



SACRAMENTO SUBURBAN WATER DISTRICT Year in Review 2018



2018 was a landmark year for Sacramento Suburban Water District (SSWD), one filled with big changes and notable achievements that were years in the making. Within this report, you'll read about the Long-Term

Warren Act Contract with the U.S. Bureau of Reclamation that helps to secure our surface water supplies, the improvements made to our water system and the national recognition for our water efficiency efforts. All of these were made possible by the support of our Board of Directors, ratepayers and talents of the SSWD team.

I would also like to take a moment to recognize Rob Roscoe for the leadership he

provided as General Manager for the past 15 years. Before retiring, Rob made improving the District's infrastructure, financial position and customer service hallmarks of his leadership. It was an honor to work with and learn from him. Longtime Board Member Neil Schild, who passed away last year, also left a lasting positive mark.

As we look to the future, we will 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 and tomorrow.

A handwritten signature in black ink, appearing to read 'Dan York'.

DAN YORK
General Manager

MISSION STATEMENT

To deliver a high quality, reliable supply of water and superior customer service at the lowest responsible water rate.



MANAGING WATER SUPPLIES FOR A SUSTAINABLE FUTURE

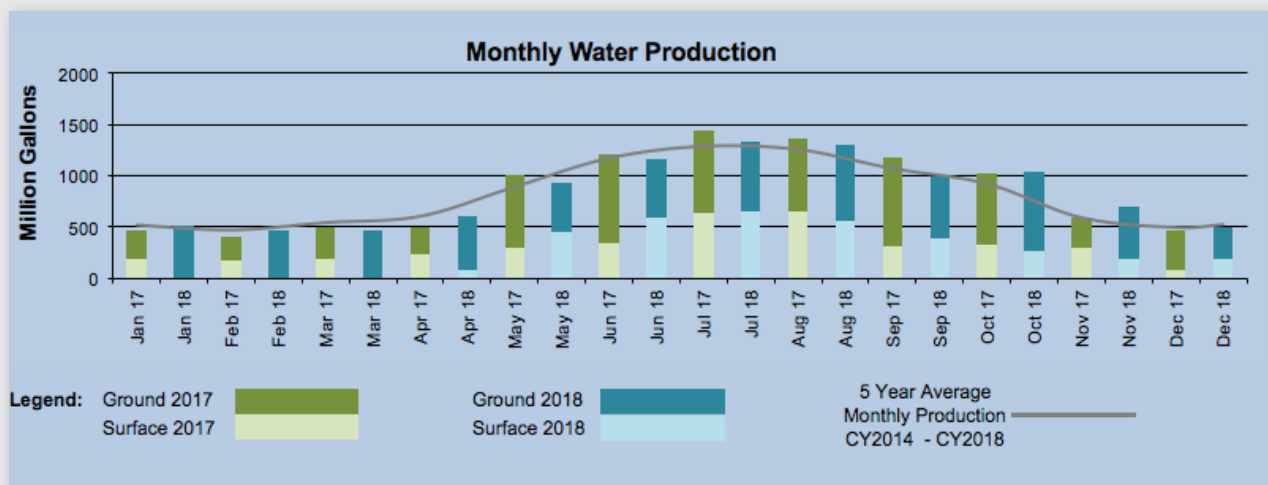
Long-Term Warren Act Contract

SSWD signed an agreement with the U.S. Bureau of Reclamation that helps secure surface water during wet years for the next 27 years. This achievement, nearly two decades in the making, allows SSWD to access up to 29,000 acre feet of water at Folsom Reservoir purchased from Placer County Water Agency. That's enough water to serve nearly 43,500 households for a year. Reclamation owns and operates Folsom Reservoir, and the contract was essential to accessing these water supplies.



Coordinating Use of Surface Water and Groundwater

SSWD works with neighboring water providers through the Sacramento Groundwater Authority to safeguard the groundwater basin that provides the District with most of its supplies. During wet years, SSWD uses more surface water from Folsom Reservoir and the American River, allowing the groundwater basin to recharge. During dry years, SSWD uses more groundwater, allowing more surface water to flow down the American River for fish and wildlife. This management system—called conjunctive use—was key to ensuring the basin's sustainability during California's recent record drought and has been instrumental in the basin's recovery from historic lows in the 1990s to levels that are now stable and sustainable.



CAPITAL IMPROVEMENT PROGRAM UPDATE

SSWD's Capital Improvement Program continues to meet the infrastructure needs of the District through prudent planning and by utilizing available resources. In 2018, the District invested more than \$18 million into the water system to both upgrade and improve operations for today and the generations to come.



2018 highlights include:

- Improving the operational efficiency and capacity of the pump stations at nine groundwater wells
- Construction of the Palm Pump Station and Treatment Facility in the North Service Area
- Finishing construction of Well 79 Verner/Panorama in the North Service Area and Well 78 Butano/Cottage in the South Service Area
- Construction of over 5.0 miles of new distribution mains
- Installation of 2,232 water meters on non-metered accounts

In 2019, the District will continue to work on upgrading our miles of water mains to increase the reliability of our water system, reduce leaks and limit any disruptions in water service, including:

- Replacing 4.3 miles of distribution main lines
- Installing 1,000 new meters, which will bring the percentage of metered accounts to 93 percent by the end of the year
- Renovating two wells to increase their capacity, modifying an additional three wells to increase their operating efficiency and removing three inactive wells to protect groundwater quality
- Designing and starting the construction of the pumping stations for Well 78 Butano/Cottage and Well 79 Verner/Pamorama



Leading the Way with Water Efficiency

Our customers continued to conserve in 2018, using 23 percent less water compared to 2013. SSWD's water conservation team helped customers save over 40 million gallons of water over the year through our rebate and leak detection programs.

In 2018, the conservation team performed complimentary Water-Wise House Calls in which they reviewed water use and made recommendations for savings to more than 300 water district customers. They also issued rebates worth more than \$36,000 and provide leak investigations to many water District customers.



