coordinating efforts as to when the District can begin receiving surface water.

c. Del Paso Manor Water District Update

On December 10, 2021, staff met with the new General Manager of Del Paso Manor Water District (DPMWD), Alan Gardner. The meeting revolved around the Grand Jury Report and supply issues, both emergency/non-emergency, and how the two agencies can potentially enhance the existing interties, as well as DPMWD potentially connecting to the existing 24" transmission main that was installed through their service area back in 2000.



Agenda Item: 20

Date: December 20, 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 November 30, 2021, there are approximately 1,788 accounts that would move to the collections two-day notice (Shut-off) with a balance of \$1,221,842. Staff will continue to monitor and report the financial effects of the Governor's executive order suspending disconnections for non-payment. 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
October 2021	1,702	1,078,778	105: 70,904
November 2021	1,788	1,221,842	86: 143,064

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 2021. On October 5, 2021, the District was notified that SWRCB was accepting applications for reimbursement. SWRCB allowed in the final submission all arrearage balances regardless of amount. On October 15, 2021, staff submitted an application for \$775,870.26. **NOTE:** On December 2, 2021, the District received a deposit from the State funding the reimbursement request of \$775,870.26. Staff will apply these funds to the affected customer accounts in December of 2021. 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 October 31, 2021. More detailed information can be found in the following attached financial reports:

- Financial Statements – October 2021
- Budget to Actual Reports – October 2021
- Information Required by LOC Agreement – October 2021

Financial Highlights – October 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.

Statements of Net Position

	<u>Year-To-Date</u> <u>10/31/2021</u>	<u>Year End</u> <u>12/31/2020</u>
LIQUIDITY		
Cash and cash equivalents	\$16,703,001.81	\$8,442,697.62
INVESTMENT		
Investments	39,604,214.21	41,212,045.33
ACCOUNT RECEIVABLE		
Account Receivable	4,519,560.62	3,417,263.82
CAPITAL ASSETS		
Property, plant and equipment	516,648,609.66	503,966,119.11
Accumulated depreciation	(210,440,700.33)	(199,117,498.00)
	306,207,909.33	304,848,621.11
LIABILITIES		
Long Term Debt	(65,376,519.90)	(70,839,532.40)
NET POSITION		
Net Position	287,406,316.22	272,104,643.58

Statements of Revenues, Expenses and Changes in Net Position

	<u>Year-To-Date</u> <u>10/31/2021</u>	<u>Year-To-Date</u> <u>10/31/2020</u>
NET INCOME		
Operating Revenue	41,629,596.08	40,231,388.31
Operating Expense	(16,188,593.28)	(16,803,289.74)
Other, Net	(10,139,330.16)	(10,745,957.33)
	<u>15,301,672.64</u>	<u>12,682,141.24</u>

Key information from this report indicates the District’s cash balance is \$8.3 million more while investments are \$1.6 million less than on December 31, 2020; long term debt has decreased by \$5.5 million; and net position has increased by \$15.3 million in the last 10 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 increased \$1.1 million to \$4.5 million as of October 31, 2021 since December 31, 2020. Operating revenues increased \$1.4 million while operating expenses decreased \$0.6 million, year to date compared to the same period a year ago.

Budgets:

Budget Item	Actual Amount	Budget Amount	Variance
Revenues and Sources of Funds	\$ 43,504,122	\$ 42,961,213	\$ 542,909
Operations and Maintenance	16,188,593	18,717,124	2,528,531
Capital	10,787,769	*23,884,907	13,097,138
Debt Service	1,708,579	2,138,873	430,294

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

The Board of Directors approved two budget amendments at the October 18, 2021, regular Board meeting. The first budget amendment was a budget transfer from the operations and maintenance budget to the capital budget in the amount of \$540,000. The second budget amendment was a transfer from the property acquisition reserve to the capital budget in the amount of \$350,000. Those budget amendments are reflected in the above table.

The District’s revenues through October 2021 are greater than budgeted due primarily to the net effects of: 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 and service charges are \$0.5 million more than budgeted for the first ten months the year due primarily to a 6.3% 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 \$0.5 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 October 2021 came in less than the approved amended budget by \$2.5 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 (\$1.1 million), 2) reduction in general and administrative expenses (\$0.9 million) and 3) timing differences (\$0.5 million).

Operating Capital Program (OCP) expenditures through October 2021 were \$0.8 million while \$0.6 million were committed. The 2021 amended budget for the year is \$2.3 million plus \$0.1 million in rollover funds from 2020 budget for a total of \$2.4 million.

The District's amended Capital Improvement Program (CIP) budget for 2021 is \$17.6 million plus \$3.9 million in rollover funds from 2020 budget for a total of \$21.5 million. For 2021, \$10.0 million has been spent while an additional \$7.5 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 ten months of 2021, the District has incurred interest expense of \$1,708,579 versus a forecast of \$2,138,873, or a \$430,294 positive variance. The last reset for the last week of October saw rates at 0.06% 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.

	Actual Year-To-Date 10/31/21	Budget Year-To-Date 10/31/21
Revenues	43,504,122	42,961,213
Expenses	16,183,291	18,717,124
Net Revenue	27,320,831	24,244,089

The estimated total debt service payments for the next 6 months is \$1,022,407.

Financial Statements
October 31, 2021

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

	As Of		
		<u>Month End</u>	<u>Year End</u>
		<u>10/31/2021</u>	<u>12/31/2020</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$16,702,992.36	\$8,442,657.93
Restricted Cash and cash equivalents		9.84	39.69
Accounts receivable, net of allowance for uncollectible accounts		3,815,680.51	3,308,831.98
Interest receivable		120,064.13	133,920.34
Grants receivables		7,296.94	7,296.94
Other receivables			1,309,442.20
Inventory		1,162,775.70	763,599.95
Prepaid expenses and other assets		1,279,552.40	829,833.39
TOTAL CURRENT ASSETS		<u>\$23,088,371.88</u>	<u>14,795,622.42</u>
NONCURRENT ASSETS			
Investments		39,604,214.21	41,212,045.33
TOTAL NONCURRENT ASSETS		<u>39,604,214.21</u>	<u>41,212,045.33</u>
Property, plant and equipment		516,648,609.66	503,966,119.11
Accumulated depreciation		(210,440,700.33)	(199,117,498.00)
TOTAL CAPITAL ASSETS		<u>306,207,909.33</u>	<u>304,848,621.11</u>
TOTAL ASSETS		<u>368,900,495.42</u>	<u>360,856,288.86</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on long-term debt refunding		4,152,115.10	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
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u>376,415,396.52</u>	<u>368,921,810.26</u>
LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term debt and capital leases			4,965,000.00
Current portion of Compensated Absences		880,000.00	880,000.00
Accounts payable		259,743.11	1,920,986.96
Accrued interest		0.04	210,326.61
Deferred revenue and other liabilities		3,874,106.49	3,658,254.59
Accrued expenses		295,778.45	943,346.10
TOTAL CURRENT LIABILITIES		<u>5,309,628.09</u>	<u>12,577,914.26</u>
NONCURRENT LIABILITIES			
Long-term debt		65,376,519.90	65,874,532.40
Compensated absences		324,352.32	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
TOTAL NONCURRENT LIABILITIES		<u>82,105,882.22</u>	<u>82,645,682.42</u>
TOTAL LIABILITIES		<u>87,415,510.31</u>	<u>95,223,596.68</u>
DEFERRED INFLOWS OF RESOURCES			
Employee pensions		481,215.00	481,215.00
Other post-employment benefits		1,112,355.00	1,112,355.00
NET POSITION			
Invested in capital assets, net of related debt		238,711,824.11	238,711,824.11
Restricted		39.69	39.69
Unrestricted		48,694,452.41	33,392,779.78
TOTAL NET POSITION		<u>287,406,316.21</u>	<u>272,104,643.58</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		<u>376,415,396.52</u>	<u>368,921,810.26</u>

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

	<u>Year-To-Date</u> <u>10/31/2021</u>	<u>Year-To-Date</u> <u>10/31/2020</u>
OPERATING REVENUES		
Water consumption sales	\$13,736,593.83	\$13,273,158.42
Water service charge	27,566,123.89	26,400,364.60
Wheeling water charge	5,592.83	81,203.26
Other charges for services	321,285.53	476,662.03
TOTAL OPERATING REVENUES	41,629,596.08	40,231,388.31
OPERATING EXPENSES		
Source of supply	825,926.06	866,915.28
Pumping	4,420,351.42	4,355,523.96
Transmission and distribution	3,153,816.84	3,467,421.71
Water conservation	357,916.45	331,432.40
Customer accounts	1,143,534.57	1,022,614.65
Administrative and general	6,287,047.94	6,759,381.74
TOTAL OPERATING EXPENSES	16,188,593.28	16,803,289.74
Operating income before depreciation	25,441,002.80	23,428,098.57
Depreciation and amortization	(11,323,202.33)	(11,432,141.86)
OPERATING INCOME	14,117,800.47	11,995,956.71
NON-OPERATING REV. (EXP.)		
Rental income	267,584.88	240,453.28
Interest and investment income	(198,082.14)	1,487,672.44
Interest expense and debt related costs	(1,761,186.52)	(2,183,591.93)
Other non-operating revenues	76,109.36	101,166.66
Grant revenue pass-through to sub recipients	468,000.00	
Other non-operating expenses	5,302.37	7.28
Sub recipient grant expenses	(468,000.00)	
Gain(loss) on disposal of capital assets	35,475.00	9,255.00
NON-OPERATING REV. (EXP.)	(1,574,797.05)	(345,037.27)
NET INCOME (LOSS) BEFORE CAPITAL	12,543,003.42	11,650,919.44
CAPITAL CONTRIBUTIONS		
Facility development charges	945,751.00	431,801.00
Developer contributions	1,812,918.21	569,061.17
Federal, state and local capital grants		30,359.63
TOTAL CAPITAL CONTRIBUTIONS	2,758,669.21	1,031,221.80
CHANGE IN NET POSITION	15,301,672.63	12,682,141.24
Net position at beginning of period	272,104,643.58	259,455,982.23
NET POSITION AT END OF PERIOD	287,406,316.21	272,138,123.47

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

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

	Actual Year-To-Date 10/31/2021	Budget Year-To-Date 10/31/2021	Variance Year-To-Date 10/31/2021
REVENUES			
Water consumption sales	\$13,736,593.83	\$13,444,423.00	\$292,170.83
Water service charge	27,566,123.89	27,334,300.00	231,823.89
Wheeling water charge	5,592.83	539,160.00	(533,567.17)
Other charges for services	321,285.53	441,670.00	(120,384.47)
Facility development charges	945,751.00	250,000.00	695,751.00
Interest and investment income	549,605.55	697,500.00	(147,894.45)
Rental & other income	379,169.24	254,160.00	125,009.24
TOTAL REVENUES	43,504,121.87	42,961,213.00	542,908.87

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

	2021 YTD		
	Actual	Budget	Variance
BUDGETED OPERATING EXPENSES			
Board of Directors	\$26,260.71	\$43,260.20	\$16,999.49
Administrative	1,864,961.31	2,140,751.30	275,789.99
Finance	794,873.43	979,154.50	184,281.07
Customer Services	980,335.71	1,118,447.80	138,112.09
Field Operations	476,112.54	517,076.30	40,963.76
Production	4,764,840.36	5,829,587.60	1,064,747.24
Environmental Compliance	481,437.12	537,543.60	56,106.48
Distribution	2,063,494.90	2,172,305.20	108,810.30
Field Services	1,077,976.64	1,272,325.30	194,348.66
Maintenance	547,424.24	586,582.00	39,157.76
Water Conservation	357,916.45	405,311.20	47,394.75
Engineering	1,208,963.52	1,337,925.30	128,961.78
GIS/CAD	293,225.51	311,108.70	17,883.19
Human Resources	241,678.85	288,853.00	47,174.15
Information Technology	845,893.13	1,001,022.30	155,129.17
Community Outreach	163,198.86	175,870.00	12,671.14
TOTAL OPERATING EXPENSES	16,188,593.28	18,717,124.30	2,528,531.02

**SACRAMENTO SUBURBAN WATER DISTRICT
OPERATING CAPITAL BUDGET
10/31/2021**

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		\$ -	\$ 2,735.00	\$ 672.75
SF20-493	BOARD ROOM WALL MAP	\$ -		4,000.00	4,000.00		-	-	\$ 4,000.00
SF21-500	PROPERTY ACQUISITION	\$ 700,000.00	\$ 1,032,000.00		1,032,000.00	\$ 6,268.75	18,812.50	\$ 61,301.00	\$ 951,886.50
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	10,251.55	10,251.55	92,707.57	\$ 27,040.88
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		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	2,421.14	91,716.67	61,782.86	\$ 30,197.79
SF21-513	IT - SOFTWARE UPGRADE/ENHANCE	\$ 125,000.00	98,000.00		98,000.00		-	92,376.00	\$ 5,624.00
SF21-514	MARCONI OFFICE IMPRV/CUS SERV	\$ 100,000.00	167,000.00		167,000.00	111,290.45	168,746.45	9,067.00	\$ (10,813.45)
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		92,635.18	-	\$ 364.82
SF21-518	WELL PUMP/MOTOR STANDARDIZATION	\$ -	85,000.00		85,000.00	7,163.60	12,692.43	67,945.57	\$ 4,362.00
SF21-519	AMP IMPLEMENTATION	\$ -	20,000.00		20,000.00	5,514.80	6,368.57	8,316.43	\$ 5,315.00
SF21-520	BOARD ROOM CONFERENCE TABLES	\$ -	10,000.00		10,000.00		-	9,836.44	\$ 163.56
TOTAL		\$ 1,881,000.00	\$ 2,293,000.00	\$142,669.15	\$2,435,669.15	\$142,910.29	\$760,516.23	\$ 554,599.37	# \$1,120,553.55

**Sacramento Suburban Water District
Capital Improvement Project Budget
10/31/2021**

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	\$ 112,729.72	\$ 944,719.71	\$ 1,043,359.71	\$ 639,797.15
SC21-010	SCADA/COMMUNICATION IMPROVE	\$785,000.00	\$769,041.00	\$1,031,117.43	\$1,800,158.43	9,310.60	554,669.57	1,222,947.98	\$ 22,540.88
SC21-011	WELL DESTRUCTION/SITE DEMOLIT	\$152,000.00	\$123,000.00	\$81,697.28	\$204,697.28	7,542.50	134,717.64	-	\$ 69,979.64
SC21-012	WELL NEW CONSTRUCTION	\$4,620,000.00	\$6,417,139.00	\$955,531.81	\$7,372,670.81	182,899.61	1,942,145.76	4,336,725.23	\$ 1,093,799.82
SC21-018	DISTRIBUTION MAIN REPL/IMPROV	\$5,083,000.00	\$4,451,000.00	\$205,211.39	\$4,656,211.39	146,100.69	2,911,423.96	357,357.55	\$ 1,387,429.88
SC21-024	METER RETROFIT PROGRAM	\$2,000,000.00	\$1,339,280.00	\$88,078.56	\$1,427,358.56	-	1,325,733.24	7,085.18	\$ 94,540.14
SC21-034	RESERVIOR/TANK IMPROVEMENT	\$345,000.00	\$284,540.00	\$160,903.16	\$445,443.16	-	177,413.66	229,141.87	\$ 38,887.63
SC21-035	CORROSION CONTROL-TRAN MAIN	\$50,000.00	\$39,000.00	-	\$39,000.00	-	-	39,000.00	\$ -
SC21-037	VALVE/HYDRANT/SERV REPL	\$300,000.00	\$550,000.00	-	\$550,000.00	25,622.00	398,588.84	71,799.00	\$ 79,612.16
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	32,265.02	157,418.19	-	\$ 92,581.81
SC21-040	AMI ENDPOINTS	\$1,400,000.00	\$1,205,000.00	\$463,779.30	\$1,668,779.30	43,495.64	1,341,583.98	60,160.00	\$ 267,035.32
SC21-048	SPECIAL PROJECTS	\$5,000.00	\$96,000.00	\$77,042.17	\$173,042.17	33,568.38	94,968.13	37,571.82	\$ 40,502.22
SC21-049	WATER RELATED STREET IMPROV	\$200,000.00	\$184,000.00	\$50,000.00	\$234,000.00	43,870.00	43,870.00	78,720.00	\$ 111,410.00
		\$ 17,120,000.00	\$ 17,598,000.00	\$ 3,851,237.67	\$ 21,449,237.67	\$ 637,404.16	\$ 10,027,252.68	\$ 7,483,868.34	\$ 3,938,116.65

Information Required by LOC Agreement

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

	Actual Year-To-Date 10/31/2021	Budget Year-To-Date 10/31/2021
REVENUES		
Water sales charges	\$41,629,596.08	\$41,759,553.00
Facility development charges	945,751.00	250,000.00
Interest and investment income	549,605.55	697,500.00
Rental & other income	379,169.24	254,160.00
TOTAL REVENUES	43,504,121.87	42,961,213.00
EXPENSES		
Source of supply	825,926.06	2,438,870.00
Pumping	4,420,351.42	3,928,261.20
Transmission and distribution	3,153,816.84	3,473,797.20
Water conservation	357,916.45	405,311.20
Customer accounts	1,143,534.57	1,294,317.80
Administrative and general	6,281,745.57	7,176,566.90
TOTAL EXPENSES	16,183,290.91	18,717,124.30
NET REVENUE	27,320,830.96	24,244,088.70

Sacramento Suburban Water District
6 - Months Debt Service Schedule
10/31/2021

Total SSWD Debt Service						
Month	Principal	Interest Adjustable/Fixed/Swap	Facility Fee	Remarketing	Debt Service	
November - 21	\$ -	\$ 86,750.82	\$ -	\$ -	\$ 86,750.82	
December - 21	-	86,750.82	50,400.00	13,125.00	150,275.82	
January - 22	-	86,750.82	-	-	86,750.82	
February - 22	-	86,750.82	-	-	86,750.82	
March - 22	-	86,750.82	50,400.00	13,125.00	150,275.82	
April - 22	-	461,603.07	-	-	461,603.07	

Series 2012A Fixed Rate Bonds (\$23,440,000.00)						
Month	Principal	Interest - Fixed 4.25%			Debt Service	
November - 21	\$ -	\$ -	\$ -	\$ -	\$ -	
December - 21	-	-	-	-	-	
January - 22	-	-	-	-	-	
February - 22	-	-	-	-	-	
March - 22	-	-	-	-	-	
April - 22	-	206,918.75	-	-	206,918.75	

Series 2009A Adjustable Rate COPs (\$42,000,000.00)						
Month	Principal	Interest, Adjustable 0.06%	Facility Fee 0.480%	Remarketing 0.125%	Debt Service	
November - 21		\$ 2,100.00			\$ 2,100.00	
December - 21		2,100.00	50,400.00	13,125.00	65,625.00	
January - 22		2,100.00			2,100.00	
February - 22		2,100.00			2,100.00	
March - 22		2,100.00	50,400.00	13,125.00	65,625.00	
April - 22		2,100.00			2,100.00	

Series 2018A Fixed Rate COPs (\$27,915,000)						
Month	Principal	Interest - Fixed 3.17%			Debt Service	
November - 21	\$ -	\$ -	\$ -	\$ -	\$ -	
December - 21	-	-	-	-	-	
January - 22	-	-	-	-	-	
February - 22	-	-	-	-	-	
March - 22	-	-	-	-	-	
April - 22	-	167,933.50	-	-	167,933.50	

2012 SWAP Interest, Net (\$33,000,000.00)						
Month	Principal	Interest, Swap Net 3.283%-(0.05252 +.18)%			Debt Service	
November - 21		\$ 84,650.82	-	-	84,650.82	
December - 21		\$ 84,650.82	-	-	84,650.82	
January - 22		\$ 84,650.82	-	-	84,650.82	
February - 22		\$ 84,650.82	-	-	84,650.82	
March - 22		\$ 84,650.82	-	-	84,650.82	
April - 22		\$ 84,650.82	-	-	84,650.82	



Agenda Item: 21

Date: December 20, 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

November 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	0	1	11	—	—	—
Taste & Odor Complaints	0	0	0	—	—	—

Distribution Department

Service Orders

Main Leaks	4	4	44	—	—	—
Service Line Leaks	8	6	66	—	—	—

Water Main Shutdown

-- Emergency	5	3	36	—	—	—
-- Scheduled	1	4	42	—	—	—

Preventive Maintenance Program

Fire Hydrants Inspected	96	106	1169	6,173	1,235	94.7%
Fire Hydrant Valves Inspected	136	116	1277	5,869	1,174	108.8%
Mainline Valves Inspected	519	257	2,822	11,023	2,205	128.0%
Blow Off Valves Inspected	23	15	168	1,049	210	80.1%
ARV/CARV Inspected	0	0	4	283	57	7.1%

Field Services Department

Meters

PM - Meters Tested (3 - 10 inch)	12	11	122	450	120	101.7%
PM - Meters Replaced (⁵ / ₈ - 1 inch)	208	90	990	41,167	1,000	99.0%
PM - Meter Re-Builds (1 ¹ / ₂ - 2 inch)	4	24	264	2,449	245	107.8%
Customer Pressure Inquiries	8	10	111	—	—	—

Field Operations Department

After Hours Activity (On-Call Technician)

Calls Received Distribution	38	51	563	—	—	—
Calls Responded Distribution	15	30	329	—	—	—
Calls Received Production	51	25	272	—	—	—
Calls Responded Production	7	3	33	—	—	—

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 Blvd.

Claim – On August 24, 2021, damages to the apartment structure and contents resulting from a broken water main located at Walerga Road near Elkhorn Boulevard, has had further developments:

- On November 15, 2021, ACWA JPIA settled for damages to apartment contents with Childs & Jackson, APLC on behalf of tenant Kimoni Williams in the amount of \$4,696.56
- On November 24, 2021, ACWA JPIA settled for damages to the Redwood Square Apartment building units with CR Watercrest Communities LP in the amount of \$370,654.54.

As previously reported, all claims for this address are being handled by ACWA JPIA under one claim number.

3. Customer Service Monthly Activity Report

Customer Service Activity Report for the month of November 2021.

Total Calls	Calls Abandoned	% of Calls Abandoned	Average Wait on Queue	Max Wait on Queue	Average Talk Time
2,097	16	.76%	16s	4m, 45s	3m, 19s

4. Community Outreach Report

January Bill Insert

The January 2022 bill insert will begin on December 28, 2021, and will continue until January 24, 2022. A sample of the bill insert is shown below.

00269419



H₂O on the GO

January 2022



Get Your 20th Anniversary Calendar Magnet

Celebrate SSWD's 20th Anniversary and stay in the know on important dates with one of SSWD's 2022 calendar magnets. They can be picked up after January 15, at the SSWD office, at 3701 Marconi Ave., Sacramento. The magnets will be affixed to the front door. Come peel yours off today.



SSWD at 20 | Looking at the Past, Present, and Future

Sacramento Suburban Water District (SSWD) will mark its 20th Anniversary this year. We will be looking at significant moments from SSWD's history, dive into present day projects, and provide a view of future plans.

The District was created from the consolidation of Arcade Water District and Northridge Water District on February 1, 2002, after an extensive study found that consolidation would provide greater customer benefits than the two continuing to operate separately.

The two water providers both traced their beginnings back to the mid-1950s and were roughly the same size at the time of consolidation. Arcade had 22,681 service connections, 325 miles of mains, and served a population of 100,000. Northridge had 23,205 connections, 330 miles of mains, and served a population of 83,627. The districts also shared common boundaries and both drew water from the same groundwater basin.

SSWD at 20 | page 2

2022 Water Rate Increase

This January a 3 percent rate increase will take effect for all customers, as part of the rate plan adopted in 2019.

The rate increases are needed to support the continued delivery of safe, high-quality and reliable water service and to pay for needed improvements to the water system, including the construction of new wells, main replacements, and other related efforts.

Please visit [sswd.org/water-rates](https://www.sswd.org/water-rates) for more information.

Give Your Sprinklers a Winter Break

With January's shorter and cooler days, your sprinklers should be able to take the month off. If it has been dry, check the soil moisture level first with a moisture meter, trowel, or screwdriver. If the

Winter Break | page 2

[sswd.org](https://www.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.





SSWD at 20 | from page 1

Their respective Boards of Directors pursued consolidation after a study by an outside consulting firm found that the move would improve overall efficiencies, increase service capabilities, expand the revenue base, and reduce operating costs.

Though much has changed over the past 20 years, one thing has remained constant, our unwavering commitment to providing high-quality water and superior customer service at the lowest responsible rate.

SSWD is Here to Help | With Rebates and House Calls

SSWD's rebates can help you save water and money. There are rebates available for sprinkler system upgrades, WaterSense-labeled weather-based sprinkler controllers, high-efficiency toilets, and more. Complete details are at [sswd.org/rebates](https://www.sswd.org/rebates).


Our complimentary Water-Wise House Calls will help you determine if you have a leak, assist you in programming your sprinkler timer, troubleshoot your sprinkler system, and inform you about rebates perfect for your home or business. Sign up today at <https://www.sswd.org/departments/conservation/water-wise-house-call>.

Heeding the Call to Conserve

Thank you to all of the SSWD customers who are conserving water during the drought. Through the end of October, customers reduced their overall water use by 7 percent compared to the same time period in 2020.

It is too early to tell where the state's water supply will stand after this winter's rain and snowfall, but it is estimated that we will need 140 percent of normal precipitation to erase drought conditions.

It is vitally important to continue conserving our water supply to ensure that it is here today and into the future.

 **I'm for WaterSM** **Resolve to Be Water-Wise in 2022**
Start the New Year off right by signing on to WaterSense's "I'm For Water" Pledge. WaterSense has compiled a list of easy to follow actions you can take each month in 2022. Find the pledge at <https://www.epa.gov/watersense/im-water-pledge>.

Winter Break | from page 1

moisture meter reads "dry", or the soil is dry and crumbly, water as needed. SSWD has complimentary moisture meters available upon request by calling 916.972.7171 or by emailing help@sswd.org.

Calling All Young Spielbergs

Do you have an aspiring filmmaker in your home? Have them channel their talent into creating the next great Water Spots video.

The Water Spots video contest is open to middle school and high school students and challenges them to create a 30-second public service video that inspires the public to use water efficiently. This year's theme is WHEN IN DROUGHT....

The video that receives the most online votes or the top score from the panel of judges will receive a \$250 cash prize and be eligible to run in a local movie theatre this coming summer.

The deadline to enter is Friday, March 11, 2022 at 11:59 p.m. Details on how to enter are at: <https://bewatersmart.info/waterspots/>.

REGIONAL WATER AUTHORITY
WATER SPOTS
VIDEO CONTEST





Agenda Item: 22

Date: December 20, 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 running a few months behind schedule due to construction phase delays.

Well	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
78 Butano / Cottage ¹ <i>Pumping Station</i>	Complete	Q1 2022	N/A
79 Verner / Panorama ² <i>Pumping Station</i>	Complete	Q1 2022	N/A
80 Walnut/Auburn <i>Production Well</i>	Complete	Q4 2021	N/A

¹ Project schedule is becoming less clear owing to increased uncertainty for delivery of materials and parts. Project completion will extend into early 2022.

² Grant-funded project: 2019 Proposition 1 Integrated Regional Water Management Implementation Grant.

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	
Watt Main Extension	Q2 2022	Q3 2022	N/A
Q Street (4.7 miles of main)	Q1 2022	Q4 2024	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. Additionally, the final large metering component is the Greenberry condominium complex of about 200 units that began in Q4 2021 and is anticipated to be completed in Q2 2022.

Project	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
2021 Project (941 meters)	Complete	Complete	N/A
Greenberry Complex	Complete	Q2 2022	N/A

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 items scheduled for updates in the near future with their approximate completion time frame.

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.

Well	Approximate Completion	Change in Completion Status Since Last Report
25 Thor/Mercury	Q4 2022	Project start delayed to facilitate completion of existing projects. Estimated completion adjusted from Q1 2022 to Q4 2022.
35 Ulysses/Mercury	Q4 2022	Project start delayed to facilitate completion of existing projects. Estimated completion adjusted from Q1 2022 to Q4 2022.
60 Whitney/Concetta	Q4 2021	N/A
68 Northrop/Dornajo	Q4 2021	N/A
70 Sierra/Blackmer	Q2 2022	Project start delayed to facilitate completion of existing projects. Estimated completion adjusted from Q1 2022 to Q2 2022.
N1 Evergreen	Q4 2021	N/A
N30 Park Oaks	Q4 2021	N/A

The table below shows the current work for well casing repair or rehabilitation, pump repair or replacement, and other well facility activities.

Well	Activity	Status	Approximate Completion	Change in Completion Status Since Last Report
41 Albatross/Iris	Electrical Repair	Construction	Q1 2022	N/A
52 Weddigen/Gothberg	Electrical Repair	Construction	Q4 2021	N/A
N8 Field	Electrical Repair	Construction	Q4 2021	N/A
13 Calderwood/Marconi	Water Quality Assessment	Investigation	Q4 2021	N/A
N38 Coyle	Water Quality Assessment	Investigation	Q4 2021	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	Q1 2023	N/A

N33 Walerga	Water Quality Assessment	Investigation	Q1 2023	N/A
N34 Cottage	Electrical Issue	Investigation	Q1 2023	N/A
72 River Walk/NETP	Water Quality Assessment	Planning	Q1 2023	N/A

Other Projects

Administration Building – Safety Upgrades for the 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.

Antelope & Watt/Elkhorn Reservoir and BPS – Operational Upgrades

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 completion is expected to extend into early 2022 from the original expected completion of Q4 2021 due to delays in the delivery of parts and materials.

Enterprise Reservoir and BPS – Operational Upgrades

This project will allow turnover of the reservoir during groundwater deliveries to City of Sacramento, and optimized energy efficiency during peak-hour demand periods. Project completion is expected to extend into early 2022 from the original expected completion of Q4 2021 due to contractor delays in completing PLC programming.

Watt/Elkhorn Reservoir – Condition Assessment

This project will provide a detailed condition assessment of the interior and exterior coatings, cathodic protection system, and structural components of the 5 million gallon storage reservoir. The project is on track for the planned Q4 2021 completion.



Agenda Item: 23

Date: December 20, 2021

Subject: Draft Final Groundwater Sustainability Plan (GSP) for the North American Sub-basin (NASb)

Staff Contact: Dan York, General Manager

Background

In 2014, the California Legislature passed the Sustainable Groundwater Management Act (SGMA), which became effective on January 1, 2015. SGMA requires local Groundwater Sustainability Agencies (GSAs) to develop Groundwater Sustainability Plans (GSPs) that, among other things, explain how the basin will be managed sustainably over a 20-year timeframe. SGMA provides authorities to support locally controlled sustainable management of groundwater – meaning in a way that does not produce undesirable results such as chronic lowering of groundwater levels, causing subsidence, or degrading water quality.

The North American Subbasin (NASb or Subbasin) includes five GSAs that have worked cooperatively to develop a single GSP covering the 548 square-mile Subbasin that includes portions of Placer, Sacramento, and Sutter counties. The GSAs include: Reclamation District 1001 (RD 1001) GSA; Sacramento Groundwater Authority (SGA) GSA; South Sutter Water District (SSWD) GSA; Sutter County GSA; and West Placer GSA.

SGMA requires certain information be included in every GSP. This includes, among other things, the subbasin setting, a hydrogeological conceptual model, a comprehensive water budget, a basin-wide monitoring network, sustainable management criteria, and projects and management actions necessary to ensure the Subbasin’s sustainability.

SGMA effectively prescribes four basic steps to the management process: 1) form a GSA; 2) develop and adopt a GSP; 3) implement the GSP to achieve a sustainability goal and avoid undesirable results within 20 years; and 4) report the implementation activities to DWR to document whether progress towards the sustainability goal and the avoidance of undesirable results are being achieved.

Discussion

The Draft Final North American Subbasin Groundwater Sustainability Plan is available to view. The NASb Groundwater Sustainability Agencies will now go through the process of holding public hearings to consider adoption of the NASb GSP. The NASb GSP was approved by the Sacramento Groundwater Authority's Board of Directors on December 9, 2021. Public hearings at the remaining GSA's are scheduled into January 2022.

The Draft Final GSP can be accessed, along with a schedule of public hearings, at <https://nasbgroundwater.org/gsp/>.

Ultimately, five GSAs were formed to manage groundwater in the NASb, completing Step 1. This GSP and adoption by each GSA will complete Step 2. The GSP will be assessed every 5 years as additional information becomes available. Steps 3 and 4 will be implemented over the next 20 years.

The Executive Summary is provided as Attachment 1.

Attachment:

1 – North American Subbasin Groundwater Sustainability Plan Executive Summary



NORTH AMERICAN SUBBASIN Groundwater Sustainability Plan

Executive Summary

PREPARED FOR:

RD1001 GSA

Sacramento Groundwater Authority GSA

South Sutter Water District GSA

Sutter County GSA

West Placer County GSA

DECEMBER 2021

Executive Summary

Overview

In 2014, the California Legislature passed the Sustainable Groundwater Management Act (SGMA), which became effective on January 1, 2015. SGMA requires local Groundwater Sustainability Agencies (GSAs) to develop Groundwater Sustainability Plans (GSPs) that, among other things, explain how the basin will be managed sustainably over a 20-year timeframe. SGMA provides authorities to support locally controlled sustainable management of groundwater – meaning in a way that does not produce undesirable results such as chronic lowering of groundwater levels, causing subsidence or degrading water quality.

The North American Subbasin (NASb or Subbasin) includes five GSAs that have worked cooperatively to develop this single GSP covering the 548 square-mile subbasin that includes portions of Placer, Sacramento, and Sutter counties. The GSAs include: Reclamation District 1001 (RD 1001) GSA; Sacramento Groundwater Authority (SGA) GSA; South Sutter Water District (SSWD) GSA; Sutter County GSA; and West Placer GSA.

SGMA requires certain information be included in every GSP. This includes, among other things, the subbasin setting, a hydrogeological conceptual model, a comprehensive water budget, a basin-wide monitoring network, sustainable management criteria, and projects and management actions necessary to ensure the Subbasin's sustainability. A summary of each of the primary NASb GSP sections is provided below.

ES 1 – Introduction

SGMA effectively prescribes four basic steps to the management process: 1) form a GSA; 2) develop and adopt a GSP; 3) implement the GSP to achieve a sustainability goal and avoid undesirable results within 20 years; and 4) report the implementation activities to DWR to document whether progress towards the sustainability goal and the avoidance of undesirable results are being achieved.

Ultimately, five GSAs were formed to manage groundwater in the NASb, completing Step 1. Figure ES-1 shows the location of the Subbasin and the GSAs. This GSP and adoption by each GSA will complete Step 2. The GSP will be assessed every 5 years as additional information becomes available. Steps 3 and 4 will be implemented over the next 20 years.

The NASb is bounded by four adjacent subbasins. Figure ES-1 shows the location of the NASb along with the adjacent subbasin names and locations. The NASb is closely coordinating with these subbasins.

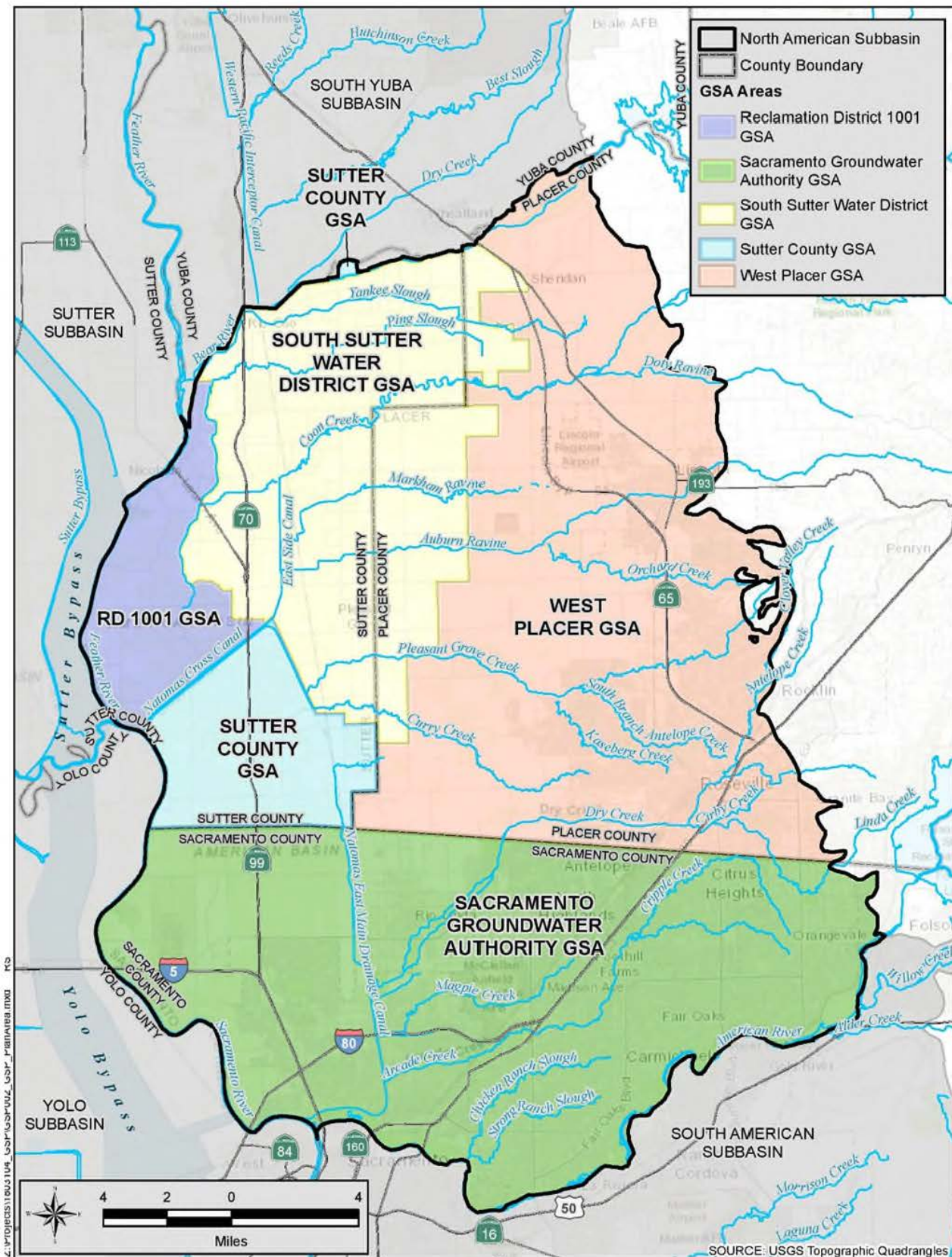


Figure ES-1. North American Subbasin, GSAs and Adjacent Subbasins

ES 2 – Agency Information

The five GSAs, by mutual agreement, selected the SGA GSA to be the Plan manager and lead agency for the preparation and implementation of the NASb GSP. The GSAs have entered into a Memorandum of Agreement (MOA) for the implementation of this GSP, which includes monitoring and reporting in the Subbasin along with projects and management actions.

ES 3 – Plan Area

The NASb encompasses about 342,000 acres in Sutter, Placer, and Sacramento counties and is bounded by the American, Bear, Feather, and Sacramento rivers. The Sierra Nevada foothills form the eastern boundary of the Subbasin. The NASb is about 40 percent urban, 30 percent farmland (mostly in Placer and Sutter counties), and less than 1 percent riparian vegetation. About 30 percent of the land is either native vegetation or fallowed farmland that could not be fully characterized. Most of the urban area is in Sacramento County and the southeastern portion of Placer County. Currently, the NASb has about 16,900 acres of habitat conservation preserves and easements, of which about 1,700 acres is riparian habitat. Figure ES-2 shows the general locations of these water use sectors.

Within the NASb, there are federal, state, county, and tribal agencies with land use jurisdiction. Within Placer and Sacramento counties, there are 20 water agencies, water districts, city/county water departments and water wholesalers that provide water to residents in the cities and towns. There are also over 40 small community water and non-community non-transient water systems, that are overseen by the counties and the state, whose water supply is from groundwater. Irrigation districts are also present that provide surface water for agriculture. Within many of the irrigation districts and cities are reclamation districts that are responsible for managing and maintaining the levees, freshwater channels, or sloughs, canals, pumps, and other flood protection structures in the area.

Surface water is available to most areas of the Subbasin and is supplemented with groundwater. There are about 3,800 water supply wells present in the Subbasin (about 2,600 domestic, 800 agricultural, 400 municipal and industrial wells).

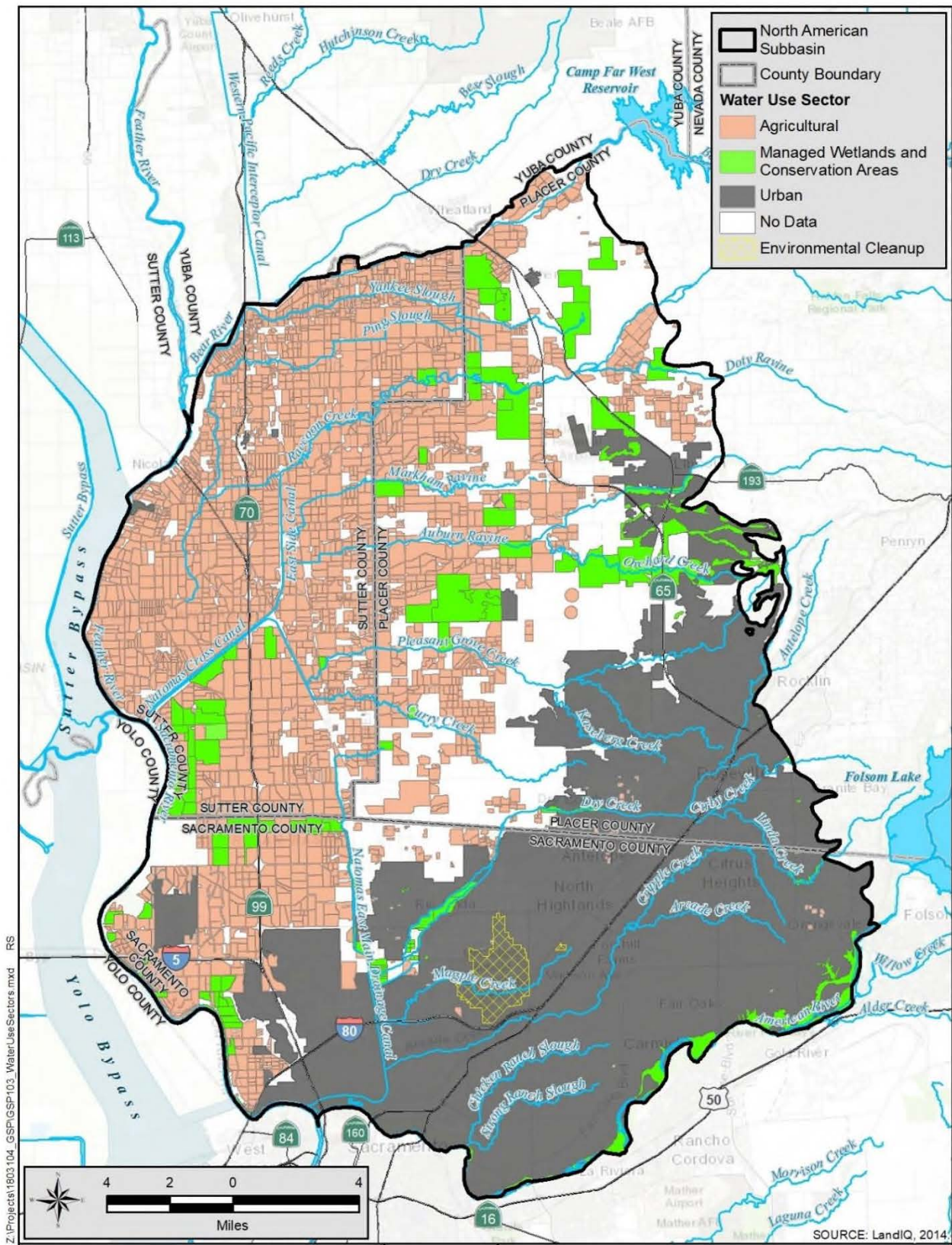


Figure ES-2. Water Use Sectors

ES 4 – Hydrogeologic Setting

The NASb is in the Sacramento Valley and is filled largely with sediments derived from the adjacent Sierra Nevada foothills, which contain fresh water. In general, these fresh-water bearing sediments beneath the NASb are thinnest to the east and thicken up to 2,000 feet to the west (see Figure ES-3). The sediments consist of alternating layers of clays, silts, sand and gravel. The sand and gravels layers into which wells are constructed are referred to as aquifers. These sand and gravel layers were deposited by meandering rivers and creeks, so they are not continuous across the entire Subbasin. Although the sediments are not present as continuous layers, they are interconnected. This was demonstrated by observing that groundwater levels in the various sand and gravel layers have similar levels and trends. Based on this information, the NASb is interpreted as having one principal aquifer.

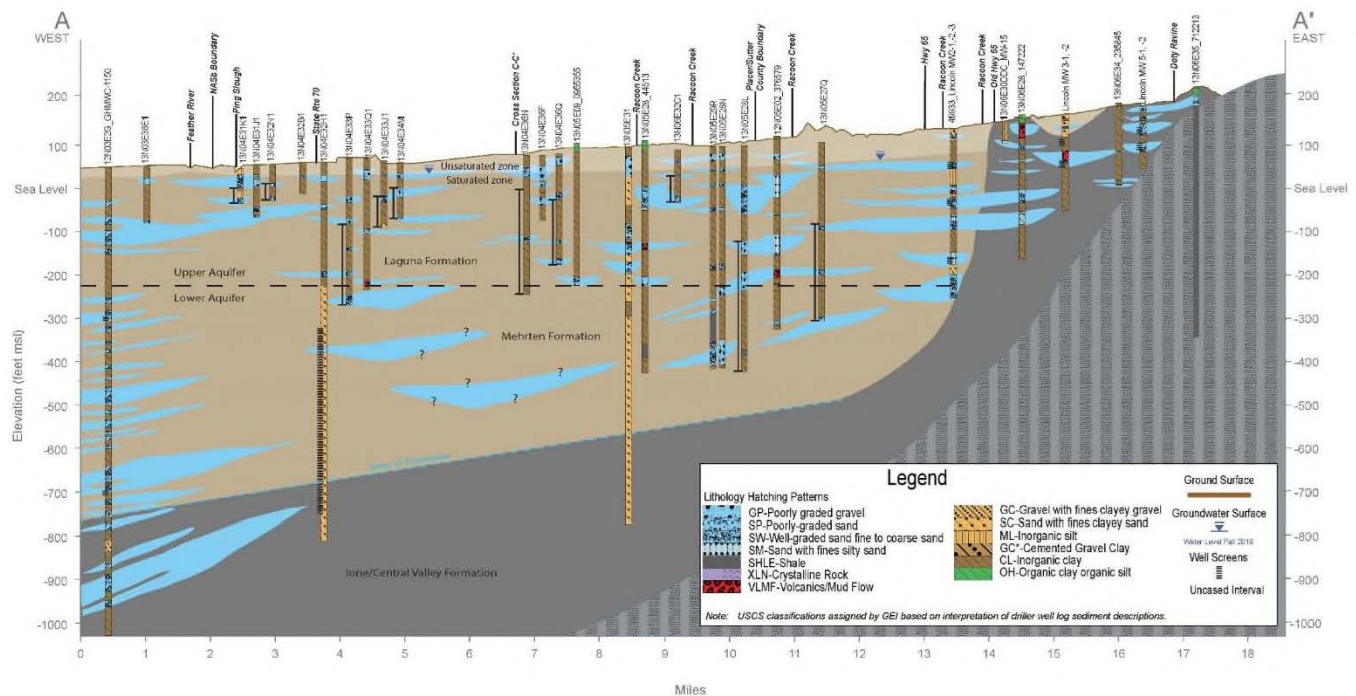


Figure ES-3. Geologic Section

Groundwater is recharged from throughout the surface of the Subbasin and from groundwater inflow from adjacent subbasins. No geologic sediments are impermeable, so some recharge occurs in all areas that are not covered by impermeable surfaces (such as asphalt or concrete). This is particularly important in agricultural areas where, even though there are low permeability soils, there are more than one hundred thousand acres of land that have applied or ponded water throughout the growing season, which results in large volumes of recharge to the Subbasin.

Groundwater discharge occurs along some of the creeks, canals, and rivers. The conditions may change seasonally from recharge to discharge conditions. These discharge areas are typically along the rivers and creeks as they represent topographic lows where the groundwater surface may intersect the ground surface.

ES 5 – Groundwater Conditions

Groundwater levels in the western portion of the Subbasin are generally stable through time dating back to early in the 20th century. Groundwater levels in the central part of the Subbasin showed long-term declines in the north-central portion until the mid-1960s and in the south-central portion until the mid-1990s, when conjunctive use programs arrested these declines and allowed groundwater levels to begin to recover. Groundwater levels in the eastern portion of the subbasin have been generally stable since the 1970s, but they do show declines during dry periods with recovery during wet periods.

The groundwater contours show a pumping depression in the center of the Subbasin that is currently about 30 feet below mean sea level. Groundwater flows radially toward this depression, from the fringes of the Subbasin toward the center. The depression has been stabilized, with groundwater levels generally declining during dry periods and recovering during wet periods.

Limited land subsidence due to groundwater pumping was documented up to the early 1990s, but there were no documented impacts associated with the subsidence. Since then, the subsidence has been negligible.

Areas with surface water that is interconnected with groundwater were identified along portions of the American, Bear, Feather, and Sacramento rivers, along with creeks primarily in the western part of the Subbasin.

Potential groundwater dependent ecosystems (GDEs) identified in the natural communities commonly associated with groundwater dataset were evaluated using groundwater levels and the types of vegetation to classify them as *Likely*, *Less Likely* or *Unlikely* GDEs. Classifications of the species types and diversity of vegetation were used to further prioritize these areas. In many cases, GDEs were identified along canals and natural waterways that are used to convey surface water to agricultural users. In some cases, GDEs were identified in areas that could be supported by groundwater, but it appears their primary source of supply is groundwater pumped from wells.

Generally, the quality of groundwater in the Subbasin is suitable for nearly all uses, with the exception of contamination plumes and localized, naturally-occurring and human-caused quality issues, which may affect the supply, beneficial uses, and potential management of groundwater in the Subbasin if not properly managed. Total dissolved solids (TDS) and nitrate were identified as constituents that represent general conditions in the Subbasin, with some wells displaying upward trends. Nitrate is below the drinking water standards for all wells in the Subbasin. TDS exceeds the drinking water standards in some wells, predominantly in the western and eastern portions of the Subbasin. The higher salinity concentrations are generally considered to be present due to natural sources.

In the NASb, there are a few large groundwater contamination sites and multiple smaller sites that could affect supply and beneficial uses of groundwater in the Subbasin. The most significant of these sites are the former McClellan AFB and the Aerojet Superfund Site (outside of the Subbasin). Cleanup activities, as overseen by U.S. Environmental Protection Agency, SWRCB, and the California Department of Toxic Substances Control, have been in progress for years and contaminants appear to be contained. SGA and interested water agencies meet with regulators on a quarterly basis to discuss the plumes' containment and how groundwater management activities may affect the remediation.

ES 6 – Water Budgets

Water budgets were created utilizing the Cosumnes-South American-North American (CoSANA) model, a fully integrated surface and groundwater numerical flow model that covers the entire NASb as well as the adjacent South American and the Cosumnes subbasins. CoSANA integrates the groundwater aquifer with the surface hydrologic system and land surface processes and operations. CoSANA was used to perform analyses of hydrogeologic conditions, agricultural and urban water demands, agricultural and urban water supplies and an evaluation of current and projected future regional conditions, including climate change, for the NASb. Because the model is integrated with the adjacent subbasins to the south, future projected conditions, along with climate change and projects, were assessed for the entire region.

The water budget for current conditions in the NASb showed the Subbasin has a current surplus of water, which was confirmed by groundwater levels rising in the central portions of the Subbasin. This surplus continues into the future, but in lesser amounts. The future conditions modeling included planned new developments, along with changes in agriculture and projected changes in water supply. When the future conditions were modeled with a central tendency climate change scenario, the Subbasin has an estimated future deficit of about 3,500 acre-feet per year. Table ES-1 shows the average annual estimated change in groundwater storage under each of these conditions.

Table ES-1. Estimated groundwater change in storage

Model Baseline Condition	Average Annual Groundwater Storage Change (acre-feet)
Historical (water years 2009 through 2018)	31,900
Current (water years 1970 through 2019)	14,900
Projected Future Demands over 50 years (using 1970 through 2019 hydrology)	5,400
Projected Future Demands over 50 years with Climate Change (using 1970 through 2019 hydrology)	-3,500

ES 7 – Monitoring Networks

Groundwater levels and water quality are currently being monitored by the GSAs, local agencies, counties, DWR and federal entities in over 160 wells, not including those present near contamination sites. Representative monitoring wells were selected from this larger network that are spatially distributed, actively being monitored, and have construction details to prove which portion of the aquifer they are monitoring. A total of 41 representative monitoring wells for groundwater levels (to monitor for chronic lowering of groundwater levels, reduction of storage, the potential for subsidence, and surface water depletion) were selected. The monitoring locations were developed to protect beneficial uses and users including, domestic well owners, GDEs and interconnected surface water.

Separate representative groundwater quality monitoring networks were developed. Sixteen shallow groundwater monitoring wells were selected to monitor water quality in the shallow portions of the aquifer in areas that are used by domestic well owners. The deeper portions of the aquifer, commonly used by public water systems, will be monitored by over 200 public supply wells that are required to monitor and report the analyses to state agencies.

There are instances of poorer water quality along the westerly and eastern edges of the Subbasin, so a separate sentry well monitoring network was developed to track the potential movement of these waters into the Subbasin. This sentry well network is not designated as being representative monitoring wells where minimum thresholds and measurable objectives would have been established.

ES 8 – Sustainable Management Criteria (SMC)

The NASb sustainability goal is to:

Manage groundwater resources sustainably for beneficial uses and users to support the lasting health of the Subbasin's community, economy, and environment. This will be achieved through:

- *The monitoring and management of established SMC;*
- *Continued expansion of conjunctive management of groundwater and surface water;*
- *Proactively working with local well permitting and land use planning agencies on effective groundwater policies and practices;*
- *Continued GSA coordination and stakeholder engagement; and*
- *Continued improvement of our understanding of the Subbasin.*

Undesirable results, minimum thresholds, and measurable objectives were developed for five of the six SGMA sustainability indicators: chronic lowering of groundwater levels, reduction of storage, land subsidence, degradation of water quality, and surface water depletion. Seawater intrusion has not occurred in the past and is unlikely to occur in the future and, therefore, sustainability criteria were not established for this sustainability indicator. As allowed under SGMA, the NASb uses groundwater elevations as a proxy for minimum thresholds and measurable objectives for its applicable sustainability indicators, with the exception of degradation of water quality. Undesirable results are summarized in Table ES-2 below.

Table ES-2. NASb undesirable results

Sustainability Indicator	Undesirable Result Definition
Chronic lowering of groundwater levels	<i>20% or more of all NASb representative monitoring sites have minimum threshold exceedances for 2 consecutive Fall measurements (8 out of 41 wells)</i>
Reduction of storage	<i>20% or more of all NASb representative monitoring sites have minimum threshold exceedances for 2 consecutive Fall measurements (8 out of 41 wells)</i>
Degraded groundwater quality	<p>For public water system wells</p> <ul style="list-style-type: none"> • <i>The basin wide average total dissolved solids (TDS) concentrations of <u>all</u> public water system wells exceeds 400 mg/l</i> <p style="text-align: center;"><i>OR</i></p> <ul style="list-style-type: none"> • <i>The basin wide average nitrate (as N) concentration of <u>all</u> public water system wells exceeds 8 mg/l</i> <p>For the shallow aquifer (i.e. domestic and self-supplied) wells</p> <ul style="list-style-type: none"> • <i>25% of the representative monitoring sites' (RMS) total dissolved solids (TDS) and nitrate (as N) concentrations exceed state maximum contaminant levels (MCLs)</i>
Land Subsidence	<i>The rate of inelastic subsidence exceeds 0.5 feet over a five-year period over an area covering approximately five or more square miles</i>
Depletion of surface water	<i>20% or more of the NASb interconnected surface water (ISW) representative monitoring sites (RMSs) have minimum threshold exceedances for 2 consecutive Fall measurements (5 out of 21)</i>

ES 9 – Projects and Management Actions

Because the water budget estimated that the Subbasin may be about 3,500 AFY in deficit with future demands and with climate change, the NASb evaluated a conjunctive use project that can resolve the deficit and has a net benefit of reducing groundwater pumping by 5,000 AFY. The project uses, for the most part, existing infrastructure, so project costs are minimal and are to be funded by the public water suppliers participating in the program.

A second planned project will make improve flood protection and habitat for aquatic species in the Natomas Cross Canal. As part of the continued water resources management of the NASb, six supplemental projects that are in the conceptual or planning level stages are also identified in the event projected conditions are worse than expected.

Five management actions are identified. The first management action is to continue development of the Sacramento Regional Water Bank, which will expand conjunctive use to further ensure basin sustainability. The second action is to explore potential revisions to Placer, Sacramento, and Sutter

counties' and the City of Roseville's well permitting programs to assess whether the permitting ordinances can be improved to be more protective of domestic wells, GDEs and interconnected surface water, along with reducing potential impacts to designated representative wells. The third action is to proactively coordinate with land use agencies on their development of plans and approvals of new developments, to improve communications with the agencies and inform them of findings of this GSP, annual report findings, and whether groundwater can be relied upon for future growth without causing undesirable results. The fourth action will improve data collection and communication with domestic and other shallow well owners to protect these beneficial users of groundwater in the NASb. The fifth action will continue monitoring and assessment of the NASb's GDEs to better understand these ecosystems to help protect them.

ES 10 – Plan Implementation

The NASb GSAs estimate a budget of \$1.15 million over the next five years for monitoring, reporting, GSP assessment and update, data management, coordination, outreach, and management actions. The budget also includes a 20 percent contingency for unanticipated expenses. The GSAs have also identified a funding plan in an MOA for GSP implementation. The budget does not include estimates of the costs for conjunctive use or development of the Sacramento Regional Water Bank, which already have funding through individual participating agencies. The budget also does not include the value of the in-kind time being provided by the participating GSAs.

The GSP identifies 28 specific implementation actions with associated schedules, where applicable. These actions are organized into the following categories: monitoring; data management; data analysis; coordination and outreach; and other management activities.

ES 11 – Notice and Communications

The GSAs reached out to the public by developing a website (nasbgroundwater.org) and a list of more than 300 interested parties. The GSAs sought input from small community water systems by notifying them through direct mailer post cards. The GSAs developed informational materials and held over 40 public meetings (both at board and city councils and monthly technical committee meetings) and four NASb-wide public workshops.

The public had opportunities to comment directly on this GSP during releases of draft chapters, through workshops and on the Public Draft GSP. If a comment was specific to an individual section of the GSP, the GSP text was revised. General comments that raised substantial technical or policy issues may have resulted in changes to multiple GSP sections. Comments that were general in nature or that did not raise substantial issues were noted, but no changes were made. The GSAs plan to continue public outreach and stakeholder engagement through the GSP implementation phase through various activities, including an annual public meeting to release the results of the Annual Report and the status of projects and management actions.



Agenda Item: 24

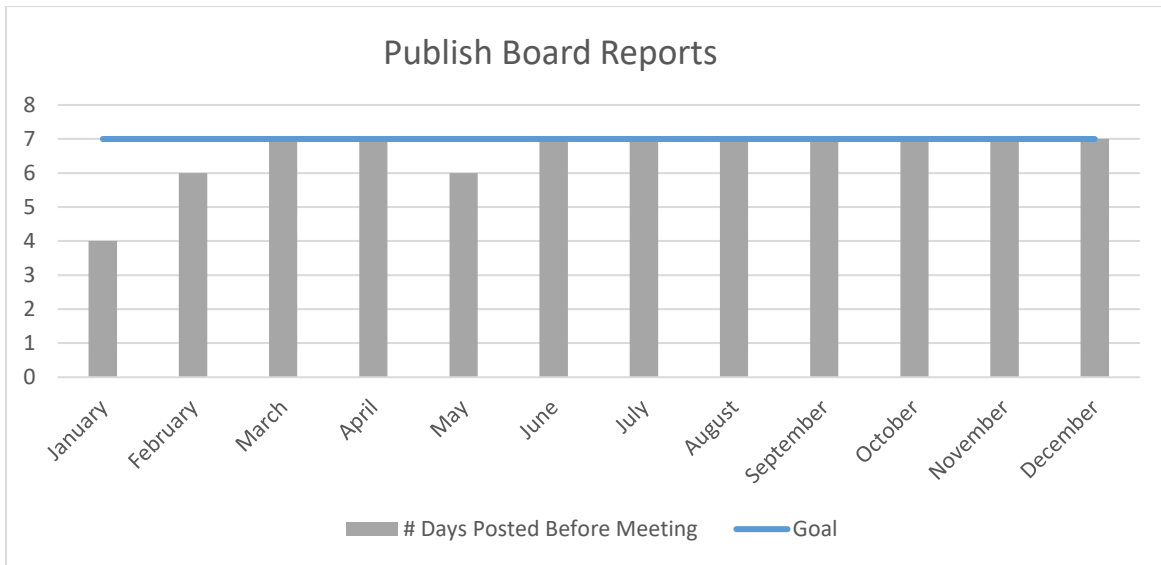
Date: December 20, 2021

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. A monthly update on the status of each goal is provided below, in no priority order:

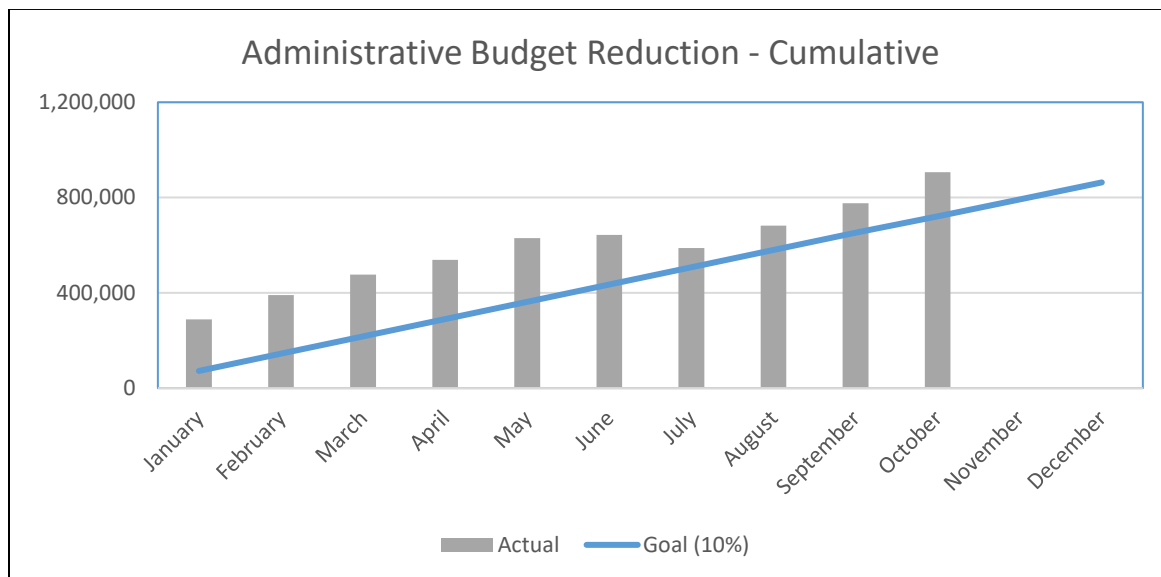
1. Distribute and post the full Board agenda one week prior to a Regular/Special Board meeting. Status: See the graph below. The January Board packet was complete and ready to post one week in advance, however, it was not posted due to the General Manager and Board President finalizing the General Manager’s 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 15th 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 11th as the Governor’s Drought Declaration was not announced until late Monday, May 10th. The March, April, June, July, August, September, October, November, and December packets were completed on time.



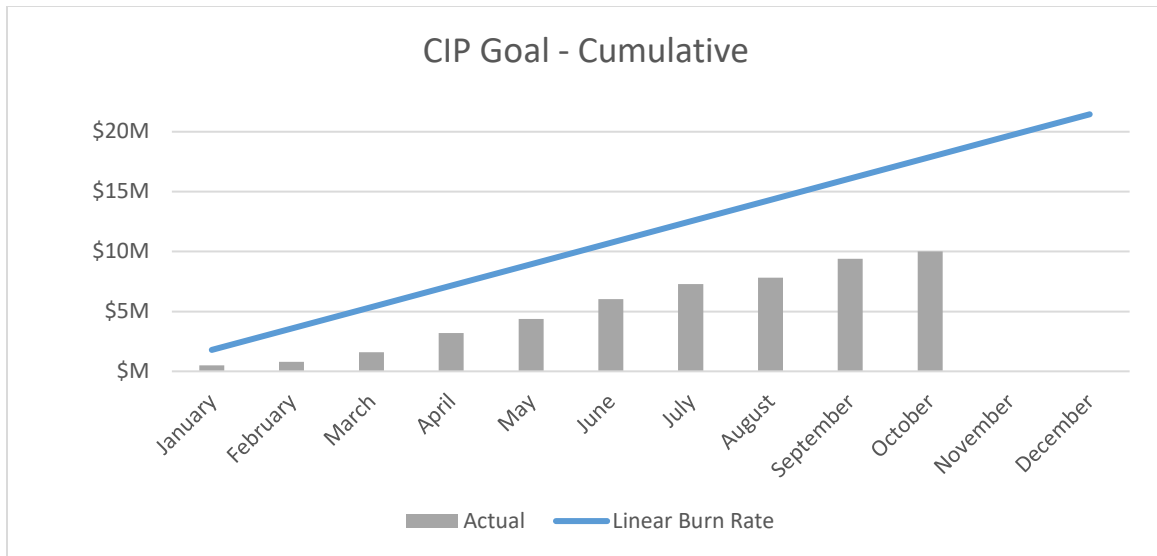
2. Meet with the Board in March 2021, and January thereafter, for an annual and long-term (5-10 year) planning session, which will include goals from the Strategic Plan. Status: The subject planning session was presented at the March 15th regular Board meeting. Staff is

planning on presenting the long-term goals along with the State of the District at the December 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 began utilizing a new process beginning at the May 17th 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 October cumulative data shows a 13% reduction year to date.



5. The 2022 budget shall include a full explanation of the proposed percentage for merit increases. Status: Staff provided the analysis to the Board at the August 2021 regular Board meeting as part of the discussion on Calendar Year 2022 Budget Assumptions. The Board approved the merit increase for CY2022 by approving the CY2022 Budget at the October 18, 2021 regular Board meeting.
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 October 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 October 2021, \$10.0 million has been spent with \$7.08 million under commitment, which together is approximately 80% of the budget. While this progress is within historical ranges, this year (as last) continues to see unusual delay in parts and materials availability beyond staff’s control that impact project schedules.

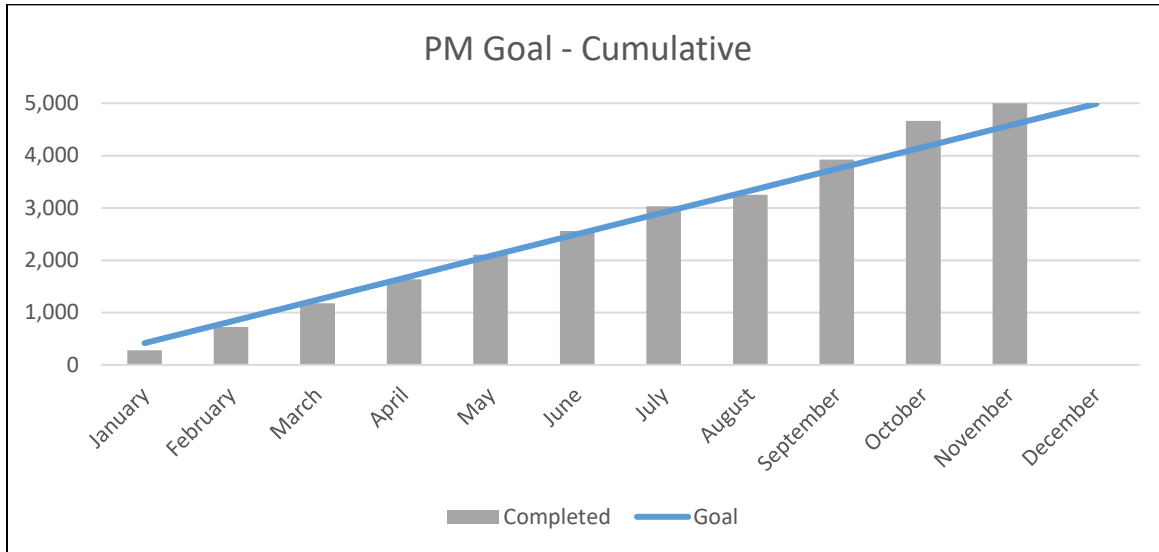


7. Complete the SCADA Asset Management Plan update by July 2021. Status: The SCADA Asset Management Plan update was completed in July 2021.

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. Construction of the groundwater well is expected to be completed this year. The pump station is anticipated to be operational in 2022.
- 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. As reported here previously, acquisition of this site will require securing an approved parcel map through Sacramento County before a purchase can take place and this could take about 9 months. As such, acquisition is not anticipated to be completed until mid- to late-2022. Staff anticipates entering escrow this year.
- 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 entering escrow this year, and completing the purchase either late this year or early next 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 November 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: 25

Date: December 20, 2021

Subject: Biannual Groundwater Level Report

Staff Contact: Todd Artrip, Operations Manager

Background

Groundwater level monitoring provides useful information to evaluate aquifer conditions and manage local groundwater supplies. A properly-managed groundwater basin helps ensure a reliable and sustainable water supply and helps prevent the adverse effects of overdraft. Throughout the history of the District, investments in a Conjunctive Use Program have had a significant effect on bolstering groundwater supplies in the region. By supplementing supplies with surface water when it is available during wetter years, groundwater pumping can be reduced, thereby allowing for more aquifer recharge.

Monitoring and Trends

Groundwater levels are monitored in spring and fall of each year due to seasonal variation. In general, the summer season is associated with higher water demands and reduced aquifer recharge due to lower precipitation, resulting in deeper groundwater levels in the fall season. Conversely, the winter season is generally associated with lower water demands and increased aquifer recharge due to higher precipitation, resulting in shallower groundwater levels in the spring season.

Despite seasonal variation, groundwater level trends can be observed by comparing data over multiple years. Since 2003, there has been an overall upward trend of aquifer recovery, which has been significantly aided by the District's Conjunctive Use Program. During this time, the District has banked in excess of 230,000 acre feet of groundwater for supply reliability, which is exhibited by the general trend of rising groundwater levels.

However, aquifer recovery can be impacted by changes in groundwater pumping and recharge conditions, so on-going monitoring and management is essential. For example, the District participated in regional water transfers by supplying groundwater from the South Service Area (SSA) in 2018 and 2020. Post-transfer aquifer recovery since November 2020 has been impeded by dry hydrologic conditions with limited access to surface water. The District has not received surface water in the SSA since February 2020 due to dry conditions in 2020 and 2021. Surface water supplies in the North Service Area (NSA) have been reduced below the volume typically available to the District.

As part of the agreement for the 2020 Water Transfer, the City of Sacramento (City) will provide the same amount of surface water as the SSA groundwater the District delivered to the City. The District provided approximately 6,600 acre-feet to the City during the aforementioned transfer.

Therefore, when surface water is available to the City, they will provide water to the SSA at no cost to the District.

Biannual Data Update

The data and charts included as attachments to this report provide a summary of static (non-pumping) groundwater level measurements collected at the District's monitored sources. With the reduced availability of surface water combined with notably dry conditions and an increase in customer demands over the last two years, the local groundwater basin has shown a decline in average spring 2021 static groundwater levels since last year. Seasonal demands in the summer of 2021 brought fall groundwater levels down further.

In the NSA and SSA, fall average static water levels were similar to the levels observed during drought conditions in 2014. Fall 2021 NSA groundwater levels showed a notably greater decline than in the SSA. This discrepancy between the two service areas may be attributed to differences in customer demands or hydrogeologic differences due to their relative locations within the basin. Due to surface water supply limitations in Folsom Lake, NSA customers were primarily supplied with groundwater throughout the summer of 2021. In the SSA, groundwater level recovery after the 2020 water transfer has been impeded by drought conditions and lack of surface water availability.

The Sacramento Groundwater Authority (SGA) reports similar observations on a regional scale. Based on monthly data collected throughout the region, Rob Swartz, Manager of Technical Services at the SGA, observed that this year's regional groundwater levels were generally at their highest in February to March timeframe and had already begun declining by April. This represents an earlier peak than typical years and also an earlier start of the annual drawdown from pumping. Mr. Swartz considers that this trend is likely associated with dry hydrologic conditions, this year's limited access to surface water supplies for agencies that practice conjunctive use, and 2021 customer demands that both began earlier in the year and were greater than in 2020. Mr. Swartz noted that the fall 2021 groundwater levels in other parts of the SGA area are near or slightly below those observed in fall 2014. This finding is consistent with the groundwater conditions experienced by the District this year.

Summary

1. District-Wide: While the groundwater levels District-wide continue to indicate an overall trend toward a replenishment of the aquifer over the past 18 years, recent water levels are indicative of drought conditions (Attachment 2).
2. SSA: The average fall 2021 static water level declined by 1.3 feet from last year.
3. NSA: The average fall 2021 static water level declined by 6.3 feet from last year.

Attachments

1. Biannual Static Groundwater Level Measurements
2. Average Biannual Static Groundwater Levels

Biannual Static Groundwater Level Measurements



Attachment 1

North Service Area Biannual Static Groundwater Level Measurements

(Depth to Groundwater, feet)

Well Name	Well #	Oct 2016	Apr 2017	Oct 2017	Apr 2018	Oct 2018	Apr 2019	Oct 2019	Apr 2020	Oct 2020	Apr 2021	Oct 2021
Melrose / Channing	27	124	114	124	116	123	112	114	115	119	115	127
Watt / Elkhorn	31A	118	110	116	111	118	108	110	109	115	109	121
La Cienega / Melrose	34	124	115	N/A	117	124	113	115	115	120	115	127
Thomas / Elkhorn	39	134	N/A	N/A	127	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Weddigen / Gothberg	52	140	130	139	133	141	132	139	129	135	130	145
Fairbairn / Karl	56A	124	116	125	116	124	112	116	115	121	117	128
32nd Street / Elkhorn	58	114	108	113	107	114	103	106	N/A	110	N/A	N/A
Bainbridge / Holmes School	59A	157	149	161	150	154	146	147	146	152	148	162
Galbraith / Antelope Woods	64	140	131	138	134	135	128	131	130	136	134	143
McClellan Park	MC10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capehart 1C	MC-C1	116	110	111	110	111	105	109	N/A	N/A	N/A	N/A
Capehart 3C	MC-C3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	117	116	120
Evergreen	N1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA	N/A	N/A
Engle	N3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	134	135	133
Hillsdale	N5	169	162	171	163	164	157	159	160	166	161	177
Palm	N6A	N/A	N/A	N/A	N/A	N/A	N/A	116	114	123	116	127
Rosebud	N7	116	113	118	114	120	109	114	112	119	114	124
Field	N8	N/A	N/A	129	125	126	126	125	123	131	125	136
Cameron	N9	122	121	129	122	128	114	120	118	127	122	131
Walnut	N10	149	N/A	148	N/A	N/A	N/A	140	139	146	142	153
St.John	N12	136	134	141	135	140	133	136	131	141	137	145
Orange Grove	N14	115	115	120	103	120	117	114	113	125	119	125
Cabana	N15	130	127	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oakdale	N17	117	115	121	112	126	113	114	113	121	120	127
Cypress	N20	133	132	131	131	131	N/A	131	129	139	134	140
River College	N22	123	119	126	120	126	117	119	122	126	125	131
Freeway	N23A	124	124	130	135	136	121	123	122	130	126	136
Don Julio	N24	170	162	162	162	167	155	158	167	163	159	176
Sutter	N25	N/A	N/A	N/A	N/A	N/A	142	N/A	N/A	N/A	N/A	N/A
Monument	N26	202	190	193	195	196	186	189	191	193	191	206
Jamestown	N27	138	136	137	137	138	135	137	137	142	140	148
Merrihill	N29	137	134	137	134	141	132	136	133	140	137	143
Parkoaks	N30	132	131	129	134	136	129	134	131	138	135	142
Barrett Meadows	N31	154	152	156	151	156	145	152	150	156	154	163
Poker	N32A	172	164	166	165	N/A	158	162	161	169	161	173
Poker	N32B	171	162	166	165	166	167	162	160	169	161	173
Poker	N32C	169	164	164	N/A	N/A	160	162	158	167	162	179
Walerga	N33	168	160	162	161	164	155	158	N/A	157	157	171
Cottage	N34	N/A	N/A	N/A	N/A	N/A	N/A	139	137	145	141	152
North Antelope	N35	150	146	145	146	146	139	142	142	150	143	153
Verner	N36	153	151	153	N/A	N/A	N/A	151	149	160	152	165
Coyle	N38	148	N/A	151	148	147	148	N/A	N/A	N/A	N/A	N/A
Rutland	N39	145	141	147	145	145	140	146	145	150	148	158
Average Static Water Level		141	136	141	135	139	133	135	135	140	137	147

Fall Average 2016 - 2021:

141

Spring Average 2016 - 2021:

135

Overall Average 2016 - 2021:

138

Updated: December 7, 2021

Note: Groundwater level averages may be affected by variability regarding which sources are available for monitoring during each respective timeframe. The year-to-year changes presented in the summary of the Biannual Groundwater Level Report were calculated based on sources with data available for both months, for proper comparison.

Biannual Static Groundwater Level Measurements



Attachment 1

South Service Area Biannual Static Groundwater Level Measurements

(Depth to Groundwater, feet)

Well Name	Well #	Oct 2016	Apr 2017	Oct 2017	Apr 2018	Oct 2018	Apr 2019	Oct 2019	Apr 2020	Oct 2020	Apr 2021	Oct 2021
El Prado / Park Estates	2A	N/A	88	95	90	86	89	86	86	98	95	100
Kubel / Armstrong	3A	76	70	75	73	78	72	72	70	79	74	82
Bell / Marconi	4B	99	90	101	92	99	91	91	89	101	96	103
Bell / El Camino	5	91	87	92	89	92	88	93	86	97	90	97
Ravenwood / Eastern	9	108	101	105	101	109	102	103	97	109	104	112
Hernando / Santa Anita Park	12	79	75	82	77	81	76	80	75	83	80	85
Calderwood / Marconi	13	94	84	90	94	100	94	95	91	104	98	102
Marconi South / Fulton	14	98	93	98	95	100	94	99	93	102	N/A	N/A
Riding Club / Ladino	18	99	88	96	90	N/A	90	92	87	103	95	102
Watt / Arden	20A	105	97	104	100	108	100	102	98	115	106	115
West / Becerra	22	117	N/A	121	112	121	111	112	N/A	121	N/A	N/A
Marconi North / Fulton	23	93	95	96	92	99	92	93	92	102	N/A	N/A
Beccerra / Woodcrest	24	111	104	110	105	111	104	104	100	116	108	113
Thor / Mercury	25	111	102	110	102	116	106	105	102	118	108	113
Greenwood / Marconi	26	123	116	121	114	127	120	N/A	117	N/A	125	128
Red Robin / Darwin	28	102	98	102	99	102	98	98	96	104	99	105
Rockbridge / Keith	30	66	61	68	65	69	64	66	62	70	65	70
Eden / Root	32A	121	116	120	112	N/A	118	117	113	125	116	125
Auburn / Norris	33A	105	100	108	102	106	101	100	99	113	103	112
Ulysses / Mercury	35	107	99	104	99	109	101	101	98	113	104	110
Morse / Cottage Park	37	78	71	79	73	78	73	75	72	76	77	83
Watt / Auburn	38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Auburn Yard	40	110	111	113	112	N/A	111	97	N/A	N/A	N/A	N/A
Auburn Yard	40A	104	102	104	100	108	99	100	97	101	105	113
Albatros / Iris	41	101	98.4	101.3	99	103	N/A	N/A	N/A	NA	N/A	N/A
Edison / Truax	43	93	87	94	88	92	87	86	86	97	91	96
Jamestown / Middleberry	45	65	58	67	65	69	63	65	62	67	N/A	N/A
Jonas / Sierra Mills	46	71	63	67	64	70	63	66	63	68	68	72
Copenhagen / Arden	47	119	109	112	110	117	109	109	106	118	112	121
Stewart / Lynndale	55A	140	130	96	89	99	87	90	89	103	93	99
Whitney / Concetta	60	98	86	132	125	133	126	126	121	135	127	136
Merrily / Annadale	65	114	112	121	114	N/A	110	N/A	N/A	NA	N/A	N/A
Eastern / Woodside Church	66	133	128	142	128	136	127	128	123	127	128	135
Northrop / Dornajo	68	51	42	50	46	50	46	49	46	51	50	54
Hilldale / Cooper	69	68	62	67	66	67	63	65	61	67	66	72
Sierra / Blackmer	70	48	39	48	44	50	43	49	43	48	47	51
Rodney T. Franz	71	74	64	74	69	74	65	67	65	80	71	76
River Walk / NETP	72	77	68	77	68	77	66	70	68	N/A	71	78
River Walk / NETP East	73	78	71	83	69	78	68	72	67	N/A	72	80
River Walk / NETP South	74	76	70	79	68	77	70	70	66	N/A	71	79
Enterprise / Northrop	75	56	48	57	48	57	50	50	51	56	55	59
Fulton / Fair Oaks	76	52	42	51	46	52	47	50	46	51	52	55
Larch / Northrop	77	76	69	76	70	N/A	69	73	69	80	75	79
Average Static Water Level		92	85	93	87	92	87	86	83	94	88	95

Fall Average 2016 - 2021:

92

Spring Average 2016 - 2021:

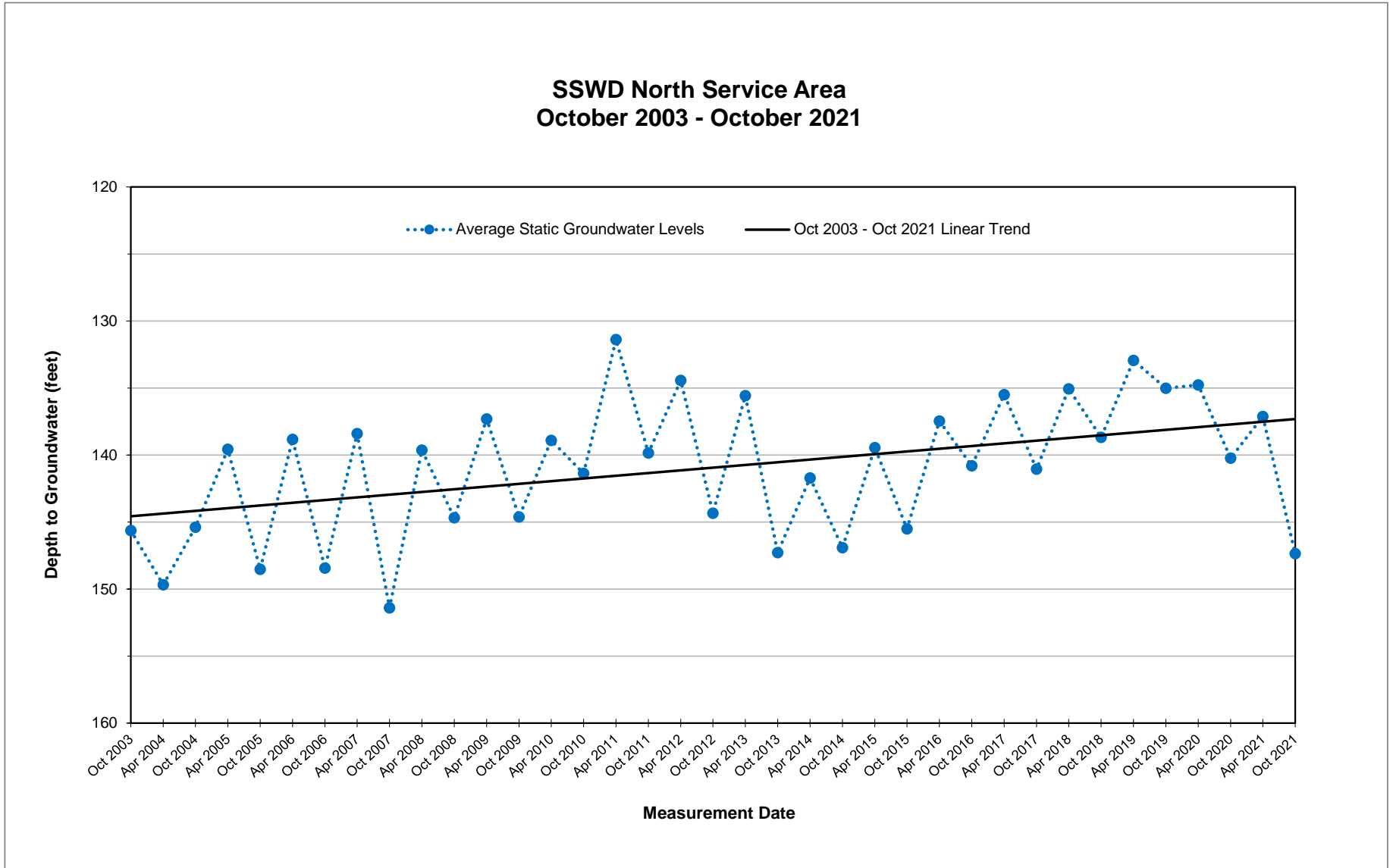
86

Overall Average 2016 - 2021:

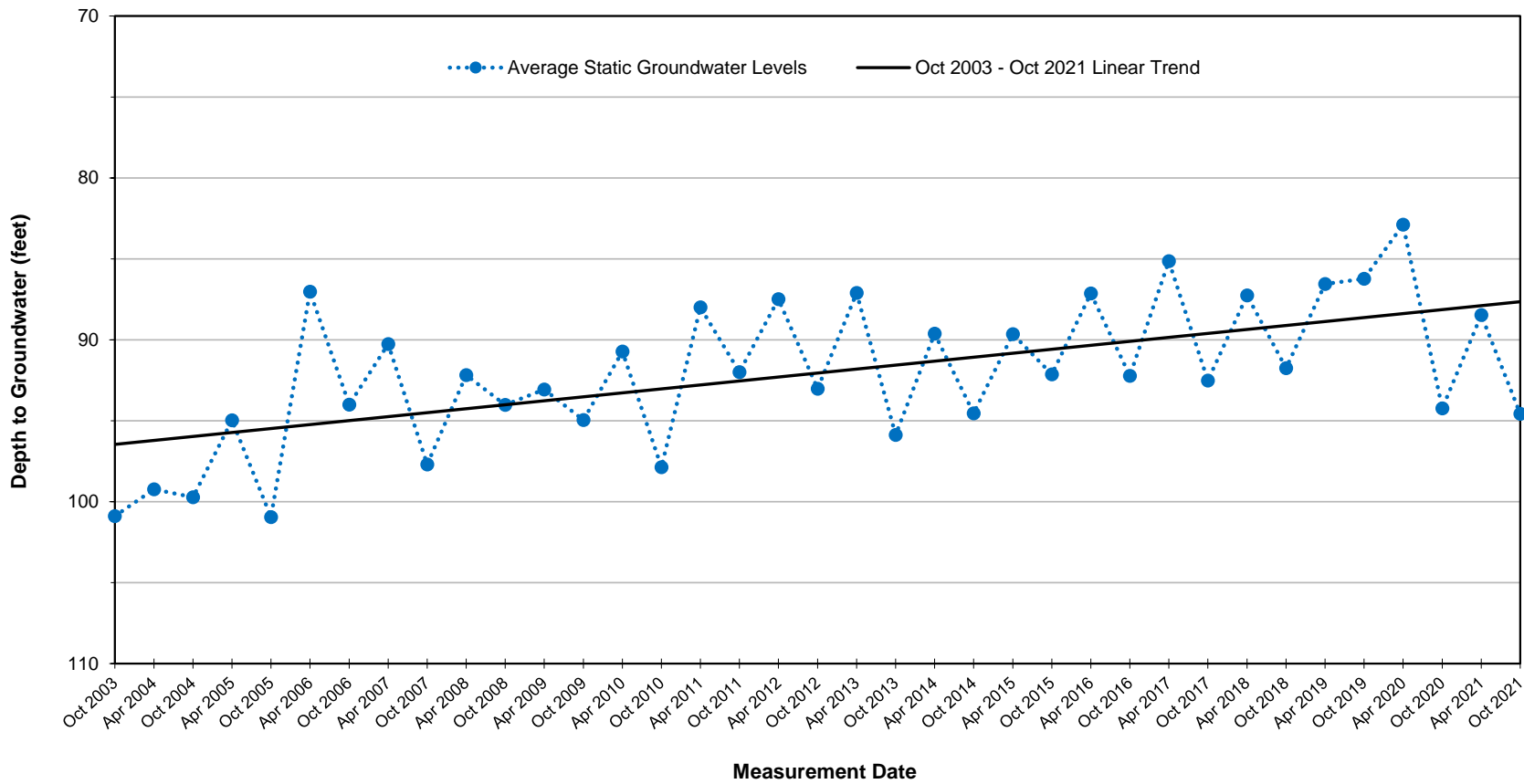
89

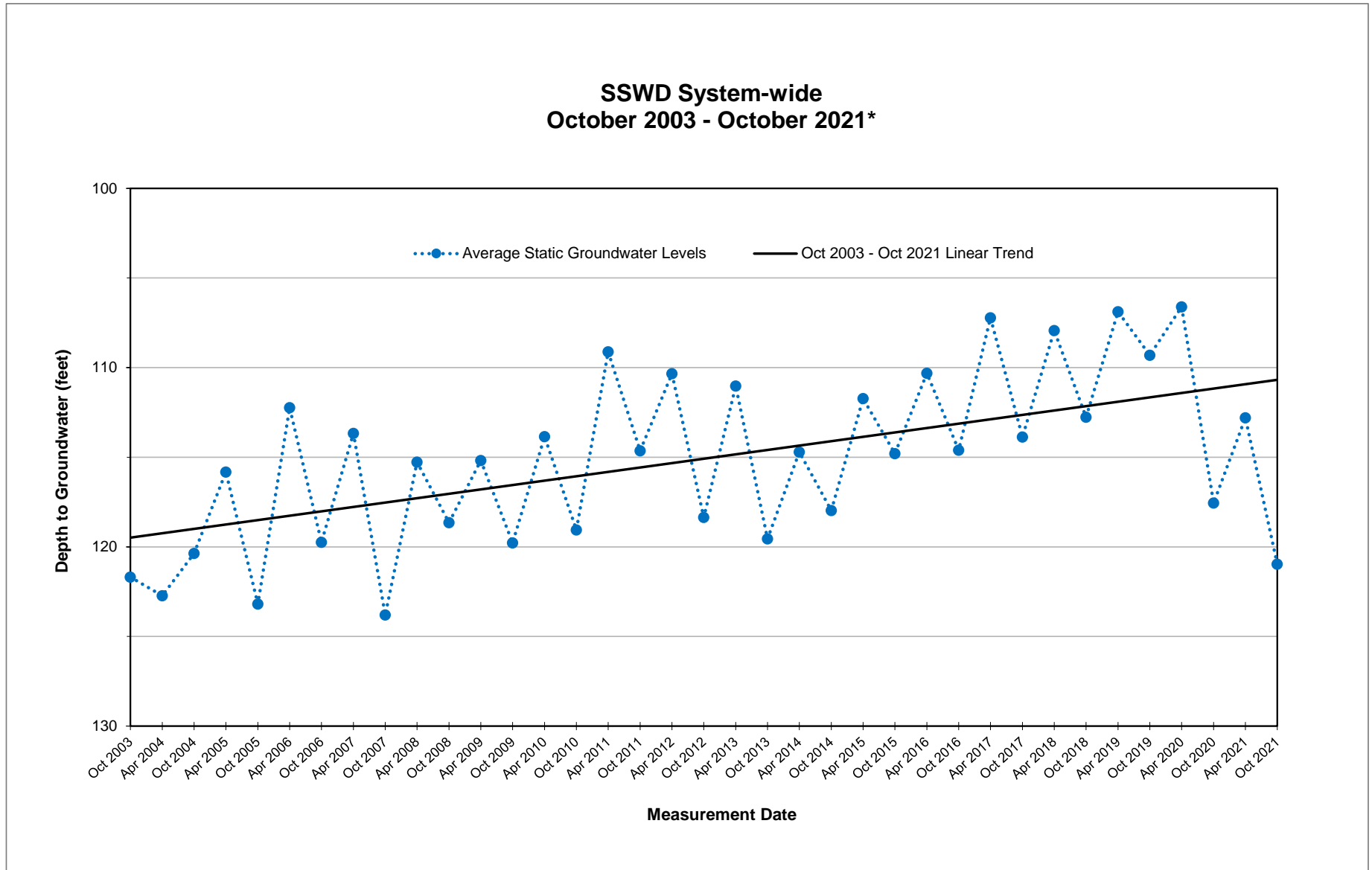
Updated: December 7, 2021

Note: Groundwater level averages may be affected by variability regarding which sources are available for monitoring during each respective timeframe. The year-to-year changes presented in the summary of the Biannual Groundwater Level Report were calculated based on sources with data available for both months, for proper comparison.



**SSWD South Service Area
October 2003 - October 2021**





*Graph represents data from a separate table (not depicted in Attachment 1) that contains the combined data from both the North Service Area and the South Service Area from October 2003 - October 2021.

From: Mark
Sent: Saturday, November 6, 2021 10:20 AM
To: David
Subject: Commendation of Work Well Done

Dear David,

I am the homeowner at XXXX Indian River Dr that suffered the greatest amount of inconvenience from hanging the 14” water main on the bridge over Arcade Creek. Our entire stretch of street was torn up as well as our sidewalk and part of the driveway.

I can only guess that most letters about construction projects are negative. I wanted to commend high praises to you and the Veerkamp construction team.

Jon was outstanding, friendly, accommodating while demonstrating competent leadership. We did hit a snag in part of the project that was upsetting, but Jon handled it professionally and made good on a remedy.

Scott, was very helpful in explaining the process, again was friendly, and instilled great confidence as to the purity of the water in the completion of the project.

Lupe, the “Swiss Army knife” the jack of all trades - always had a smile, proved to be so capable and competent also made every effort to help us in accommodating our parking needs (with 5 adults in the house it was quite a challenge).

The process was painful, but the crew and the quality of service and finished project was exemplary!

A+

Dr. Mark



Agenda Item: 27

Date: December 20, 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. CSDA Brown Act Refresher and Updates
January 18, 2022
Webinar
https://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx?_ga=2.158264698.1524248006.1639333515-1406367041.1622135411
2. CSDA – Board Member 201: The Brown Act and CA PRA
January 25, 2022
Virtual Workshop
https://members.csda.net/iMIS1/CSDA2/Shared_Content/Higher_Logic/HLEvents_Calendar.aspx?_ga=2.158264698.1524248006.1639333515-1406367041.1622135411
3. CA-NV AWWA Spring Conference
April 11-14, 2022
Anaheim, CA
https://www.ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849
4. Cap-to-Cap
April 30 – May 14, 2022
Washington DC
<https://metrochamber.org/cap22/>

Upcoming Water Industry Events

December 20, 2021

Page 2 of 3

5. ACWA 2022 Spring Conference & Exhibition
May 3, 2022 – May 6, 2022
Sacramento, CA
<https://www.acwa.com/events/page/3/>
6. CA-NV AWWA Annual Fall Conference
October 24-26, 2022
Sacramento, CA
https://www.ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849
7. 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 3rd Tuesday of the month at 6:00 p.m.
- Citrus Heights Water District: <http://chwd.org/> - Every 3rd Wednesday of the month at 6:30 p.m.
- Del Paso Manor Water District: <https://www.delpasomanorwd.org/> (916)487-0419 - Every 1st Tuesday of the month at 6:30 p.m.
- El Dorado County Water Agency - <http://www.edlafco.us/> - Every 2nd Wednesday of the month at 10:00 a.m.
- El Dorado Irrigation District - <http://www.eid.org/> - Every 2nd and 4th Mondays of the month at 9:00 a.m.
- Fair Oaks Water District: <http://www.fowd.com/> - Every 2nd Monday of the month at 6:30 p.m.
- Natomas Mutual Water Company - <http://natomaswater.com/> - Every 2nd Tuesday of the month at 9:00 a.m.
- Orangevale Water Company - <https://orangevalewater.com/> - Every 1st Tuesday of the month at 4:00 p.m.
- Placer County Water Agency: <https://pcwa.net/> - Every 1st and 3rd Thursdays of the month at 2:00 p.m.

Upcoming Water Industry Events

December 20, 2021

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- Rio Linda/Elverta Community WD: <http://www.rlecwd.com/> - Every 3rd Monday of the month at 6:30 p.m.
- San Juan Water District: <http://www.sjwd.org/> - Every 4th Wednesday of the month at 6:00 p.m.



Agenda Item: 28 a.

Date: December 20, 2021

Subject: Upcoming Policy Review – Capital Asset Policy (PL – Fin 002)

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

Summary:

Capital Asset Policy (PL – Fin 002) (Policy) is scheduled for its biennial review. The Policy was adopted by the Board on November 17, 2003, and was last reviewed by the Board on December 16, 2019.

Staff are recommending only one minor change to the Policy to be in alignment with Governmental Accounting Standards Board (GASB) standards.

The Policy is scheduled for Board review and approval at the January 24, 2022, regular Board meeting. If a Director desires to comment on the Policy, staff requests that they do so by January 3, 2022. If no comment is received, this Policy will be placed as a Consent Item on the January 24, 2022, regular Board meeting agenda.

Background:

This Policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

Discussion:

Staff is recommending one Policy change based upon review of GASB Implementation Guide No. 2021-1. The change is summarized below:

1. **Section 200.20 Capitalization Thresholds:** Capitalization requirements for capital assets that are significant in the aggregate. GASB original guidance stated that it “may” be appropriate for a government to establish a capitalization policy that would require capitalization of certain types of assets with individual acquisition costs that are less than the threshold for an individual asset. This guidance also noted that computers, classroom furniture, and library books are common assets that may not meet the capitalization policy on an individual basis but might be considered material collectively.

GASB’s new guidance states that a government “should” capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant.

Capital Asset Policy (PL – Fin 002)

December 20, 2021

Page 2 of 2

Both a redlined version (Attachment 1) and a clean version (Attachment 2) of the updated Policy are attached for reference.

Fiscal Impact:

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

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachments:

- 1) Capital Asset Policy PL – Fin 002 – redlined
- 2) Capital Asset Policy PL – Fin 002 – clean

Sacramento Suburban Water District

Capital Asset Policy

Adopted: November 17, 2003

~~Ratified without~~Approved with changes: ~~December 16, 2019~~January 24, 2022

100.00 Purpose of the Policy

The purpose of this policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

100.10 Definitions

A capital asset is defined under this Policy as an asset owned by the District that – 1) is acquired for use in District operations, 2) is long-term in nature (i.e., useful life exceeds 2 years), 3) is subject to depreciation, and 4) has a minimum value of \$5,000 (see section 200.20).

200.00 Policy

It is the policy of the District that the following types of assets will be considered Capital Assets of the District. If an asset does not meet the capitalization requirements listed in this policy, then it is to be expensed in the year acquired.

200.05 Capital Assets

The District operations program will be maintained at a level that assures system reliability and efficiency. A well thought out maintenance program will extend the life of the water production and distribution system and in turn reduce infrastructure costs in the long-term.

- A. Funding to Meet Regulations and Standards - The District will adequately fund costs to meet current industry standards and regulations (e.g. Safe Drinking Water Act, etc.) in the annual budgeting process.
- B. Capital Improvement Plan - The District, as part of its routine planning process, will develop a 5-year Water System Master Plan and update it. Further, the District will update its Asset Management Plans.
- C. Adopted Capital Plan - The District will undertake all capital improvements approved by the Board annually at budget adoption according to the District's Asset Management Plans.
- D. Types of Capital Projects - The District's capital improvement program will consider mandated capital, growth related capital and renewal and replacement capital.
- E. Financing of Growth-Related Projects - The financing of growth-related capital projects may be funded from any of the available funding resources of

the District. However, to better meet the District's needs, the use of long-term debt to finance growth-related projects will be minimized. When necessary, long-term debt will be issued to allow the District to better match the financing of these facilities to the timing of the customers as they connect to the system.

200.10 Capital Asset Categories

Capital assets shall be segregated into the following categories:

- A. Land and Land Improvements with a limited life, such as driveways, walks, fences, landscaping, and parking areas.
- B. Buildings and Building Improvements, such as HVAC equipment, interior remodeling features, and landscaping.
- C. Hydrants, pressure modulating facilities, Valves and related appurtenances.
- D. Transmission and Distribution pipelines.
- E. Water Storage Facilities.
- F. Groundwater Wells, Flow Meters, Etc.
- G. Pumps, Motors and Water Treatment Facilities
- H. Water Meters and Appurtenances.
- I. Machinery and Equipment, such as generators, compressors, jackhammers, tools, trimmers, etc.
- J. Fleet Equipment, such as cars, trucks, trailers and backhoes.
- K. Office Equipment such as furniture and fixtures.
- L. Computer Systems, Purchased Software and Telephones.
- M. Intangible Assets, such as easements and internally generated computer software.
- N. SCADA, including location and mapping features.

200.20 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

- 1) an estimated useful life of at least two years from the date of acquisition
- 2) and a minimum value of \$5,000, and
- 3) Such criteria shall be applied to individual assets and ~~not~~ to groups of similar assets, such as computers, if those assets in the aggregate are significant.

200.30 Valuation of Capital Assets

The value assigned to capital assets shall be determined as follows:

200.32 Purchased Capital Assets

The capitalized value of purchased Capital assets shall be determined using the original cost of the asset. Specific costs eligible for capitalization are identified under section 200.40. If the original cost of an asset is not available or cannot be reasonably determined, an estimated current cost may be utilized.

200.34 District-Constructed Capital Assets

District-constructed water system infrastructure assets intended to be used in District operations or internally generated computer software are eligible for capitalization. The capitalized value of such assets shall be determined using direct costs and material costs associated with the construction up until the time the asset is complete and ready for use.

200.36 Donated Capital Assets

The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separate from donated tangible capital assets.

200.40 Capitalizable Costs

Costs eligible for capitalization under this policy are:

For land:

- Purchase price or appraised value, whichever is more readily determinable;
- Closing costs, such as title fees, attorneys fees, environmental assessments, appraisals, taxes and recording fees;
- Costs necessary to get the land ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Assumptions of liens, encumbrances or mortgages;

For purchased assets other than land:

- Purchase price, including all taxes
- Freight, handling and in-transit insurance charges
- Assembling and installation charges
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Applicable purchase discounts or rebates

For District-constructed assets:

- Direct labor costs (to include wages and benefits);
- Direct materials cost;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Insurance premiums and related costs incurred during construction;
- Costs necessary to get the site ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Costs for intangible assets as determined in accordance with Governmental Accounting Standards Board, Statement No. 51 "Accounting and Financial Reporting for Intangible Assets."

For donated Capital assets:

- Fair Market or Appraised Value at date of donation;
- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

200.50 Capitalization of Costs Subsequent to Acquisition

Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

200.52 Additions

An “Addition” is defined as an expenditure that either significantly extends the useful life or productivity of the existing capital asset or creates a new capital asset. All “Additions” to existing capital assets should be capitalized as long as the asset meets the criteria of section 200.20 above.

200.54 Improvements and Replacements

“Improvements and Replacements” are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All “Improvements and Replacements” to existing capital assets should be capitalized as long as the asset meets the criteria of section 200.20 above. If the existing asset’s book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded. If the existing asset is not separately identifiable, then the replacement should still be capitalized as the existing asset’s book value is assumed to be negligible.

200.56 Rearrangement or Reinstallation

“Rearrangement or Reinstallation” costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All “Rearrangement or Reinstallation” costs should be expensed in the period incurred.

200.58 Repairs and Maintenance

“Repairs and Maintenance” costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All “Repairs and Maintenance” costs should be expensed in the period incurred.

200.60 Depreciation or Amortization of Capital Assets

Capital assets shall be depreciated or amortized on a straight-line basis beginning the first day of the month following acquisition in accordance with the following

schedule:

Category	Depreciation/Amortization Period
Land	None
Land Improvements	15 Years
Buildings	40 Years
Building Improvements	10 Years
Hydrants, PRV Stations, Valves and similar assets	30 Years
Transmission and Distribution pipelines	80 Years
Storage Facilities (reservoirs)	40 Years
Pumping and Wells (wells, pumps, flowmeters, treatment facilities and related equipment)	25 years
Water Meters and Appurtenances	10-20 Years
Machinery and Equipment (generators, compressors, jackhammers, tools and equipment)	5-10 Years
Fleet Equipment (cars, trucks, backhoes, other mobile motorized equipment)	5-10 Years
Office Furniture and Fixtures	7 Years
Computer Equipment, Purchased Software and Telephones	4 Years
Intangible Assets, such as easements and internally generated computer software	Permanent Easements – None; Software – 4 Years

200.70 Physical Inventory of Capital Assets

A physical inventory of the following categories of capital assets shall be performed at least annually:

- Inventory Items
- Machinery and Equipment
- Fleet Equipment
- Office Furniture and Fixtures
- Computer Equipment, Purchased Software and Telephones

The results of the physical inventory shall be reconciled with the District’s asset inventory system. Differences will be reported, along with explanations, to the Board of Directors.

200.80 Disposal of Capital Assets

Capital assets that have become obsolete shall be disposed in accordance with District's Policy on "Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property (PL - Adm 003)."

300.00 Policy Review

This policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Capital Asset Policy

Adopted: November 17, 2003
Approved with changes: January 24, 2022

100.00 Purpose of the Policy

The purpose of this policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

100.10 Definitions

A capital asset is defined under this Policy as an asset owned by the District that – 1) is acquired for use in District operations, 2) is long-term in nature (i.e., useful life exceeds 2 years), 3) is subject to depreciation, and 4) has a minimum value of \$5,000 (see section 200.20).

200.00 Policy

It is the policy of the District that the following types of assets will be considered Capital Assets of the District. If an asset does not meet the capitalization requirements listed in this policy, then it is to be expensed in the year acquired.

200.05 Capital Assets

The District operations program will be maintained at a level that assures system reliability and efficiency. A well thought out maintenance program will extend the life of the water production and distribution system and in turn reduce infrastructure costs in the long-term.

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- B. Capital Improvement Plan - The District, as part of its routine planning process, will develop a 5-year Water System Master Plan and update it. Further, the District will update its Asset Management Plans.
- C. Adopted Capital Plan - The District will undertake all capital improvements approved by the Board annually at budget adoption according to the District's Asset Management Plans.
- D. Types of Capital Projects - The District's capital improvement program will consider mandated capital, growth related capital and renewal and replacement capital.
- E. Financing of Growth-Related Projects - The financing of growth-related capital projects may be funded from any of the available funding resources of

the District. However, to better meet the District's needs, the use of long-term debt to finance growth-related projects will be minimized. When necessary, long-term debt will be issued to allow the District to better match the financing of these facilities to the timing of the customers as they connect to the system.

200.10 Capital Asset Categories

Capital assets shall be segregated into the following categories:

- A. Land and Land Improvements with a limited life, such as driveways, walks, fences, landscaping, and parking areas.
- B. Buildings and Building Improvements, such as HVAC equipment, interior remodeling features, and landscaping.
- C. Hydrants, pressure modulating facilities, Valves and related appurtenances.
- D. Transmission and Distribution pipelines.
- E. Water Storage Facilities.
- F. Groundwater Wells, Flow Meters, Etc.
- G. Pumps, Motors and Water Treatment Facilities
- H. Water Meters and Appurtenances.
- I. Machinery and Equipment, such as generators, compressors, jackhammers, tools, trimmers, etc.
- J. Fleet Equipment, such as cars, trucks, trailers and backhoes.
- K. Office Equipment such as furniture and fixtures.
- L. Computer Systems, Purchased Software and Telephones.
- M. Intangible Assets, such as easements and internally generated computer software.
- N. SCADA, including location and mapping features.

200.20 Capitalization Thresholds

Capital assets eligible for capitalization, must have:

- 1) an estimated useful life of at least two years from the date of acquisition
- 2) and a minimum value of \$5,000, and
- 3) Such criteria shall be applied to individual assets and to groups of similar assets, such as computers, if those assets in the aggregate are significant.

200.30 Valuation of Capital Assets

The value assigned to capital assets shall be determined as follows:

200.32 Purchased Capital Assets

The capitalized value of purchased Capital assets shall be determined using the original cost of the asset. Specific costs eligible for capitalization are identified under section 200.40. If the original cost of an asset is not available or cannot be reasonably determined, an estimated current cost may be utilized.

200.34 District-Constructed Capital Assets

District-constructed water system infrastructure assets intended to be used in District operations or internally generated computer software are eligible for capitalization. The capitalized value of such assets shall be determined using direct costs and material costs associated with the construction up until the time the asset is complete and ready for use.

200.36 Donated Capital Assets

The capitalized value of donated assets shall be determined using the fair market value at the time of donation. If the fair market value of the asset is not available or cannot be reasonably determined, an estimated cost may be determined using the best available information. The value of donated intangible assets shall be accounted for separate from donated tangible capital assets.

200.40 Capitalizable Costs

Costs eligible for capitalization under this policy are:

For land:

- Purchase price or appraised value, whichever is more readily determinable;
- Closing costs, such as title fees, attorneys fees, environmental assessments, appraisals, taxes and recording fees;
- Costs necessary to get the land ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Assumptions of liens, encumbrances or mortgages;

For purchased assets other than land:

- Purchase price, including all taxes
- Freight, handling and in-transit insurance charges
- Assembling and installation charges
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Applicable purchase discounts or rebates

For District-constructed assets:

- Direct labor costs (to include wages and benefits);
- Direct materials cost;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Insurance premiums and related costs incurred during construction;
- Costs necessary to get the site ready for its intended use, such as grading, clearing, filling, draining, surveying, and demolition of existing structures;
- Costs for intangible assets as determined in accordance with Governmental Accounting Standards Board, Statement No. 51 "Accounting and Financial Reporting for Intangible Assets."

For donated Capital assets:

- Fair Market or Appraised Value at date of donation;
- Installation costs;
- Professional fees of engineers, inspectors, attorneys, consultants, etc.;
- Other normal or necessary costs required to place the asset in its intended location and condition for use.

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Additional costs incurred after a capital asset is placed in use shall be accounted for as follows:

200.52 Additions

An “Addition” is defined as an expenditure that either significantly extends the useful life or productivity of the existing capital asset or creates a new capital asset. All “Additions” to existing capital assets should be capitalized as long as the asset meets the criteria of section 200.20 above.

200.54 Improvements and Replacements

“Improvements and Replacements” are defined as expenditures that involve substituting a similar capital asset, or portion thereof, for an existing one. All “Improvements and Replacements” to existing capital assets should be capitalized as long as the asset meets the criteria of section 200.20 above. If the existing asset’s book value is determinable, then the existing asset should be removed from the books at the time the replacement is recorded. If the existing asset is not separately identifiable, then the replacement should still be capitalized as the existing asset’s book value is assumed to be negligible.

200.56 Rearrangement or Reinstallation

“Rearrangement or Reinstallation” costs are defined as expenditures that involve moving an existing asset to a new location or reinstalling a similar asset in place of an existing asset. All “Rearrangement or Reinstallation” costs should be expensed in the period incurred.

200.58 Repairs and Maintenance

“Repairs and Maintenance” costs are defined as expenditures that involve maintaining the asset in good or ordinary repair. All “Repairs and Maintenance” costs should be expensed in the period incurred.

200.60 Depreciation or Amortization of Capital Assets

Capital assets shall be depreciated or amortized on a straight-line basis beginning the first day of the month following acquisition in accordance with the following

schedule:

Category	Depreciation/Amortization Period
Land	None
Land Improvements	15 Years
Buildings	40 Years
Building Improvements	10 Years
Hydrants, PRV Stations, Valves and similar assets	30 Years
Transmission and Distribution pipelines	80 Years
Storage Facilities (reservoirs)	40 Years
Pumping and Wells (wells, pumps, flowmeters, treatment facilities and related equipment)	25 years
Water Meters and Appurtenances	10-20 Years
Machinery and Equipment (generators, compressors, jackhammers, tools and equipment)	5-10 Years
Fleet Equipment (cars, trucks, backhoes, other mobile motorized equipment)	5-10 Years
Office Furniture and Fixtures	7 Years
Computer Equipment, Purchased Software and Telephones	4 Years
Intangible Assets, such as easements and internally generated computer software	Permanent Easements – None; Software – 4 Years

200.70 Physical Inventory of Capital Assets

A physical inventory of the following categories of capital assets shall be performed at least annually:

- Inventory Items
- Machinery and Equipment
- Fleet Equipment
- Office Furniture and Fixtures
- Computer Equipment, Purchased Software and Telephones

The results of the physical inventory shall be reconciled with the District’s asset inventory system. Differences will be reported, along with explanations, to the Board of Directors.

200.80 Disposal of Capital Assets

Capital assets that have become obsolete shall be disposed in accordance with District's Policy on "Disposing of Surplus District Real Property, Vehicles and Large Equipment and Other Personal Property (PL - Adm 003)."

300.00 Policy Review

This policy shall be reviewed at least biennially.



Agenda Item: 28 b.

Date: December 20, 2021

Subject: Upcoming Policy Review – Records Inspection, Retention, and Disposal Policy (PL – Adm 002)

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

Background:

The Records Inspection, Retention, and Disposal Policy (PL – Adm 002) (Policy) is scheduled for its annual review. The Policy was adopted by the Board on October 20, 2003, and was last reviewed by the Board on November 18, 2019. Sacramento Suburban Water District selected Gladwell Governmental Services, Inc. (GGS), an expert in special district records, to develop a comprehensive records retention schedule for the District. This program was necessary to ensure retention periods reflected changes in law, to reduce current and future records storage costs, eliminate duplication of effort, increase efficiency, and take advantage of current technology.

It is GGS's opinion that the destruction or disposition of the categories of records contained in the records retention schedule will not adversely affect any interest of the District or the public. General Counsel concurs with GGS's opinion. Based on the work performed by GGS, staff has reviewed the retention schedule and is recommending replacement of the Policy's existing records retention schedule with the schedule provided by GGS. A resolution of the Board of Directors is required to update the Policy, including adopting the new retention schedule. The resolution will be presented at the January 24, 2022, regular Board meeting.

Discussion:

GGS has assisted over 200 California municipal governments with their records management, records retention and/or document imaging programs, including many special districts. General Counsel has worked with GGS on similar projects for other clients and approves of GGS' approach and schedule.

The retention schedule for SSWD was written interactively with all departments participating. It provides clear, specific records descriptions and retention periods, and applies current law and technology to the management of SSWD's records. By identifying which unit is responsible for maintaining the original record, and by establishing clear retention periods for different categories of records, the District should realize significant savings in labor costs, storage costs, free filing cabinet and office space, and realize operational efficiencies. The new retention schedule has changed substantially in content and format from the existing schedule. The new schedule will be

included in the Policy as Attachment 1 and the old schedule will be removed and replaced. Please see Attachment 3 to this Staff Report for the new retention schedule.

The appropriate Division or Department Head and General Counsel have reviewed and approved all retention schedules.

It is standard business practice for California local governments to authorize the routine destruction of records that have exceeded their adopted retention period, upon the request of the Department Head and with the consent in writing of the Department Head and General Manager.

Staff is also recommending, upon General Counsel's advice, to rename the policy to Records Management Policy.

If a Director desires to comment on the Policy, staff requests that they do so by January 3, 2022. If no comments are received, this policy will be placed as a Consent Item on the January 24, 2022, regular Board meeting agenda.

Fiscal Impact:

While no specific amount of savings can be determined, staff believes that time will be saved by having comprehensive and complete retention schedules and disposing of records timely as allowed in the Policy.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies

Attachment:

- 1 – Records Inspection, Retention, and Disposal Policy (PL – Adm 002) – redline
- 2 – Records Inspection, Retention, and Disposal Policy (PL – Adm 002) – clean
- 3 – Records Inspection, Retention, and Disposal Policy (PL – Adm 002) – Retention Schedule Attachment 1

Sacramento Suburban Water District

Records ~~Inspection, Retention, and Disposal~~ Management Policy

Adopted: October 20, 2003

Approved with Changes: ~~November 18, 2019~~ January 24, 2022

100.00 Purpose of the Policy

This document describes the Sacramento Suburban Water District’s policy concerning records inspection, retention, ~~destruction~~disposal, and storage (Records Management).

200.00 Inspection

200.10 Purpose and Scope

This section provides criteria for the inspection of records.

200.20 General

Consistent with the California Public Records Act, public records of the District are open to inspection during normal office hours and any person has a right to inspect these records.

200.30 Definitions

As used in this section:

- a. “Public Records” includes any writing containing information relating to the conduct of public business prepared, owned, used, or retained by the District regardless of physical form or characteristics and which is not otherwise exempt from disclosure in accordance with applicable laws.

“Writing” means handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing or any form of communication or representation, including letters, words, pictures, sounds or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored. Writing does not include compilations of writings created outside the normal course of business.

200.40 Exemptions

Nothing in this section requires disclosure of the following records:

- a. Preliminary drafts, notes, or intra- or inter-agency memoranda not retained by the District in the ordinary course of business, if the public interest in withholding such records clearly outweighs the public interest in disclosure;
- b. Records pertaining to pending litigation in which the District is a party or to claims made pursuant to Division 3.6 (Commencing with Section 810) of Title 1 of the Government Code, until such litigation or claim has been finally adjudicated or otherwise settled;
- c. Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy or that is otherwise limited by law;
- d. Geological and geophysical data, plant production data, and similar information relating to utility systems development obtained in confidence from any source, related to groundwater well drilling/development;
- e. Test questions, scoring keys, and other examination data used to administer examinations for employment;
- f. The contents of real estate appraisals, engineering, or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective supply and construction contracts, until such time as the property has been acquired or the contract agreement has been obtained. The law of eminent domain will not be affected by this provision;
- g. Records exempted or prohibited from disclosure pursuant to provisions of Federal or State Law, including, but not limited to, provisions of the Evidence Code relating to privilege;
- h. Data, plans, drawings, schematics, manuals, and other documents related to the security and protection of the District's water supplies;
- i. Private information pertaining to any customer, director or employee that is explicitly exempt under Government Code sections 6254(c) and 6254.16 or that may be exempt because of personal safety and privacy concerns under Government Code section 6255, including, but not limited to, personal identifying information and private data such as social security numbers, home address, telephone number, credit history, water usage, and confidential personnel and financial records.
- j. Computer software developed by the District for internal use and not otherwise made available to the public except by selling, leasing, or licensing such software for commercial or non-commercial use. The District's proprietary

computer software may include computer mapping systems, computer programs, and computer graphics systems.

- k. Information security, if disclosure of that information would reveal vulnerabilities of, or otherwise increase the potential for an attack on the District's information technology system. This exemption in no way limits the District's obligation to disclose otherwise public records stored within its information technology system; and
- l. Other records the disclosure of which is not required by law.

200.50 Additional Public Records

Notwithstanding the foregoing:

- a. Every employment contract between the District and a public official or public employee is a public record.
- b. An itemized statement of the total expenditures and disbursements of the District provided for in Article VI of the California Constitution will be open for inspection.
- c. Documents concerning an open session item of a noticed public meeting that are provided to all or a majority of the Board or a committee less than 72 hours before that meeting are public records.
- d. Writings involving official District business created, used, or retained on a personal electronic device owned, leased, or possessed by a District Director or employee are public records of the District and must be retained in accordance with this policy and all other applicable District policies. Directors and employees must maintain District records created, used or stored on their personal electronic devices until they can be transferred to the District's records management system. After District records are transferred off the device, the Director or employee may delete the records from their personal device. Directors and employees should avoid retaining District records on a personal device indefinitely to avoid inadvertent destruction or tampering, and should contact the District Secretary or his/her designee as soon as possible to arrange to transfer such records into the District's records management system.

200.60 Justification for Withholding of Records

The District will justify withholding a record by demonstrating the record is exempt under the express provisions of Government Code sections 6254 and 6254.16 and any other applicable statute (including the records listed above in section 200.40) or by demonstrating that the public interest served by not making the record available clearly outweighs the public interest served by disclosing the record. Written notice of intent to withhold records stating the reasons for withholding the records, the person making such

determination, and an estimated time for when disclosable documents will be furnished will be provided to the person requesting the record within ten days, or later if good cause requires, of the request for inspection as required by Government Code sections 6253, subdivision (c) and 6255, subdivision (b).

200.70 Confidentiality of Certain Records

While the District supports and implements the legal principles underlying the “government sunshine laws”, including the Public Records Act and Brown Act, it also recognizes the equally important constitutional principles underlying its customers’, directors’, and employees’ rights to privacy in their personal information. Such information includes those items described in Section 200.40 (i) of this Policy. The District will not disclose private information of any customer, director, or employee unless compelled by a legally-authorized subpoena, court order or order of another government agency with the power to obtain such records or authorized by the customer, director, or employee in writing. In cases where there is no clear exemption from disclosure, the District will attempt to contact the customer, director, or employee whose private information is being requested, inform the customer, director, or employee of the request, and provide that person or entity with the opportunity to object to the request and if desired, to seek a court order to protect the private information being requested from disclosure.

200.80 Copies of Records

- a. A person may obtain copies of identifiable records, by written request on the District’s request form. Upon request, District staff will assist the requestor to identify records and complete the request form. The District Secretary is the custodian of the District’s records and will provide the requestor with copies of all requested records unless a record is in electronic form or in a specialized format, in which case the District will provide the most accurate copy possible within the limits of available technology and the requestor’s instructions and willingness to pay the appropriate costs to retrieve and reproduce copies of such non-standard records, if applicable. Officers, agents, and employees of the District are not required to request records in compliance with this section when acting within the course and scope of employment or office holding. If the District is unable to provide requested copies within ten days of the request, it will advise the requestor in writing of the date when the record will be provided.
- b. The charge for plain paper standard black and white letter or legal size photocopies will be in accordance with the Regulation 3 of the District’s Regulations Governing Water Service, which reflects the District’s direct copying costs. Large format documents, maps, color copies, and similar specialized documents will be charged at cost, which the District will determine and advise the requestor of and receive approval from the requestor before copying begins. Payment for all services is required at the time copies are provided, although the District may require a deposit as provided below in subdivision (c) before beginning copying

or sending the job to an outside copy service, in which case the copy service's actual charges will be passed through to the requestor. No charge will be imposed for research.

- c. The District Secretary or designee may require a person who desires to obtain copies of records to deposit an amount equal to the estimated fees for copying prior to starting reproduction. The portion of the deposit not used for the costs of reproduction will be refunded. If the deposit is insufficient, the District will require the requestor to pay any balance of copying charges due before any records are released.

200.90 Public Counter Records

- a. Except for writings exempt from public disclosure, the District Secretary or designee will maintain a duplicate copy of the last approved Board meeting minutes and the agenda and written materials distributed to the Board for discussion or consideration at the next scheduled Board meeting. These records will be maintained at the public counter located in the District's administrative office. Public records discussed during a public meeting but not previously available will be made available before the commencement of discussion at such meeting or as soon thereafter as practicable.
- b. Public counter records also include those public meeting documents described in subdivision (c) of section 200.50 of this Policy.
- c. No charge will be imposed for the use or review of the records described in this section. However, the District will impose a copy charge if a copy of a public counter record is requested.
- d. The District also posts on its website copies of all public counter records, archived Board meeting minutes and agendas, current Board policies, and other important District documents. Requestors are encouraged to view and obtain copies of available documents on the District's website by visiting: www.sswd.org.

200.95 Recording-Keeping

The District Secretary or designee will maintain a record of all requests for records filed with the District, including those that are denied and the reasons for the denial.

300.00 Retention, Disposal, and Storage

300.10 Purpose and Scope

This section provides criteria for the retention, ~~destruction~~disposal, and storage of records.

300.20 Records Retention Schedule

This is the District's Records Retention Schedule, which has been adopted by the Board of Directors by Resolution ~~06-0121-XX~~ in accordance with Government Code sections 12236 and 60201, subdivision (b)(2), and reviewed at least biennially. As provided by California law, the District will retain, store, and dispose of its records in accordance with this schedule and the requirements and procedures set forth in this policy. ~~In accordance with Government Code sections 60201 and 60203, the District may keep a copy of any record listed in the schedule below either in its original form or as an electronic record stored in the District's Records Management System, which is a trusted system within the meaning of Government Code section 60203(a).~~^[JO1]

The Records Retention Schedule is included made a part of in this policy as Attachment 1.

R = Legally required retention period.

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Administration:</u>		
Correspondence	3 years	
Policy and Procedures	7 years after cancellation	
Formation	Permanent	
Consumer confidence reports	10 years	R
Oaths of office/ballots/other official materials related to election or appointment of directors and officers	Term of Office + 7 years	R
Filings with Secretary of State	Permanent	R
Work Orders/Time Sheets	3 years	
Form 700 Statements of Economic Interests	7 years after filing	R
Form 801 Gift to Agency	7 years after filing	R
Form 470 annual Financial Disclosure Statements	7 years after filing	R
<u>Board of Directors:</u>		
Agendas	5 years	
Meeting Notices	3 years	
Staff Reports	5 years	
Board meeting minutes	Permanent	R
Ordinances and Resolutions	Permanent	R
Conflict of Interest Code	Current + 3 years	R
Board policies and procedures	Current + 3 years	R
Ethics Code	Current + 3 years	R

Proofs of Completion of Directors' and Designated Employees' Ethics Training	5 years	R
<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Committees:</u>		
Agendas	5 years	
Meeting notices	3 years	
Minutes	Permanent	R
Staff Reports	5 years	

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
<u>Contracts:</u>		
Agreements and contracts	7 years following end of contract	R
Requests for proposal and requests for qualifications	Contract Termination + 5 years	
Responses to requests for proposal and requests for qualifications	Contract Termination + 5 years and 2 years for all unaccepted proposals and qualifications	R
<u>Capital Improvements:</u>		
Capital improvement contracts	7 years following end of contract	R
Accepted and proposed bid documents	5 years	
As-built plans/documents	Permanent or until facility is decommissioned and removed from service	
Unaccepted construction bids and proposals	2 years	R
<u>Elections Materials:</u>		
General	3 years	
Special	3 years	
<u>Financial:</u>		
	All categories below: Audit +	Records of grant reimbursed expenses must be kept until state DOF audit complete
<u>—Accounts payable</u>	2 years	
—Correspondence	3 years	
—A/P ledger/distribution journal	3 years	
—Cash disbursements	3 years	
—Payroll/stipend payments	3 years	R
—Petty cash reports	3 years	R
—Expense reports	3 years	R
—Invoices	3 years	R
—Purchase orders	3 years	R
—Warrants	3 years	R
<u>—Accounts Receivable</u>		
—A/R register	3 years	
—Aged trial balance	3 years	
—Invoices	3 years	
<u>Title</u>	<u>Minimum</u>	

	<u>Retention Period</u>	<u>Notes/Comments</u>
<u>— Audit Reporting</u>		
— Correspondence	3 years	
— Reports	3 years	
— State Controller's report	Permanent	R
— Work papers	3 years	
<u>— Banking</u>		
— Correspondence	3 years	
— Bank confirmations	3 years	
— Bank reconciliations	3 years	
— Bank statements	3 years	
— Canceled and voided checks	3 years	
— Deposit slips	3 years	
— Signature authorization	3 years	
<u>— Financial Reporting</u>		
— Correspondence	7 years	
— Reports and studies	7 years	
— Charts of accounts	7 years	
— Treasurer's reports	7 years	
— Accountant reports	7 years	
<u>— Ledgers</u>	All categories below — Audit + 2 years	
— Account analysis		
— Balance sheets		
— General ledger		
— Journal entries		
<u>— Annual Budgets</u>	2 years	
<u>Issuance of Indebtedness:</u>		
<u>— Bond Insurance</u>	All categories below: 4 years after repayment	
— Trust indentures	4 years	R
— Funds management agreement	4 years	R
— Other permanent bond records	4 years	R
— Canceled checks for bond interest payments/redemption	10 years	
<u>— Securities</u>		
— Acquisition of securities	3 years	
— Broker/bank receipts	3 years	
— Periodic statements	3 years	
<u>— Personal Property</u>		
— Inventory	3 years	
— Maintenance and inspection logs	3 years	
	<u>Minimum</u>	

<u>Title</u>	<u>Retention Period</u>	<u>Notes/Comments</u>
Computer licenses and documentation	Until expiration/obsolescence	
<u>Insurance:</u>		
Memoranda of coverage	Expiration + 3 years	
Insurance policies	Expiration + 3 years	
Endorsements	Expiration + 3 years	
Certificates of insurance	Expiration + 3 years	
Coverage opinions	Expiration + 3 years	
Surety/Fidelity Bonds	Expiration + 3 years	
Required to be maintained by insurer	10 years	
<u>Legal:</u>		
General correspondence	3 years	
Attorney correspondence	3 years	
Claims and claims records	2 years after close of claim	R
Minor's claims	2 years from age of 18	R
Litigation	2 years after litigation concludes	R
Opinions	7 years	R
<u>Membership:</u>		
Membership records	7 years	
Program participation agreements	7 years	
Appointment resolutions/letters	7 years	
<u>Personnel:</u>		
Personnel files	Permanent	R
Amount of compensation paid to Officers and Employees	7 years after date of payment	R
Reimbursements, advances, and credit card payment records for Officer and Employee travel and other District-related expenses	7 years after date of payment	R
Job descriptions	Current + 2 years	R
Time sheets	Current + 4 years	
Call reports and logs	Current + 4 years	
Employment Agreements	Expiration/Termination + 4 years	
Job applications and resumes (non-hires)	1 year	————— R
Position advertisements	2 years	————— R
Employment testing results (non-hires)	1 year	————— R

<u>Title</u>	<u>Minimum Retention Period</u>	<u>Notes/Comments</u>
OSHA logs and records	5 years	
Safety and training records	Employment + 4 years	
Drug & alcohol program records	5 years	
Form DE-34 New Employee Report	4 years	
Form I9-Employment Eligibility	3 years after hire or 1 year after termination, whichever is later	
Harassment Training Records	2 years	
<u>Real Property:</u>		
Deeds and other documents related to real property interests	Permanent	R
Eminent domain	Permanent	R
Annexation and detachment	Permanent	R
<u>Tax-Related:</u>		
Auditor's assessed valuation certificates	5 years	R
District tax collection information	5 years	R
<u>Miscellaneous:</u>		
Other records Board determines to be of significant and lasting historical, administrative, financial, legal, or research value	Permanent	R
Records not prepared or received nor required to be maintained pursuant to state or federal law	2 years	
Other records prepared or received pursuant to state or federal law, but not expressly required to be maintained	3 years	
Board meeting tape recordings	After approval of minutes by Board or 30 days, whichever is later, if District chooses to record	R

300.30 Retention of Other Records

- a. The District must retain the following records, regardless of any different destruction policy or schedule as to any identified record or records specified in the records retention schedule set forth in section 300.20 above:
 - i. Any record of the District that is the subject of a pending request made under the California Public Records Act, Government Code sections 6250 through 6276.48, until the District has either (A) complied with the request or (B) waited at least two years after the record was withheld and written notice denying the request was provided to the requestor; ~~(R)~~
 - ii. Documents related to pending public works projects not accepted by the District or to which a stop notice claim may be legally presented; ~~and (R)~~
 - ~~iii. Documents related to any non-discharged District debt; and (R) [JO2]~~
 - ~~iv. iii.~~ Any document that has not yet fulfilled the administrative, fiscal, or legal purpose for which it was created or received by the District. ~~(R)~~
- b. The District may dispose of the following records at any time, without maintenance of a copy:
 - i. Duplicates, the original or a permanent photographic record of which is ~~on file~~ retained by the District as required by law;
 - ii. Working drafts, notes, and working papers prepared or kept by any employee or accumulated in the preparation of a communication, study or other document, unless of a formal nature contributing significantly to the preparation of the document, ~~including but not limited to meter books~~ [JH3] after the contents thereof have been transferred to other records;
 - iii. Cards, listings, non-permanent indices, other papers used for controlling work flow and transitory files including letters of transmittal, suspense letters, and tracer letters;
 - iv. Canceled coupon sheets from registered bonds; and
 - v. Shorthand notebooks, telephone messages, and inter-departmental notes.

300.40 Records Storage

All of the records referenced in this section will be maintained at the District's Administrative office located at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821; District facilities at 5331 Walnut Avenue, Sacramento, California 95841; and/or

such other repository that the District may designate from time to time. All records requests should be directed to the District's administrative office at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821. In accordance with Government Code sections 60201 and 60203, the District may keep a copy of any record listed in the retention schedule either in its original form or as an electronic record stored in the District's Records Management System, which is a trusted system within the meaning of Government Code section 60203(a).

300.50 Records Disposal

The District Secretary, or his or her designee, may destroy and discard, by any permanent method that protects the confidentiality of any privileged or confidential information contained therein, any District record after the expiration of the applicable retention period described in the above Records Retention Schedule (Attachment 1 to this Policy).

400.00 Policy Review

This policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Records Management Policy

Adopted: October 20, 2003
Approved with Changes: January 24, 2022

100.00 Purpose of the Policy

This document describes the Sacramento Suburban Water District’s policy concerning records inspection, retention, disposal, and storage (Records Management).

200.00 Inspection

200.10 Purpose and Scope

This section provides criteria for the inspection of records.

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- c. Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy or that is otherwise limited by law;
- d. Geological and geophysical data, plant production data, and similar information relating to utility systems development obtained in confidence from any source, related to groundwater well drilling/development;
- e. Test questions, scoring keys, and other examination data used to administer examinations for employment;
- f. The contents of real estate appraisals, engineering, or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective supply and construction contracts, until such time as the property has been acquired or the contract agreement has been obtained. The law of eminent domain will not be affected by this provision;
- g. Records exempted or prohibited from disclosure pursuant to provisions of Federal or State Law, including, but not limited to, provisions of the Evidence Code relating to privilege;
- h. Data, plans, drawings, schematics, manuals, and other documents related to the security and protection of the District's water supplies;
- i. Private information pertaining to any customer, director or employee that is explicitly exempt under Government Code sections 6254(c) and 6254.16 or that may be exempt because of personal safety and privacy concerns under Government Code section 6255, including, but not limited to, personal identifying information and private data such as social security numbers, home address, telephone number, credit history, water usage, and confidential personnel and financial records.
- j. Computer software developed by the District for internal use and not otherwise made available to the public except by selling, leasing, or licensing such software for commercial or non-commercial use. The District's proprietary

computer software may include computer mapping systems, computer programs, and computer graphics systems.

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- d. Writings involving official District business created, used, or retained on a personal electronic device owned, leased, or possessed by a District Director or employee are public records of the District and must be retained in accordance with this policy and all other applicable District policies. Directors and employees must maintain District records created, used or stored on their personal electronic devices until they can be transferred to the District's records management system. After District records are transferred off the device, the Director or employee may delete the records from their personal device. Directors and employees should avoid retaining District records on a personal device indefinitely to avoid inadvertent destruction or tampering, and should contact the District Secretary or his/her designee as soon as possible to arrange to transfer such records into the District's records management system.

200.60 Justification for Withholding of Records

The District will justify withholding a record by demonstrating the record is exempt under the express provisions of Government Code sections 6254 and 6254.16 and any other applicable statute (including the records listed above in section 200.40) or by demonstrating that the public interest served by not making the record available clearly outweighs the public interest served by disclosing the record. Written notice of intent to withhold records stating the reasons for withholding the records, the person making such

determination, and an estimated time for when disclosable documents will be furnished will be provided to the person requesting the record within ten days, or later if good cause requires, of the request for inspection as required by Government Code sections 6253, subdivision (c) and 6255, subdivision (b).

200.70 Confidentiality of Certain Records

While the District supports and implements the legal principles underlying the “government sunshine laws”, including the Public Records Act and Brown Act, it also recognizes the equally important constitutional principles underlying its customers’, directors’, and employees’ rights to privacy in their personal information. Such information includes those items described in Section 200.40 (i) of this Policy. The District will not disclose private information of any customer, director, or employee unless compelled by a legally-authorized subpoena, court order or order of another government agency with the power to obtain such records or authorized by the customer, director, or employee in writing. In cases where there is no clear exemption from disclosure, the District will attempt to contact the customer, director, or employee whose private information is being requested, inform the customer, director, or employee of the request, and provide that person or entity with the opportunity to object to the request and if desired, to seek a court order to protect the private information being requested from disclosure.

200.80 Copies of Records

- a. A person may obtain copies of identifiable records, by written request on the District’s request form. Upon request, District staff will assist the requestor to identify records and complete the request form. The District Secretary is the custodian of the District’s records and will provide the requestor with copies of all requested records unless a record is in electronic form or in a specialized format, in which case the District will provide the most accurate copy possible within the limits of available technology and the requestor’s instructions and willingness to pay the appropriate costs to retrieve and reproduce copies of such non-standard records, if applicable. Officers, agents, and employees of the District are not required to request records in compliance with this section when acting within the course and scope of employment or office holding. If the District is unable to provide requested copies within ten days of the request, it will advise the requestor in writing of the date when the record will be provided.
- b. The charge for plain paper standard black and white letter or legal size photocopies will be in accordance with the Regulation 3 of the District’s Regulations Governing Water Service, which reflects the District’s direct copying costs. Large format documents, maps, color copies, and similar specialized documents will be charged at cost, which the District will determine and advise the requestor of and receive approval from the requestor before copying begins. Payment for all services is required at the time copies are provided, although the District may require a deposit as provided below in subdivision (c) before beginning copying

or sending the job to an outside copy service, in which case the copy service's actual charges will be passed through to the requestor. No charge will be imposed for research.

- c. The District Secretary or designee may require a person who desires to obtain copies of records to deposit an amount equal to the estimated fees for copying prior to starting reproduction. The portion of the deposit not used for the costs of reproduction will be refunded. If the deposit is insufficient, the District will require the requestor to pay any balance of copying charges due before any records are released.

200.90 Public Counter Records

- a. Except for writings exempt from public disclosure, the District Secretary or designee will maintain a duplicate copy of the last approved Board meeting minutes and the agenda and written materials distributed to the Board for discussion or consideration at the next scheduled Board meeting. These records will be maintained at the public counter located in the District's administrative office. Public records discussed during a public meeting but not previously available will be made available before the commencement of discussion at such meeting or as soon thereafter as practicable.
- b. Public counter records also include those public meeting documents described in subdivision (c) of section 200.50 of this Policy.
- c. No charge will be imposed for the use or review of the records described in this section. However, the District will impose a copy charge if a copy of a public counter record is requested.
- d. The District also posts on its website copies of all public counter records, archived Board meeting minutes and agendas, current Board policies, and other important District documents. Requestors are encouraged to view and obtain copies of available documents on the District's website by visiting: www.sswd.org.

200.95 Recording-Keeping

The District Secretary or designee will maintain a record of all requests for records filed with the District, including those that are denied and the reasons for the denial.

300.00 Retention, Disposal, and Storage

300.10 Purpose and Scope

This section provides criteria for the retention, disposal, and storage of records.

300.20 Records Retention Schedule

The District's Records Retention Schedule has been adopted by the Board of Directors by Resolution **22-XX** in accordance with Government Code sections 12236 and 60201, subdivision (b)(2), and reviewed at least biennially. As provided by California law, the District will retain, store, and dispose of its records in accordance with this schedule and the requirements and procedures set forth in this policy.

The Records Retention Schedule is made a part of this policy as Attachment 1.

300.30 Retention of Other Records

- a. The District must retain the following records, regardless of any different destruction policy or schedule as to any identified record or records specified in the records retention schedule set forth in section 300.20 above:
 - i. Any record of the District that is the subject of a pending request made under the California Public Records Act, Government Code sections 6250 through 6276.48, until the District has either (A) complied with the request or (B) waited at least two years after the record was withheld and written notice denying the request was provided to the requestor;
 - ii. Documents related to pending public works projects not accepted by the District or to which a stop notice claim may be legally presented; and
 - iii. Any document that has not yet fulfilled the administrative, fiscal, or legal purpose for which it was created or received by the District.
- b. The District may dispose of the following records at any time, without maintenance of a copy:
 - i. Duplicates, the original or a permanent photographic record of which is retained by the District as required by law;
 - ii. Working drafts, notes, and working papers prepared or kept by any employee or accumulated in the preparation of a communication, study or other document, unless of a formal nature contributing significantly to the preparation of the document after the contents thereof have been transferred to other records;
 - iii. Cards, listings, non-permanent indices, other papers used for controlling work flow and transitory files including letters of transmittal, suspense letters, and tracer letters;
 - iv. Canceled coupon sheets from registered bonds; and

- v. Shorthand notebooks, telephone messages, and inter-departmental notes.

300.40 Records Storage

All of the records referenced in this section will be maintained at the District's Administrative office located at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821; District facilities at 5331 Walnut Avenue, Sacramento, California 95841; and/or such other repository that the District may designate from time to time. All records requests should be directed to the District's administrative office at 3701 Marconi Avenue, Suite 100, Sacramento, California 95821. In accordance with Government Code sections 60201 and 60203, the District may keep a copy of any record listed in the retention schedule either in its original form or as an electronic record stored in the District's Records Management System, which is a trusted system within the meaning of Government Code section 60203(a).

300.50 Records Disposal

The District Secretary, or his or her designee, may destroy and discard, by any permanent method that protects the confidentiality of any privileged or confidential information contained therein, any District record after the expiration of the applicable retention period described in the above Records Retention Schedule (Attachment 1 to this Policy).

400.00 Policy Review

This policy shall be reviewed at least biennially.

RECORDS RETENTION SCHEDULE LEGEND

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OFR (Office of Record): The department that keeps the original or “record copy.” Usually it is the department that originates the record, unless the item is for a Board of Directors meeting (then it is the Board Secretary.)

Records Description: The record series (a group of like records).

Transitory Records not retained in the ordinary course of business, that do NOT have substantive content: Preliminary drafts, notes, or interagency or intra-agency memoranda and records having only transitory value. Examples: Telephone messages, meeting room reservation schedules, logs, source records entered into a computer system that qualifies as a “trusted system”, etc.

Non-Record: Documents, studies, books and pamphlets produced by outside agencies, preliminary drafts not retained in the ordinary course of business.

Retention/Disposition:

- Active:** How long the file remains in the immediate office area (*guideline*)
- Inactive:** How long the file is in off-site storage, stored on Optical Disk or Microforms (*guideline*)
- Total Retention:** The total number of years the record will be retained

For file folders containing documents with different retention timeframes, use the document with the longest retention time.

P = Permanent

Indefinite = No fixed or specified retention period; used for databases, because the data fields are interrelated.

Vital? = Those records that are needed for basic operations in the event of a disaster.

Media Options (*guideline*) – the form of the record:

- Mag = Computer Magnetic Media (hard drive, disks, tapes, USB Drives, thumb drives, etc.)
- Mfr = Microforms (aperture cards, microfilm, microfiche, or jackets)
- Ppr = Paper
- OD = Optical Disk, CD-r, DVD-r, WORM, or other **media** which **does not allow changes**

Scan / Import (*guideline*):

- “S” indicates the record should be scanned into the document imaging system;
- “I” indicates the record should be electronically imported into the document imaging system;
- “M” indicates the record should be microfilmed

Destroy Paper after Imaged & QC'd / Trustworthy Electronic Record: “Yes” indicates the paper version may be destroyed **IF** the document has been imaged (electronically generated, scanned or imported **and** placed on **Unalterable Media – DVD-R, CD-R, or WORM, or microfilmed**), and both the images and indexing Quality Checked (“QC’d”). The electronic record or image must contain all significant details from the original and be an adequate substitute for the original document for all purposes, and other legal mandates apply. Includes all electronic records which are to serve as the Official Record.

Legend for legal citations (§: Section)

CC: Civil Code (CA)

CFC: California Fire Code

EVC: Evidence Code (CA)

FTB: Franchise Tax Board (CA)

HUD: Housing & Urban Develop. (US)

PC: Penal Code (CA)

USC: United States Code (US)

B&P: Business & Professions Code (CA)

CCP: Code of Civil Procedure (CA)

CFR: Code of Federal Regulations (US)

FA: Food & Agriculture Code

GC: Government Code (CA)

LC: Labor Code (CA)

R&T: Revenue & Taxation Code (CA)

VC: Vehicle Code (CA)

CBC: California Building Code

CCR: California Code of Regulations (CA)

EC: Elections Code (CA)

FC: Family Code (CA)

H&S: Health & Safety Code (CA)

Ops. Cal. Atty. Gen.: Attorney General Opinions (CA)

UFC: Uniform Fire Code

W&I: Welfare & Institutions Code (CA)

RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>Retentions apply to the "Lead Dept"; Use District-Wide together with Department schedules</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
DISTRICT-WIDE (Used by All Departments)								
Lead Dept.	DW-001	Agreements & Contracts (originals) - INFRASTRUCTURE / CAPITAL PROJECTS, JPAs, MOUs, Water Supply and Conveyance	P	Yes: Before Completion	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference for emergency response; Covers E&O Statute of Limitations (insurance certificates are filed with agreement); Statute of Limitations: CCP §§336(a), 337 et. seq., GC §60201
Lead Dept.	DW-002	Agreements & Contracts (originals) - PROFESSIONAL SERVICES, CONSULTING (where Errors & Omissions or Professional Liability Insurance required)	Completion + 10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Covers E&O Statute of Limitations (insurance certificates are filed with agreement); Statute of Limitations: CCP §§336(a), 337 et. seq., GC §60201
Lead Dept.	DW-003	Agreements & Contracts (originals) - CUSTODIAL, LEASES, MAINTENANCE (where Errors & Omissions or Professional Liability Insurance is NOT applicable)	Completion + 5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Errors & Omissions is not applicable; CCP §§336(a), 337 et. seq., GC §60201
Lead Dept.	DW-004	Agreements & Contracts - ADMINISTRATIVE RECORDS (All Contracts) (Correspondence, insurance certificates, RFP, Successful Bid or Proposal, etc.)	Completion + 10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Also see Grants. Covers E&O Statute of Limitations (insurance certificates are filed with agreement); Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, CCP §§336(a), 337 et. seq., GC §60201
Lead Dept.	DW-005	Association Records (external associations - e.g., ACWA, etc.)	When No Longer Required		Mag, Ppr			Non-records; GC §60201 et seq.
Lead Dept.	DW-006	Bids, Unsuccessful / Proposals, Unsuccessful	1 year		Mag, Ppr			Department preference; GC §60201 et. seq.
Lead Dept.	DW-007	Clippings / Newspaper Clippings	When No Longer Required		Mag, Ppr			Non-records; GC §60201 et seq.

RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>Retentions apply to the "Lead Dept"; Use District-Wide together with Department schedules</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Lead Dept.	DW-008	Committees, Task Forces, Associations, Commissions, & Boards: External Organizations (e.g. Association of California Water Agencies, etc.)	When No Longer Required		Mag, Ppr			Non-records
Lead Dept.	DW-009	Copies or duplicates of any record	Copies - When No Longer Required		Mag, Ppr			GC §60200
Lead Dept.	DW-010	Correspondence - Regulatory Agencies	Minimum 10 years	Yes: While Active Issues	Mag, OD, Ppr	S / I	Yes: After QC & OD	District preference; some correspondence with Regulatory Agencies needs to be retained for longer periods of time than other types of correspondence; GC §60201
Dept. that Authors Document or Receives the District's Original Document	DW-011	Correspondence - Routine (Content relates in a substantive way to the conduct of the public's business) (e.g. Administrative, Chronological, Communications, General Files, Letters, Memorandums, Miscellaneous Reports, Reading Files, Working Files, etc. Does NOT include Regulatory Agency Correspondence)	Minimum 2 years		Mag, Ppr			Department preference; GC §60201

RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>Retentions apply to the "Lead Dept"; Use District-Wide together with Department schedules</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Dept. that Authors Document or Receives the District's Original Document	DW-012	Correspondence - TRANSITORY / PRELIMINARY DRAFTS , Interagency and Intraagency Memoranda not retained in the ordinary course of business Content NOT Substantive, or NOT made or retained for the purpose of preserving the informational content for future reference (e.g. calendars, checklists, e-mail or social media, invitations, instant messaging, logs, mailing lists, meeting room registrations, supply inventories, telephone messages, text messages, transmittal letters, thank yous, requests from other cities, undeliverable envelopes, visitors logs, voice mails, webpages, etc.)	When No Longer Required		Mag, Ppr			Electronic and paper records are filed and retained based upon their CONTENT . E-mails, electronic records, or social media postings where either the Content relates in a substantive way to the conduct of the public's business, or ARE made or retained for the purpose of preserving the informational content for future reference are saved by printing them out and placing them in a file folder, or saving them electronically. If not mentioned here, consult the Attorney to determine if a record is considered transitory / preliminary draft. GC §§60201, 6252, 6254(a); 64 Ops. Cal. Atty. Gen. 317 (1981)); City of San Jose v. Superior Court (Smith). S218066. Supreme Court of California, 2017
Lead Dept.	DW-013	Drafts & Notes: Drafts that are revised (retain final version)	When No Longer Required		Mag, Ppr			As long as the drafts and notes are not retained in the "Regular Course of Business". GC §60201, GC §6254

RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>Retentions apply to the "Lead Dept"; Use District-Wide together with Department schedules</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Lead Dept.	DW-014	Grants (SUCCESSFUL - all records, including FEMA or OES claims (Federal Emergency Management Agency or Office of Emergency Services Claims))	After Funding Agency Audit, if required - Minimum 5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	District Preference (may include records pertaining to independent contractor's compensation, or expense reimbursement); Meets auditing standards; Uniform Admin. Requirements for Grants to Local Governments is 3 years from expenditure report or final payment of grantee or subgrantee; 2 CFR 200.333; 24 CFR 91.105(h), 92.505, 570.490, & 570.502; OMB Circular A-110 & A-133; GC §60201; GC §8546.7
Lead Dept.	DW-015	Grants: UNSUCCESSFUL (Applications, Correspondence, etc.)	2 years		Mag, Ppr			Department Preference; GC §60201
Human Resources	DW-016	Personnel Files - Department-level Copies	Send to Human Resources Upon Separation or Transfer	Before Separation	Mag, Ppr			Ensure records kept in Department files comply with District policy; Originals are maintained by Human Resources. Supervisors notes should be maintained in a separate folder and be incorporated in the employee's annual performance review; 29 CFR 1602.31 & 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 60201
Human Resources	DW-017	Personnel Files - Department-level Supervisor's Notes	When No Longer Required	Before Separation	Mag, Ppr			Preliminary Drafts; Supervisors notes should maintained in a separate folder and be incorporated in the employee's annual performance review; 29 CFR 1602.31 & 1627.3(b)(ii), 8 CCR §3204(d)(1) et seq., GC §§12946, 12960, 60201

RECORDS RETENTION SCHEDULE: DISTRICT-WIDE STANDARDS

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>Retentions apply to the "Lead Dept"; Use District-Wide together with Department schedules</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Lead Dept.	DW-018	Photographs, Videos (other than Board Meetings)	When No Longer Required		Mag, Ppr			Preliminary drafts (the document that the photograph is used in is the final); GC §60201
Authoring Dept.	DW-019	Reference Materials: Policies, Procedures, Brochures, Manuals, Newsletters, & Reports: Produced by YOUR Department	Minimum of Superseded + 2 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Lead Dept.	DW-020	Reports and Studies - ADA Studies, White Papers, Issue Papers, Position Papers, Scientific Studies (other than Annual Reports)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Lead Dept.	DW-021	Training: ALL COURSE RECORDS / SYLLABUS, AND ROSTER OF ATTENDEES	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Ethics Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1602.31; LC §6429(c); GC §§12946, 12960, 60201, 53235.2(b), 53237.2(b)
Lead Dept.	DW-022	Visitor Logs / Registers	1 year		Mag, Ppr			Department preference; GC §60201 et. seq.

RECORDS RETENTION SCHEDULE: ADMINISTRATION / SECRETARY OF THE BOARD

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer of the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
ADMINISTRATION / SECRETARY OF THE BOARD								
Admin. / Sec. of the Board	SEC-001	Agendas, Agenda Packets, Agenda Staff Reports - District Board of Directors and Committees (Ad-Hoc Subcommittees and Standing Subcommittees)	P	Yes: Before Meeting Date	Mag, OD, Ppr	S / I	Yes: After QC & OD	District preference; GC §60201
Admin. / Sec. of the Board	SEC-002	Conflict of Interest Code (Adopted by Resolution)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	GC §60201
Admin. / Sec. of the Board	SEC-003	Board of Directors Correspondence	2 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	District preference; GC §60201
Admin. / Sec. of the Board	SEC-004	Board of Directors Policies	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	District preference; GC §60201
Admin. / Sec. of the Board	SEC-005	Elections: Correspondence, Notifications & Publications, Certificate of Election, etc.	4 years		Mag, Ppr			District preference (historical purposes); GC §60201
Admin. / Sec. of the Board	SEC-006	Ethics Training Certificates for Board of Directors	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	GC §53235.2(b)
Admin. / Sec. of the Board	SEC-007	FPPC 460, 470, 501, 410 Series Forms - Campaign Disclosures	4 years		Mag, OD, Ppr	S / I	Yes: After 2 years	District maintains original statements; GC §81009(f)&(g)
Admin. / Sec. of the Board	SEC-008	FPPC 700 Series Forms (Statement of Economic Interests): DESIGNATED EMPLOYEES & CONSULTANTS (specified in the District's Conflict of Interest code)	7 years		Mag, OD, Ppr	S / I	Yes: After 2 years	District maintains original statements; GC §81009(e)&(g)
Admin. / Sec. of the Board	SEC-009	FPPC 700 Series Forms (Statement of Economic Interests): ELECTRONICALLY FILED	10 years		Mag			Statements filed electronically though a FPPC approved system are required for 10 years; District maintains copies only; original statements are filed with FPPC; GC §81009(f)(g); GC §84615

RECORDS RETENTION SCHEDULE: ADMINISTRATION / SECRETARY OF THE BOARD

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer of the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Admin. / Sec. of the Board	SEC-010	FPPC 700 Series Forms (Statement of Economic Interests): PUBLIC OFFICIALS (elected & not elected. Includes District Board Members, General Manager)	7 years		Mag, OD, Ppr	S / I	Yes: After 2 years	District preference (only required for 4 years); GC §81009(f)&(g)
Admin. / Sec. of the Board	SEC-011	FPPC Form 801 (Gift to Agency Report); / FPPC Form 802 (Tickets Provided by Agency Report)	7 years		Mag, Ppr			Must post on website; GC §81009(e)
Admin. / Sec. of the Board	SEC-012	District Procedures	Minimum of Superseded + 2 years	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	District Preference; GC §60201
Admin. / Sec. of the Board	SEC-013	Historical Records	P		Mag, OD, Ppr	S / I	No	District Secretary Determines Historical Significance; GC §60201
Admin. / Sec. of the Board	SEC-014	Minutes: District Board of Directors and Committees (Administration, Communications, Finance, Infrastructure, Liaison, Public Safety Committees) Arcade Water District, Northridge Water District	P	Yes (all)	Mag, OD, Ppr	S / I	Yes: After QC & OD	GC §60201(d)(3)
Admin. / Sec. of the Board	SEC-015	Notices: Affidavits of Postings and Publications	2 years		Mag, Ppr			Brown Act challenges must be filed within 30 or 90 days of action; GC §§60201, 54960.1(c)(1)
Admin. / Sec. of the Board	SEC-016	Oaths of Office	Term of Office + 4 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	District Preference; GC §60201
Admin. / Sec. of the Board	SEC-017	Ordinances / Regulations / Resolutions	P	Yes (all)	Mag, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et. seq.
Admin. / Sec. of the Board	SEC-018	Public Records Act Requests	2 years		Mag, Ppr			District Preference; GC §60201

RECORDS RETENTION SCHEDULE: ADMINISTRATION / SECRETARY OF THE BOARD

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer of the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Admin. / Sec. of the Board	SEC-019	Recordings: Audio Recordings of District Board meetings	1 year		Mag			District Preference; Legally required for 90 days for Video, 30 days for audio; GC §§54953.5(b), 53161, 60201 et seq.
Admin. / Sec. of the Board	SEC-020	Records Destruction Authorization Forms and Lists	10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	District Preference; GC §60201
Admin. / Sec. of the Board	SEC-021	Secretary of State Statement of Facts	1 year		Mag, Ppr			District preference; GC §60201 et. seq.

RECORDS RETENTION SCHEDULE: CONSERVATION

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer of the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
CONSERVATION								
Conservation	CON-001	Analysis / Studies of Components (Leak Detection Reports, Irrigation Retrofit, etc.)	10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201 et seq.
Conservation	CON-002	Climatological Data	When No Longer Required		Mag, Ppr			Non-records (provided by NOAA); GC §60201
Conservation	CON-003	Conservation Violation Notices / Trickle Notices	When No Longer Required		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Conservation	CON-004	Customer Lists for Conservation Programs (Gardening Classes / Landscaping Classes, etc.)	When No Longer Required		Mag, Ppr			Department preference; GC §60201
Conservation	CON-005	Education Programs / Water Education Programs / Education Tours	Minimum 2 years		Mag, Ppr			Department preference; GC §60201
Conservation	CON-006	Evaluations / Investigations: Water-Wise Home Evaluations, Surveys, & Audits (Conservation Inspection Results, Evaluations, Landscape, etc.)	10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; meets municipal government auditing requirements, and may have grant funding; GC §60201
Conservation	CON-007	Forecasts	10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Conservation	CON-008	Rebate Requests: ALL Approved	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference to meet auditing standards; GC §60201
Conservation	CON-009	Reports: DDW (Division of Drinking Water) / DWR (Department of Water Resources) / SWRCB (State Water Resources Control Board) Monthly and Annual Water System Reports (Conservation Reports, Water Loss Reports	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201

RECORDS RETENTION SCHEDULE: CUSTOMER SERVICE

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<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
CUSTOMER SERVICE								
Customer Service	CS-001	Adjustments to Customer accounts	When No Longer Required		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116908
Customer Service	CS-002	Appeals - Payment Delinquency & Impending Discontinuation	Final Decision + 2 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116908
Customer Service	CS-003	Applications for Service	P		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference to meet auditing standards; GC §60201
Customer Service	CS-004	Bankruptcies - All, whether or not a Claim / Lien is files	10 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; liens for unpaid water bills are good for 10 years, unless extended; GC §60201, R&T §3105; WTR §§36729, 37212
Customer Service	CS-005	Billing / Utility Billing - Documentation for Adjustments, Billings, Cash,, Closed Accounts, Collections, Credit Memos, Deposits, Payments, Rebates	5 years	Yes: Until Paid	Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Customer Service	CS-006	Billing Registers	When No Longer Required		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Draft / Preliminary documents (financial database is the original); GC §60201
Customer Service	CS-007	Billing Reports / Billing Ledger	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Customer Service	CS-008	Collection Agency Assignments / NSF Checks / Write Offs	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department Preference (negative information remains on credit reports for 7 years); GC §60201 et seq.
Customer Service	CS-009	Customer Correspondence (letters from and to customers)	2 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	GC §60201
Customer Service	CS-010	Customer Service Database - TruePoint	Indefinite		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Data is interrelated; GC §60201
Customer Service	CS-011	Daily Deposit Packets (Includes NSF checks)	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Customer Service	CS-012	Deposits / Customer Deposits / Hydrant Meter Deposits	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201
Customer Service	CS-013	Landscape Incentive Application & Payment Worksheet & Reimbursement	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201

RECORDS RETENTION SCHEDULE: CUSTOMER SERVICE

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<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Customer Service	CS-014	Landscape Incentive Application & Payment Worksheet: Denial Letters	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201
Customer Service	CS-015	Liens / Certificate of Lien / Releases	Fully Paid or Forgiven + 5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; liens for unpaid water bills are good for 10 years, unless extended; GC §60201, R&T §3105; WTR §§36729, 37212
Customer Service	CS-016	Non-payment Notices / Notice of Payment Delinquency & Impending Discontinuation (Initial, Final)	When No Longer Required		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116908
Customer Service	CS-017	Payment Plans: Amortization, Alternative Payment Plans, Deferrals, etc.	Expiration or Completion of Payment Plan + 2 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Documented or attached to Customer Record in database GC §60201; H&S §116910
Customer Service	CS-018	Payment Stubs (mailed) / Remittance Advice Utility Receipts (when payment is made at the counter) / Checks	After Audit has been completed		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201
Customer Service	CS-019	Policy on Discontinuation of Residential Service for Nonpayment	When Superseded; Minimum 2 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Must post to Website; H&S §116906; GC §60201
Customer Service	CS-020	Proof of Ownership - Deeds / Easements of Current Owner	P		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201
Customer Service	CS-021	Refunds / Customer Refunds	5 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201
Customer Service	CS-022	Report of Annual Discontinuations of Residential Service	Minimum 2 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Must post to Website; H&S §116918; GC §60201
Customer Service	CS-023	Reports: Aging Report	Audit + 1 year		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §60201
Customer Service	CS-024	Shut-off Notices, Undeliverable Mail	When No Longer Required		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Preliminary drafts; GC §60201
Customer Service	CS-025	Temporary Construction Meters – new applications / transfers / billing	Completion + 2 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	GC §60201

RECORDS RETENTION SCHEDULE: CUSTOMER SERVICE

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<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Customer Service	CS-026	Voice Recordings / Customer Service Recordings	When No Longer Required		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; GC §§60201, 12168.7

RECORDS RETENTION SCHEDULE: ENGINEERING

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
ENGINEERING / CAPITAL PROJECTS								
Engineering	ENG-001	Acquisitions / Surplused Property: Real Property owned by the District Final Deeds, Easements, Right-of-Ways, and Encroachments are retained by Board Administration	P		Mag, OD, Ppr	S/I	Yes: After QC & OD	Department Preference; GC §60201
Engineering	ENG-002	Capital Improvement Projects (CIP): Large Format Drawings Design Drawings (finals), Record Drawings ("As Built")	Life of Asset	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	For Disaster Recovery Purposes; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC §60201 et seq.
Engineering	ENG-003	Capital Improvement Projects (CIP): Life Retention Agreement or Contract, Bid Package (Winning Proposal), Change Orders, CEQA / NEPA / Environmental, Final As-Built Drawings (Record Drawings), Inspection Reports, Material Testing, Permits (Design, Environmental), Photographs, Soils / Hydrological / Geotechnical Reports, Specifications, Surveys, etc.	Life of Asset	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; GC §60201
Engineering	ENG-004	Capital Improvement Projects (CIP): Administration - NO GRANT FUNDING - 10 year retention Project Administration, Bid Summary, Bonds, Consultant Proposals (Successful) / Unsuccessful), Errors & Omissions, Insurance Certificates, Notifications, Progress Payments, Punch Lists, Videos Post-Construction & Pre-Construction, Bid Bonds (returned), Bond Copies of Drawings, Consultant Proposals (Unsuccessful), Correspondence; Engineer's Estimates, Submittals, etc.	Completion + 10 years	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CCP §337 et. seq., GC §60201

RECORDS RETENTION SCHEDULE: ENGINEERING

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Engineering	ENG-005	Capital Improvement Projects (CIP): Administration - WITH GRANT FUNDING Grant Application & Award, Records required by Grant, Project Administration, Bid Summary, Bonds, Consultant Proposals (Successful) / Unsuccessful, Errors & Omissions, Insurance Certificates, Notifications, Progress Payments, Punch Lists, Videos Post-Construction & Pre-Construction, Bid Bonds (returned), Bond Copies of Drawings, Consultant Proposals (Unsuccessful), Correspondence, Engineer's Estimates, Permits (Construction), Submittals, etc.	Completion + 10 years or After Funding Agency Audit, if required, whichever is longer	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	Some grant funding agencies require audits; Department preference; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, Developers=comp. + 10 years; CCP §337 et. seq., GC §60201
Engineering	ENG-006	CEQA / NEPA - Correspondence submitted to, or transferred from the District, and internal agency communications, including staff notes related to a non-exempt CEQA action Final CEQA documents (Environmental Impact Reports (EIRs), Categorical Exemptions, Negative Declarations are maintained in the CIP Project File Permanently	Completion of CEQA Process		Mag, OD, Ppr	S/I	Yes: After QC & OD	Court ruled not all internal communications and notes are required to be saved; "E-mails that do not provide insight into the project or the agency's CEQA compliance with respect to the project — are not within the scope of section 21167.6, subdivision (e) and need not be retained." Golden Door Properties, LLC v. Superior Court of San Diego County (County of San Diego, et al., Real Parties in Interest) (D076605, D076924, D076993) (4th Dist. 2020); PRC 21167,6; GC §60201
Engineering	ENG-007	CEQA / NEPA Documents: Prepared for NON-District Projects (District comments on other's Environmental Impact Reports (EIRs), Environmental Assessments, Negative Declarations, etc)	When No Longer Required		Mag, OD, Ppr	S/I	Yes: After QC & OD	District Preference; GC §60200
Engineering	ENG-008	Deeds, Easements, Right of Ways, Real Property - District-Owned Real Property	P		Mag, OD, Ppr	S	No	GC §60201

RECORDS RETENTION SCHEDULE: ENGINEERING

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<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Engineering	ENG-009	Developer Projects: Large Format Drawings Redlines (finals accepted by the District), Record Drawings ("As Built")	Life of Asset	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	For Disaster Recovery Purposes; Final environmental determinations are required to be kept a "reasonable period of time"; 14 CCR §15095(c); GC §60201 et seq.
Engineering	ENG-010	Developer Projects: Permanent File Inspection Reports, Material Testing, Permits (Design, Environmental), Photographs, Soils / Hydrological / Geotechnical Reports, Specifications, Surveys, Fire Hydrant Flow Tests, etc.	Life of Asset	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; retained for disaster preparedness purposes; GC §60201
Engineering	ENG-011	Developer Projects: Administration - 10 year file Project Administration, Bonds, Insurance Certificates, Notifications, Punch Lists, Videos Post-Construction & Pre-Construction, Correspondence, Submittals, etc.	Completion + 10 years	Yes: Until Completed	Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; Statute of Limitations for Errors & Omissions is 10 years; Published Audit Standards=4-7 years; Statute of Limitations: Contracts & Spec's=4 years, Wrongful Death=comp. + 5 years, CCP §337 et. seq., GC §60201
Engineering	ENG-012	Encroachment Permits required for CIP Projects: Temporary (Street Cuts, Debris Boxes, etc.)	Upon Expiration		Mag, OD, Ppr	S	No	GC §60201
Engineering	ENG-013	Meter Upsizing Applications / Variances to Standards	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Engineering	ENG-014	Plans: Asset Management Plans, IRWMP (Integrated Regional Water Management Plan), WUEMP (Water Use Efficiency Master Plan), UWMP (Urban Water Management Plans) etc.	P		Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; GC §60201
Engineering	ENG-015	Studies & Reports, Investigations (Engineering Studies & Reports, including Seismic Reports, etc.)	Life of Asset		Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; GC §60201
Engineering	ENG-016	Vulnerability Assessment / Hazard Mitigation Plan	When Superseded Minimum 2 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Confidential; 42 USC 300i-2(c); GC §60201
Engineering	ENG-017	Well Destruction (Well Completion Report, etc.)	P	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Engineering	ENG-018	Well History (repair, modification, etc.)	P	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.

RECORDS RETENTION SCHEDULE: FINANCE

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FINANCE ADMINISTRATION / GENERAL ACCOUNTING								
Finance / General Accounting	FN-001	Audit Annual Reports / Audited Financial Statements / Comprehensive Annual Financial Report (CAFR) with Audit Management Letters / Audit Reports	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Finance / General Accounting	FN-002	Audit Work Papers (Finals) Includes Depreciation Schedules, Deferred Compensation Statements	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Finance / General Accounting	FN-003	Audits - Single Audits / Grant Audits	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / General Accounting	FN-004	Bank Statements / Checking Account Reconciliation / Fiscal Agent Statements, Trustee Statements, Investment Account Statements, etc.	7 years	Until Audit Completion	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Meets municipal government auditing standards; GC §60201
Finance / General Accounting	FN-005	Bond Registers	Fully Defeased + 10 years	Yes: Until Maturity	Mag, OD, Ppr	S / I	No	Statute of Limitations for bonds, mortgages, trust deeds, notes or debentures is 6 years; Bonds issued by local governments are 10 years; There are specific requirements for disposal of unused bonds; CCP §§336 et seq., 337.5(a); 26 CFR 1.6001-1(e); GC §43900 et seq.
Finance / General Accounting	FN-006	Bonds / Certificates of Participation / Transcripts / Disclosure Reports / Continuing Disclosure Reports	Fully Defeased + 10 years	Yes: Until Maturity	Mag, OD, Ppr	S / I	No	Department Preference; Statute of Limitations for bonds, mortgages, trust deeds, notes or debentures is 6 years; Bonds issued by local governments are 10 years; There are specific requirements for disposal of unused bonds; CCP §§336(a)(1) & (2), 337.5(2); GC §43900 et seq. GC §60201 et seq.
Board Admin.	FN-007	Budgets: Adopted	P	Yes: Current Fiscal Year	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60200
Local Resources & Finance / General Accounting	FN-008	Budgets: Proposed, Work Papers, Drafts, etc.	When No Longer Required		Mag, Ppr			Department Preference; Preliminary drafts; GC §60200

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Finance / General Accounting	FN-009	Equipment Inventory	When No Longer Required		Mag, Ppr			Preliminary drafts (the Financial Database is the original); GC §60200
Finance / General Accounting	FN-010	Financial Reports: Journals ONLY	7 years		Mag, Ppr			Draft / Preliminary documents used to produce final year-end general ledger (financial database is the original); GC §60201
Finance / General Accounting	FN-011	Financial Reports: Ledgers, General Ledger, Reconciliations, Registers, Reports, Transaction Histories, Balance Sheets, Budget Adjustments, Edit Lists, (MONTHLY OR PERIODIC REPORTS)	When No Longer Required		Mag, Ppr			Draft / Preliminary documents used to produce final year-end general ledger (financial database is the original); GC §60201
Finance / General Accounting	FN-012	Financial System Database / ERP Database (Great Plains)	Indefinite		Mag			Data is interrelated; system qualifies as a "trusted system"; GC §§60201, 12168.7
Finance / General Accounting	FN-013	Fixed Assets Files (Copies of Invoices, etc.)	7 years	Yes: Until Maturity	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; CCP §§336(a)(1) & (2), 337.5(2); GC §43900 et seq. GC §60201 et seq.
Finance / General Accounting	FN-014	Fund Transfers / Wire Transfers / Adjustments	7 years		Mag, Ppr			Department Preference; Meets municipal government auditing standards; GC §60201
Finance / General Accounting	FN-015	Insurance Policies - General Liability, etc.	P	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Covers various statute of limitations; CCP §§ 337 et seq.; GC §§ 911.2, 60201(d)(4)
Finance / General Accounting	FN-016	Insurance Policies - Property, Fire, Theft, etc.	Expiration + 2 years	Yes: Until Expired	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Finance / General Accounting	FN-017	Insurance Policies - Workers Compensation Insurance Policy / Plan	Policy Termination + 10 years	Yes: Before Expiration	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference to be consistent with District-wide standards; EEOC / ADEA (Age) requires 1 year after benefit plan termination; State Law requires 2 years after action; 29 CFR 1627.3(b)(2); GC §§12946, 60201
Finance / General Accounting	FN-018	Investment Files	7 years	Yes: Until Maturity	Mag, Ppr			Department Preference; GC §60201

RECORDS RETENTION SCHEDULE: FINANCE

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Finance / General Accounting	FN-019	Investments: LAIF (Local Agency Investment Fund, all other types of investments	7 years	Yes: Until Maturity	Mag, Ppr			Department Preference; GC §60201
Finance / General Accounting	FN-020	Journal Vouchers / Journal Entries / Accounts Payable Support	7 years	Until Audit Completion	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Statute of Limitations is 4 years; GC §60201, CCP §337
Finance / General Accounting	FN-021	Rate Studies	7 years		Mag, Ppr			Department Preference (consistent with audit work papers); GC §60201
Finance / General Accounting	FN-022	State Reports: State Controllers Report / Local Government Compensation Report, Public Self Insurer Report (SIP Report), etc.	7 years		Mag, Ppr			District Preference; Meets auditing standards; GC §60201

RECORDS RETENTION SCHEDULE: FINANCE

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ACCOUNTS PAYABLE & ACCOUNTS RECEIVABLE								
Finance / Accounts Payable & Receivable	FN-023	1099's 1096's, W-9's	7 years		Mag, Ppr			IRS: 4 years after tax is due or paid (longer for auditing & contractor delinquency); Ca. FTB: 3 years; IRS Reg §31.6001-1(e)(2), R&T §19530, GC §60201(d)(12); 29 USC 436
Finance / Accounts Payable & Receivable	FN-024	Accounts Payable Source Records / Invoices & Receivers / Credit Card Statements / Travel Expense Reimbursement Reports / Petty Cash & Reconciliation / Vehicle Mileage Reimbursement / Purchase Orders	7 years	Yes: Until Paid	Mag, OD, Ppr	S/ I	Yes: After QC & OD	May include records pertaining to independent contractor's compensation, or expense reimbursement; Meets municipal government auditing standards; 40 CFR 122.41(j)(2); WC §13263.2(b) et seq.; GC §60201(d)(12)
Finance / Accounts Payable & Receivable	FN-025	Check Copies / Cancelled Checks (retained at bank)	7 years		Mag, Ppr			May contain independent contractor's compensation; Statute of Limitations is 4 years; Meets municipal government auditing standards; GC §60201(d)(12), CCP § 337
Secretary of the Board	FN-026	Check Register / Warrant Register	Copies - When No Longer Required		Mag, Ppr			Presented to the Board in the Board Agenda packet; GC §60200
Finance / Accounts Payable & Receivable	FN-027	Miscellaneous Accounts Receivable / Billing for damage to District property, Insurance Claims, etc.	7 years	Yes: Until Paid	Mag, Ppr			Meets municipal government auditing standards; GC §60201
PAYROLL								
Finance / Payroll	FN-028	Cancelled Payroll Checks	7 years		Mag, Ppr			GC §60201(d)(12), CCP § 337
Finance / Payroll	FN-029	DE-6 & 941 Forms DE-6 & 941 Forms, DE-7, DE-9 DE-43, W-3, & DE-166, IRS 5500 Forms (Employee Benefit Plans) - Quarterly Payroll Tax Returns	7 years		Mag, Ppr			Department Preference; IRS: 4 years after tax is due or paid (longer for auditing & contractor delinquency); Ca. FTB: 3 years; IRS Reg §31.6001-1(e)(2), 26 CFR §1.6001-1, R&T §19530, GC §60201
Finance / Payroll	FN-030	Garnishments	Fully Satisfied or Separated + 2 years		Mag, Ppr			Department preference; GC §60201 et seq.

RECORDS RETENTION SCHEDULE: FINANCE

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Finance / Payroll	FN-031	Payroll Checks / Stipends	7 years		Mag, Ppr			GC §60201(d)(12), CCP § 337
Finance / Payroll	FN-032	Payroll Registers / Bi-Weekly Payroll Reports Includes Deferred Compensation Reports, 401A, etc.	7 years		Mag, Ppr			Department preference (Meets Municipal Government auditing Standards); GC §60201(d)(12)
Finance / Payroll	FN-033	Reports: Vacation / Sick Leave Usage	When No Longer Required		Mag, Ppr			Draft / Preliminary documents (financial database is the original); GC §60201
Finance / Payroll	FN-034	Timesheets / Timecards / Timekeeping Database	7 years		Mag, Ppr			GC §60201(d)(12); 29 CFR 516.5 & 516.6(c); IRS Reg §31.6001-1(e)(2), R&T §19530; LC § 1174(d)
Finance / Payroll	FN-035	W-2's	7 years		Mag, OD, Ppr	S/ I	Yes: After QC & OD	Department preference; IRS: 4 yrs after tax is due or paid; Ca. FTB: 3 years; Articles show 7 years; IRS Reg §31.6001-1(e)(2), R&T §19530; 29CFR 516.5 - 516.6, 29USC 436, GC §60201(d)(12)

RECORDS RETENTION SCHEDULE: GENERAL MANAGER

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
GENERAL MANAGER								
General Manager's Office	GMO-001	Projects & Issues - Records with Substantive Content (Issues and/or projects will vary over time)	Minimum 2 years		Mag, OD, Ppr	S/I	Yes: After QC & OD	Department preference; GC §60201

RECORDS RETENTION SCHEDULE: HUMAN RESOURCES

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
HUMAN RESOURCES								
Human Resources	HR-001	Affirmative Action Complaints - Department of Fair Employment & Housing (DFEH) or Equal Opportunity Commission (EEOC)	Separation + 3 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference (same as the Personnel File); All State and Federal laws require retention until final disposition of formal complaint; State requires 2 years after action is taken; 2 CCR 11013(c); GC §§12946, 12960, 60201
Human Resources	HR-002	COVID-19 Notifications to Employees	3 years		Mag, Ppr			LC §6409.6(k); GC §60201
Human Resources	HR-003	District Benefit Contracts & Benefit Plans / Insurance Policies (Health, Dental, Deferred Compensation, Pension, etc.)	Plan Termination + 2 years		Mag, Ppr			EEOC / ADEA (Age) requires 1 year after benefit plan termination; State Law requires 2 years after action; 9 CFR 1627.3(b)(2); 29 USC 1027; 11 CCR 560; 28 CCR 1300.85.1; GC §60201
Human Resources	HR-004	DMV Pull Notices	When Superseded, or Upon Separation of Employee		Mag, Ppr			District preference (DMV record that the District considers a non-record used for reference) GC §60201
Human Resources	HR-005	Drug and Alcohol Testing / D.O.T files (ALL Files - Random, Post-Accident & Reasonable Suspicion Tests, refusals, annual summaries, etc.)	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; D.O.T. Requires 5 years for positive tests, refusals, annual summaries, etc, 1 year for negative tests; EEOC / FLSA / ADEA (Age) requires 3 years physical examinations; State Law requires 2 years; 229 CFR 1627.3(b)(1)(v), GC §§12946, 12960, 60201, 49 CFR 655.71 et seq.; 49 CFR 382.401 et seq. 49 CFR 653.71
Human Resources	HR-006	Employment Verifications	When No Longer Required		Mag, Ppr			Not District records; GC §60201
Human Resources	HR-007	I-9s	Separation + 3 years	Yes: Until Separation	Mag, OD, Ppr	S / I	Yes: After QC & OD	Required for 1 year from termination or 3 years from hiring, whichever is later; EEOC / FLSA / ADEA (Age) requires 3 years for "any other forms of employment inquiry"; State Law requires 2 -3 years; 8 CFR 274a.2; 29 CFR 1627.3(b)(1); GC §§12946, 12960, 60201

RECORDS RETENTION SCHEDULE: HUMAN RESOURCES

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Human Resources	HR-008	Job Descriptions	Superseded + 3 years	Yes: Before Superseded	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Human Resources	HR-009	Organization Charts - In Budgets and CAFRs	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	GC §60201 et seq.
Human Resources	HR-010	Personnel Files - Medical File (Includes pre-employment physicals, medical leaves, etc.)	Whichever is Longer: Separation + 30 years, or Termination of Benefits + 5 years, or Death of Employee + 5 years	Yes: Until Separation	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Files maintained separately; Claims can be made for 30 years for toxic substance exposure; 8 CCR §3204(d)(1) et seq., 8 CCR 5144, 8 CCR 15400.2; 29 CFR 1910.1020(d)(1)(i), GC §§12946, 12960, 60201; LC §1198.5
Human Resources	HR-011	Personnel Files - Official Personnel file (Includes Application, Awards, Benefit Enrollments, Backgrounds, DMV Reports, Disciplinary Actions, Certifications, Commendations, Disaster Service Workers Oaths, Evaluations, Grievances, Licenses, Personnel Action Forms, Policy acknowledgements, Waiver of responsibility for voluntary activities, Supplemental Life Insurance, 1094, 1095 Forms, Training Certificates (JPIA / Safety Required) W-4s, Limited Term Employment Contracts, etc. - Excludes Medical Records)	Whichever is Longer: Separation + 30 years, or Termination of Benefits + 5 years, or Death of Employee + 5 years	Yes: Until Separation	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; statute of limitations for retirement benefits is 6 years from last action; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years; 29 CFR 1602.14, 1602.31 & 1627.3(b)(ii); GC §§12946, 12960, 60201; 29 USC 1113; GC §3105; LC §1198.5
Human Resources	HR-012	Recruitment Files / Applications for Employment / : Solicited (Not Hired) (Includes Applications (Unsuccessful), Advertisements, Interview Notes, Job Brochures, Test Data, Rating Sheets, Questions, Eligibility Lists, Reference Checks, etc.)	3 years After Hiring Decision		Mag, Ppr			Department preference; EEOC / FLSA / ADEA (Age) requires 1-3 years; State Law requires 2 - 3 years; 29 CFR 1627.3(b)(1), 29 CFR 1602.14 et seq., 2 CCR 11013(c); GC §§12946, 12960, 60201
Human Resources	HR-013	Recruitment Files / Applications for Employment / Not Solicited / No Open Position	When No Longer Required		Mag, Ppr			No open position; not part of hiring practices; GC §§12946, 12960, 60201

RECORDS RETENTION SCHEDULE: HUMAN RESOURCES

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Human Resources	HR-014	Salary Surveys / Classification or Compensation Studies	10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Human Resources	HR-015	Training Certificates (Professional Development)	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Ethics Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1602.31; LC §6429(c); GC §§12946, 12960, 60201, 53235.2(b), 53237.2(b)
Human Resources	HR-016	Training Database (Target Solutions)	Minimum 7 years		Mag, Ppr			Department preference; Ethics Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1602.31; LC §6429(c); GC §§12946, 12960, 60201, 53235.2(b), 53237.2(b)
Human Resources	HR-017	Training: ALL Human Resource COURSE RECORDS / SYLLABUS, AND ROSTER OF ATTENDEES Includes Harassment Prevention, etc.	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Ethics Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1602.31; LC §6429(c); GC §§12946, 12960, 60201, 53235.2(b), 53237.2(b)

RECORDS RETENTION SCHEDULE: HUMAN RESOURCES

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Human Resources	HR-018	Worker's Compensation Claims Files, including Applicable SDS / MSDS, Employee's Training Record, etc.	Whichever is Longer: Separation + 30 years, or Termination of Benefits + 5 years, or Death of Employee + 5 years	Yes: Until Separation	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Claims can be made for 30 years for toxic substance exposure; 8 CCR 10102; 8 CCR 15400.2, 8 CCR 5144, 8 CCR §3204(d)(1) et seq., 29 CFR 1910.1020, GC §§12946, 12960, 60201. CCP §337 et seq.

RECORDS RETENTION SCHEDULE: INFORMATION TECHNOLOGY

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
INFORMATION TECHNOLOGY								
Information Technology	IT-001	Backups - DAILY	When No Longer Required	Yes	Mag.			Used for Disaster Recovery Purposes Only; Considered a copy and can be destroyed when no longer required; GC §60200 et seq.
Information Technology	IT-002	Backups - WEEKLY	When No Longer Required	Yes	Mag.			Used for Disaster Recovery Purposes Only; Store off-site in commercial storage for disaster recovery; Considered a copy and can be destroyed when no longer required; retention based on administrative value; GC §60200 et seq.
Information Technology	IT-003	Employee Badges	After Separation of Employee		Mag			Department preference; GC §60200 et seq.
Information Technology	IT-004	Enterprise System Catalogue (posted on line)	When Superseded		Mag			Department preference; GC §60200 et seq.
Information Technology	IT-005	Network Configuration Maps & Plans	When No Longer Required	Yes	Mag.			Preliminary documents not retained in the ordinary course of business; GC §60200 et seq.

RECORDS RETENTION SCHEDULE: OPERATIONS / DISTRIBUTION

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
OPERATIONS / DISTRIBUTION								
Operations / Distribution	DIST-001	Encroachment Permits required for Maintenance: Temporary (Street Cuts, Debris Boxes, etc.)	Upon Expiration		Mag, OD, Ppr	S	No	GC §60201
Operations / Distribution	DIST-002	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Distribution	DIST-003	Standard Operating Procedures / SOPs	Superseded + 5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference for compliance with drinking water / Clean Water Act complaints; GC §60201
Operations / Distribution	DIST-004	Underground Service Alerts (USAs)	3 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (required for 3 years); the warranty period for work done is usually 5 years, the Statute of Limitations for some work may be up to 10 years; CCP §337 et seq., GC §§4216.2(d) & 4216.3(d), 60201
Operations / Distribution	DIST-005	Work Orders / Service Requests / Inspections - CMMS DATABASE (Computerized Maintenance Management System)	Indefinite		Mag, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; GC §60201

RECORDS RETENTION SCHEDULE: OPERATIONS / FACILITIES & FLEET

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
OPERATIONS / FACILITIES & FLEET								
Operations / Facilities & Fleet	FAC-001	Aboveground Petroleum Storage Tanks Spill Prevention Control and Countermeasures (SPCC), Inspections, Integrity Testing, Maintenance, Repairs	20 years		Mag, Mfr, OD, Ppr	S	Yes: After QC & OD	Department Preference; applies to both Tier I and Tier II Tanks; (Tier II tanks are required to have an integrity test every 20 years); EPA recommends that formal test records or reports be retained for the life of the container; GC §60201
Operations / Facilities & Fleet	FAC-002	Building Permits (copies of what was issued by the Local Building Official)	When No Longer Required		Mag, OD, Ppr	S / I	Yes: After QC & OD	Not a District Record (Reference only)
Operations / Facilities & Fleet	FAC-003	CARB Permits (Portable & Off-Road)	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	40 CFR 70.6; GC §60201
Operations / Facilities & Fleet	FAC-004	Daily Safety Checks / Pre-Starts / Commercial Vehicle Prestarts and Forklift Inspections	3 months		Mag, OD, Ppr	S / I	Yes: After QC & OD	Required for 3 months from the date of the Report; 49 CFR 396.11 et seq.; GC §60201
Operations / Facilities & Fleet	FAC-005	Elevator Permits, Inspections and Load Tests	When Superseded		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Facilities & Fleet	FAC-006	Engine Logs / Generator Logs (Air Quality)	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	AQMD Rule 1470; Form 400-E-13a instructions; GC §60201
Operations / Facilities & Fleet	FAC-007	Equipment and Vehicle History Files	Disposal + 1 year		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Facilities & Fleet	FAC-008	Fire Service Inspections (Quarterly, Annual, and Five Year conducted by local Fire Department)	When No Longer Required		Mag, OD, Ppr	S / I	Yes: After QC & OD	Not a District Record (Reference only)
Operations / Facilities & Fleet	FAC-009	Fleet Management / Work Orders / Service Requests / Inspections - All Information Entered in CMMS Database or Fleet Management Database	When No Longer Required		Mag, OD, Ppr	S / I	Yes: After QC & OD	Preliminary drafts (the database is the original); GC §60201

RECORDS RETENTION SCHEDULE: OPERATIONS / FACILITIES & FLEET

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
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<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Operations / Facilities & Fleet	FAC-010	Fleet Management / Work Orders / Service Requests / Inspections - NOT entered in CMMS Database or Fleet Management Database (or partial information entered into CMMS Database) (Division providing service retains originals; Division requesting service is considered a copy)	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	District Preference; CCP §§338 et seq., 340 et seq., 342, GC §60201
Operations / Facilities & Fleet	FAC-011	Fleet Management DATABASE	Indefinite		Mag			Data is interrelated; GC §60201
Operations / Facilities & Fleet	FAC-012	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference (Drinking water regulations do not apply); GC §60201
Operations / Facilities & Fleet	FAC-013	Pressure Vessel Permits & Tests: Compressors, Propane, Boilers, etc.	When Superseded		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Facilities & Fleet	FAC-014	Standard Operating Procedures / SOPs - Facilities and/or Fleet	Superseded + 2 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Facilities & Fleet	FAC-015	Vehicle Titles ("Pink Slips")	Upon Sale of the Vehicle	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Given to the new owner upon sale of the vehicle; GC §60201 et seq.
Operations / Facilities & Fleet	FAC-016	Vehicles Bit Inspection (CHP Commercial Vehicle Inspection)	3 months		Mag, OD, Ppr	S / I	Yes: After QC & OD	Required for 3 months from the date of the Report; 49 CFR 396.11 et seq.; GC §60201

RECORDS RETENTION SCHEDULE: OPERATIONS / PRODUCTION

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
OPERATIONS / PRODUCTION								
Operations / Production	PROD-001	Engine Logs / Generator Logs (Air Quality)	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	AQMD Rule 1470; Form 400-E-13a instructions; GC §60201
Operations / Production	PROD-002	Operations & Maintenance Manuals / O & M Manuals	Disposal of Equipment		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Production	PROD-003	PDC Database (Flow Metering, Operations Data, Pumps, Well Runs, etc.)	Indefinite		Mag, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; 40 CFR 122.41(j)(2); 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); GC §60201
Operations / Production	PROD-004	Pressure Vessel Permits & Tests: Compressors, Propane, Boilers, etc.	When Superseded		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Production	PROD-005	SCADA Database (Supervisory Control and Data Acquisition)	Indefinite	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; system qualifies as a "trusted system"; GC §§60201, 12168.7
Operations / Production	PROD-006	Standard Operating Procedures / SOPs	Superseded + 5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference for compliance with drinking water / Clean Water Act complaints; GC §60201
Operations / Production	PROD-007	Tank Maintenance / Water Storage Tanks / Reservoir Maintenance Reports (includes dive and tank inspection reports, other inspection reports, etc.)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Some inspection and maintenance is in CMMS Database; GC §60201
Operations / Production	PROD-008	Videos - Water Wells, Repairs, Reservoirs, Tanks, etc.	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Production	PROD-009	Well Depth to Water Levels (both Static and Dynamic)	P	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Operations / Production	PROD-010	Well History (Includes abandoned or destroyed wells)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Production	PROD-011	Work Orders / Service Requests / Inspections CMMS DATABASE (Computerized Maintenance Management System)	Indefinite		Mag, OD, Ppr	S / I	Yes: After QC & OD	Data is interrelated; GC §60201
Operations / Production	PROD-012	Work Orders / Service Requests / Inspections All Information Entered in CMMS Database	When No Longer Required		Mag, OD, Ppr	S / I	Yes: After QC & OD	Preliminary drafts (the database is the original); GC §60201

RECORDS RETENTION SCHEDULE: OPERATIONS / SAFETY & RISK MANAGEMENT

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
OPERATIONS / SAFETY & RISK MANAGEMENT								
Operations / Safety & Risk Manag.	S&RM-001	Accident / Incident Investigations - Not Moved to Personnel File	4 years	Yes: Until Resolution	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; 29 CFR 1627.3(b)(1), 29 CFR 1602.14 et seq.2 CCR 11013(c); GC §§12946, 12960, 60201
Operations / Safety & Risk Manag.	S&RM-002	Claims - Public Injury, Property Damage	Final Resolution + 7 years	Yes: Until Resolution	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Covers various statute of limitations; CCP §§ 337 et seq.; GC §§ 911.2, 60201(d)(4)
Operations / Safety & Risk Manag.	S&RM-003	Confined Space Entries / Hot Work Permits / Lock Out / Tag Out / Energy Control Procedures (ECP) / Air Monitoring Calibrations	5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; 8 CCR 5157(d)(14) & (e)(6); 29 CFR 1910.146(e)(6); GC §60201
Operations / Safety & Risk Manag.	S&RM-004	Emergency Exercises / Drills / After Action Reports (Annual)	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201
Operations / Safety & Risk Manag.	S&RM-005	Illness and Injury Prevention Program	Minimum of Superseded + 7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Safety & Risk Manag.	S&RM-006	Loss Runs - JPIA, et	When No Longer Required		Mag, Ppr			Department Preference (JPIA can provide history when required); GC §60201 et seq.
Operations / Safety & Risk Manag.	S&RM-007	OSHA Inspections & Citations	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; 8 CCR 14300.33(a); 29 CFR 1904.33, 29 CFR 1904.44; GC §60201 et seq.; LC §6429c

RECORDS RETENTION SCHEDULE: OPERATIONS / SAFETY & RISK MANAGEMENT

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer to the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion).</i>								
Operations / Safety & Risk Manag.	S&RM-008	OSHA Log 200, 300, 300A, 301, etc.	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Calif. Labor Division is required to keep their records 7 years; OSHA requires 5 years; State law requires 2 years; ; 8 CCR §3203(b)(1), 29 CFR 1904.33, OMB 1220-0029, 8 CCR 14300.33;GC §60201 et seq.; LC §6429c
Operations / Safety & Risk Manag.	S&RM-009	Risk Management Plans (RMPs), Including Physical Hazard Analysis	When Superseded		Mag, OD, Ppr	S / I	Yes: After QC & OD	Confidential; 42 USC 300i-2(c); GC §60201
Operations / Safety & Risk Manag.	S&RM-010	SDS / MSDS Masters (Safety Data Sheets / Material Safety Data Sheets) / Chemical Use Report Form (or records of the chemical / substance / agent, where & when it was used) Provided by On-line Subscription	Superseded + 30 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Provided by on-line service; Previous MSDS may be obtained from a service; MSDS may be destroyed as long as a record of the chemical / substance / agent, where & when it was used is maintained for 30 years; Applies to qualified employers; Claims can be made for 30 years for toxic substance exposures; 8 CCR 3204(d)(1)(B)(2 and 3), 29 CFR 910.1020(d)(1)(ii)(B), GC §60201
Operations / Safety & Risk Manag.	S&RM-011	Training: ALL SAFETY COURSE RECORDS / SYLLABUS, AND ROSTER OF ATTENDEES, Tailgates All OSHA-required Training, SPPC Counter-Measures Training (Spill Prevention, Control, and Countermeasures), etc.	7 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; Ethics Training is 5 years; Calif. Labor Division is required to keep their OSHA records 7 years; EEOC/FLSA/ADEA (Age) requires 3 years for promotion, demotion, transfer, selection, or discharge; State Law requires 2 -3 years for personnel actions; 8 CCR §3203 et seq., 29 CFR 1602.31; LC §6429(c); GC §§12946, 60201, 53235.2(b), 53237.2(b)

RECORDS RETENTION SCHEDULE: OPERATIONS / WATER QUALITY & ENVIRONMENTAL COMPLIANCE

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer of the Retention for District-Wide Standards.</i>								
<i>Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.</i>								
<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
OPERATIONS / WATER QUALITY & ENVIRONMENTAL COMPLIANCE								
Operations / Water Quality & Environ. Compliance	WQ-001	Business Plans / Hazardous Materials Inventory / Disclosures / Hot Air Toxics Inventory Plan / Reports and Joint Emission Inventory (for Local Fire Authorities)	Expiration + 5 years		Mag, Ppr			Department Preference (this is performed annually); GC §60201
Operations / Water Quality & Environ. Compliance	WQ-002	Calibration Records: Water Quality (Ph Meters, Chlorine Analyzers, etc.)	3 years		Mag, Ppr			40 CFR §122.41. SRCSD Ordinance Section 2.6.13. NPDES Permit No. CAG140001, Attachment D, Sec IV.; GC §60201
Operations / Water Quality & Environ. Compliance	WQ-003	Consumer Confidence Reports / Annual Water Quality Reports /	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; State law requires 12 years, federal 10 years; 40 CFR 141.33(a); 22 CCR §64470; 22 CCR 64483; GC §60201 et seq.
Operations / Water Quality & Environ. Compliance	WQ-004	Cross Connection Testing / Backflow Testing	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; SWRCB, DDW Cross-Connection Control Policy Handbook; GC §60201; 17 CCR 7605(f); GC §60201
Operations / Water Quality & Environ. Compliance	WQ-005	Customer Concerns: Odor / Taste / Visual Complaints about Potable Water (retained in Cityworks Database)	Minimum 10 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	5 years is required in State and Federal law for any complaints; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 66470; GC §60201 et seq.
Operations / Water Quality & Environ. Compliance	WQ-006	Emergency Response Plan (ERP)	When Superseded		Mag, OD, Ppr	S / I	Yes: After QC & OD	Confidential; 42 USC 300i-2(c); GC §60201
Operations / Water Quality & Environ. Compliance	WQ-007	FCC Radio Licensing / Two-Way Radio Licensing	Expiration + 5 years	Yes: Until Expired	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC § 60201

RECORDS RETENTION SCHEDULE: OPERATIONS / WATER QUALITY & ENVIRONMENTAL COMPLIANCE

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
<i>If the record is not listed here, refer of the Retention for District-Wide Standards.</i>								
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Operations / Water Quality & Environ. Compliance	WQ-008	Hazardous Waste Manifests / Disposal	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; District has "cradle to grave" liability; 22 CCR § 66262.40; GC §60201
Operations / Water Quality & Environ. Compliance	WQ-009	Incidents / Unauthorized Discharges: Pipeline Breaks, Spills, Investigations and Corrective Actions, Notice to Comply	Last Action + 5 years	Yes: Before Resolution	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; Code of Federal Regulations requires 3 years; 40 CFR 122.41(j)(2) & 40 CFR 141.33(b)(2); 22 CCR §64470
Operations / Water Quality & Environ. Compliance	WQ-010	Lab Reports & Chains of Custody / Tabular Summaries, Non-compliance Chemistry and Bacteriological: Groundwater Quality	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference (No legal mandate applies); GC §60201
Operations / Water Quality & Environ. Compliance	WQ-011	Lab Reports & Chains of Custody / Tabular Summaries: Wells, Well Heads	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Head; Required for 12 years or 2 compliance cycles; 22 CCR 64400.25; 22 CCR §64470, 40 CFR 141.33(a); 40 CFR 141.91
Operations / Water Quality & Environ. Compliance	WQ-012	Lab Reports & Chains of Custody: Potable Water - Bacteriological and Organics	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; 40 CFR 141.33(a) and (b)(1); 22 CCR §64470
Operations / Water Quality & Environ. Compliance	WQ-013	Lab Reports & Chains of Custody: Potable Water - Chemical (Includes Chlorine Residuals)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; State law requires 12 years, Federal 10 years; 40 CFR 141.33(a); 22 CCR §64692
Operations / Water Quality & Environ. Compliance	WQ-014	Lab Reports & Chains of Custody: Potable Water - Lead & Copper	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Required for 12 years or 2 compliance cycles; 22 CCR 64400.25; 22 CCR §64470, 40 CFR 141.33(a); 40 CFR 141.91

RECORDS RETENTION SCHEDULE: OPERATIONS / WATER QUALITY & ENVIRONMENTAL COMPLIANCE

Office of Record (OFR)	Retention No.	Records Description	Total Retention	Vital?	Media Options	Image: I=Import S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
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<i>HOLDS: Litigation, complaints, claims, pending public records act requests, audits, and/or investigations suspend normal retention periods (retention resumes after settlement or completion)</i>								
Operations / Water Quality & Environ. Compliance	WQ-015	NPDES Monitoring / Compliance Reports Complaints, Illicit Connections, Illicit Discharge, Stormwater Annual Reports, Watershed Annual Reports, Construction Inspections, etc.	Minimum 3 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	NPDES Monitoring records required for 3 years in Federal law; 40 CFR §§122.21, 122.41
Operations / Water Quality & Environ. Compliance	WQ-016	Permits - Air Quality Permits, NPDES Permits	Superseded + 5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; 40 CFR 60.7(f); 40 CFR §§122.21, 122.41, 122.44; GC §60201
Operations / Water Quality & Environ. Compliance	WQ-017	Permits - Water Quality Permits (DDW (Division of Drinking Water) / DWR (Department of Water Resources) / SWRCB (State Water Resources Control Board, etc.)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Operations / Water Quality & Environ. Compliance	WQ-018	Permits - Wells, County or State Agencies: County Public Health, DDW (Division of Drinking Water) / DWR (Department of Water Resources) / SWRCB (State Water Resources Control Board)	P	Yes	Mag, OD, Ppr	S / I	Yes: After QC & OD	Department Preference; GC §60201 et seq.
Operations / Water Quality & Environ. Compliance	WQ-019	Reports: DDW (Division of Drinking Water) / DWR (Department of Water Resources) / SWRCB (State Water Resources Control Board) Monthly and Annual Water System Reports (Water Production Reports, etc.)	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; GC §60201
Operations / Water Quality & Environ. Compliance	WQ-020	Sanitary Surveys of Drinking Water Systems / Field Inspections	P		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference; 22 CCR §64470; 40 CFR 141.33(c); GC §60201
Operations / Water Quality & Environ. Compliance	WQ-021	Standard Operating Procedures / SOPs	Superseded + 5 years		Mag, OD, Ppr	S / I	Yes: After QC & OD	Department preference for compliance with drinking water / Clean Water Act complaints; GC §60201

REGIONAL WATER AUTHORITY EXECUTIVE COMMITTEE AGENDA

December 13, 2021; 8:30 a.m.

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.

Meeting Information:

RWA Executive Committee meeting
Mon, Dec 13, 2021 8:30 AM - 10:30 AM (PST)

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/208678133>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3112](tel:+15713173112)

Access Code: 208-678-133

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. **CONSENT CALENDAR**
 - 3a. Authorize a Teleconference Meeting
 - 3b. Minutes of the October 27, 2021, Executive Committee meeting**Action: Approve Consent Calendar**
4. **2021 AUDIT REPORT**

Presentation: Peggy Vande Vooren, Gilbert Associates, Inc.

Action: Recommend RWA Board acceptance of 2021 RWA Financial Audit Report
5. **ANNUAL REVIEW OF RWA INVESTMENT POLICY 500.2 AND OTHER POST EMPLOYMENT BENEFIT (OPEB)**

Presentation and Discussion: Josette Reina-Luken, Financial and Administrative Services Manager

Action: Recommend no changes to Policy 500.2 and/or OPEB investment portfolio to the Board of Directors

- 6. BUREAU OF RECLAMATION MEMORANDUM OF AGREEMENT (MOA)**
Presentation and Discussion: Michelle Banonis, Manager of Strategic Affairs
Action: Recommend approval of the Bureau of Reclamation MOA to the RWA Board of Directors
- 7. REGIONAL EMERGENCY PREPAREDNESS PROGRAM**
Presentation and Discussion: Michelle Banonis, Manager of Strategic Affairs
Action: Approve the Regional Emergency Preparedness Program Agreement
- 8. STATE WATER BOARD EMERGENCY RULEMAKING; WASTEFUL WATER USE**
Presentation and Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager
Action: Take a Position on the State Water Board Emergency Rulemaking
- 9. LEGISLATIVE/REGULATORY UPDATE**
Discussion: Ryan Ojakian, Legislative and Regulatory Affairs Manager
- 10. WATER QUALITY AD HOC COMMITTEE**
Discussion: Sean Bigley, Chair
Action: Chair Bigley to form an Ad Hoc Committee and Appoint Committee Members
- 11. JANUARY 13, 2022 RWA BOARD MEETING AGENDA**
Action: Approve January 13, 2022 proposed RWA Board Meeting agenda
- 12. EXECUTIVE DIRECTOR'S REPORT**
- 13. DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Regular Board Meeting: Thursday, January 13, 2022 commencing 9:00 a.m. at the RWA Office, the location is subject to change depending on the COVID-19 emergency.

Executive Committee Meeting: Wednesday, January 26, 2022 commencing 8:30 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, December 9, 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@rwh2o.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, Dec 9, 2021 9:00 AM - 11:00 AM (PST)

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/148920685>

You can also dial in using your phone.

United States: +1 (224) 501-3412

Access Code: 148-920-685

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. CONSENT CALENDAR: All items listed under the Consent Calendar are considered and acted upon by one motion. Anyone may request an item be removed for separate consideration.

- a. Extend Resolution 2021-02, including requisite findings, to renew authorization 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.
- b. Approve the minutes of October 14, 2021 Board meeting
- c. Waive SGA Policy 200.1, Section 3.09 (b) to allow the April SGA Board meeting to occur one week early and adopt the proposed SGA Board Meeting Schedule for 2022
- d. Affirm SGA Investment Policy 400.1

Action: Approve Consent Calendar Items

4. 2021 AUDIT REPORT

Presentation: Peggy Vande Vooren, Gilbert Associates, Inc.

Action: Accept 2021 SGA financial audit report

5. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)

Presentation and Discussion: Rob Swartz, Manager of Technical Services

Action: Approve Resolution 21-03 Adopting the Groundwater Sustainability Plan for the North American Subbasin

Action: Authorize the Executive Director to Execute the Memorandum of Agreement Regarding Coordination Between Groundwater Sustainability Agencies and Implementation of the Groundwater Sustainability Plan for the North American Subbasin

Action: Waive SGA Policy 300.1 for the Purpose of Timely Preparation and Submission an Annual Report to the Department of Water Resources

6. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS

GOVERNMENT CODE §§ 54954.5(F), 54957(B)(1)

Title: Executive Director

Labor Negotiators: Sean Bigley and Dan York

7. EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT MODIFICATION

Action: Whether to support recommendation from the RWA Executive Committee to amend Executive Director employment agreement

8. ELECTION OF SGA 2022 OFFICERS

Information Update: SGA Ad Hoc Nominating Committee

Action: Elect 2022 SGA Chair and Vice Chair

9. EXECUTIVE DIRECTOR'S REPORT

10. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meetings:

January 25, 2021, 2:00 pm to have a Special Board Meeting/Virtual Workshop on the potential business case for the SGA and SCGA merge.

February 10, 2022, 9:00 a.m. 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/>.



Minutes

Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting Thursday, November 18, 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 #828 7561 7471

Call to Order – Videoconference/Audioconference Meeting

Chair Locke called the meeting to order at 3:00 p.m.

Roll Call

SSWD Directors

Present: Craig Locke and Dave Jones.

SSWD Directors

Absent: None.

CWD Directors

Present: Mark Emmerson and Jeff Nelson.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Susan Schinnerer, and Heather Hernandez-Fort.

CWD Staff Present: General Manager Cathy Lee.

Public Present: Robert Wichert, Kevin Thomas, David Hanscom, and Greg Zlotnick.

Announcements

Sacramento Suburban Water District (SSWD) General Manager Dan York (GM York) wished everyone a Happy Thanksgiving.

Public Comment

None.

Consent Items

1. **Minutes of the September 29, 2021, CWD/SSWD 2x2 Ad Hoc Committee Meeting**
SSWD Director Jones moved to approve the Consent Item; CWD Director Nelson seconded. The motion passed by unanimous vote.

AYES:	Locke, Jones, Emmerson, and Nelson.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

2. **Combination Study Business Case Analysis – Request for Proposal**
SSWD GM York presented the staff report and answered clarifying questions.

Carmichael Water District (CWD) General Manager Cathy Lee (GM Lee) and SSWD GM York expressed they were hoping to get feedback on the Request for Proposals (RFP) by the Committee by November 29, 2021.

Chair Locke requested to place the consultants schedule into the RFP.

The Committee agreed that 4 weeks would be plenty of time for the consultants to respond to the RFP, and suggested to have it posted in each district's December Board Packet.

The Committee agreed for staff to provide the Committee with only the top 6 proposals.

CWD Director Emmerson noted he was not in a hurry and that he just wanted to continue in the process, while ensuring to cast a wide net to applicants. He also pointed out that it seemed to be more of an engineering and business project, and suggested looking at local colleges for students to offer proposals as well. He expressed some concern over the cost, noting \$200,000 might be a little high.

SSWD Director Jones expressed it might be a good idea to keep cost down and adjust as needed.

Chair Locke expressed there was no substitute for experience, and he wanted to ensure they get the best they could. He further expressed he was concerned \$200,000 was not enough for a proper study.

CWD Director Nelson expressed he felt it was more of a sophisticated study requiring more experienced consultants and he wanted to make sure it was done right.

Chair Locke summarized that the Committee requested to eliminate task 2 from the scope in the RFP, and requested to add the schedule and estimate of labor hours into the proposals. Noting it would be an RFP with cost proposal separately submitted. He expressed the Committee was good with the proposed budget and noted each district would place the RFP on their websites.

CWD Director Nelson expressed he was happy with the budgeted amount of \$200,000, noting it might not all get used, but that it allowed flexibility.

Chair Locke expressed the Committee members could provide their feedback to the General Managers by November 29, 2021, and allow them to incorporate any edits into the RFP as they saw fit. After both Boards get the updated RFP at their December regular Board meetings, they would have an opportunity to provide feedback to the General Managers as well. He then suggested providing the RFP to the public by the end of December, 2021, with responses due roughly 5 weeks later.

The Committee was flexible with the RPF due dates, noting they would allow the General Managers to decide.

Adjournment

Chair Locke adjourned the meeting at 3:44 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District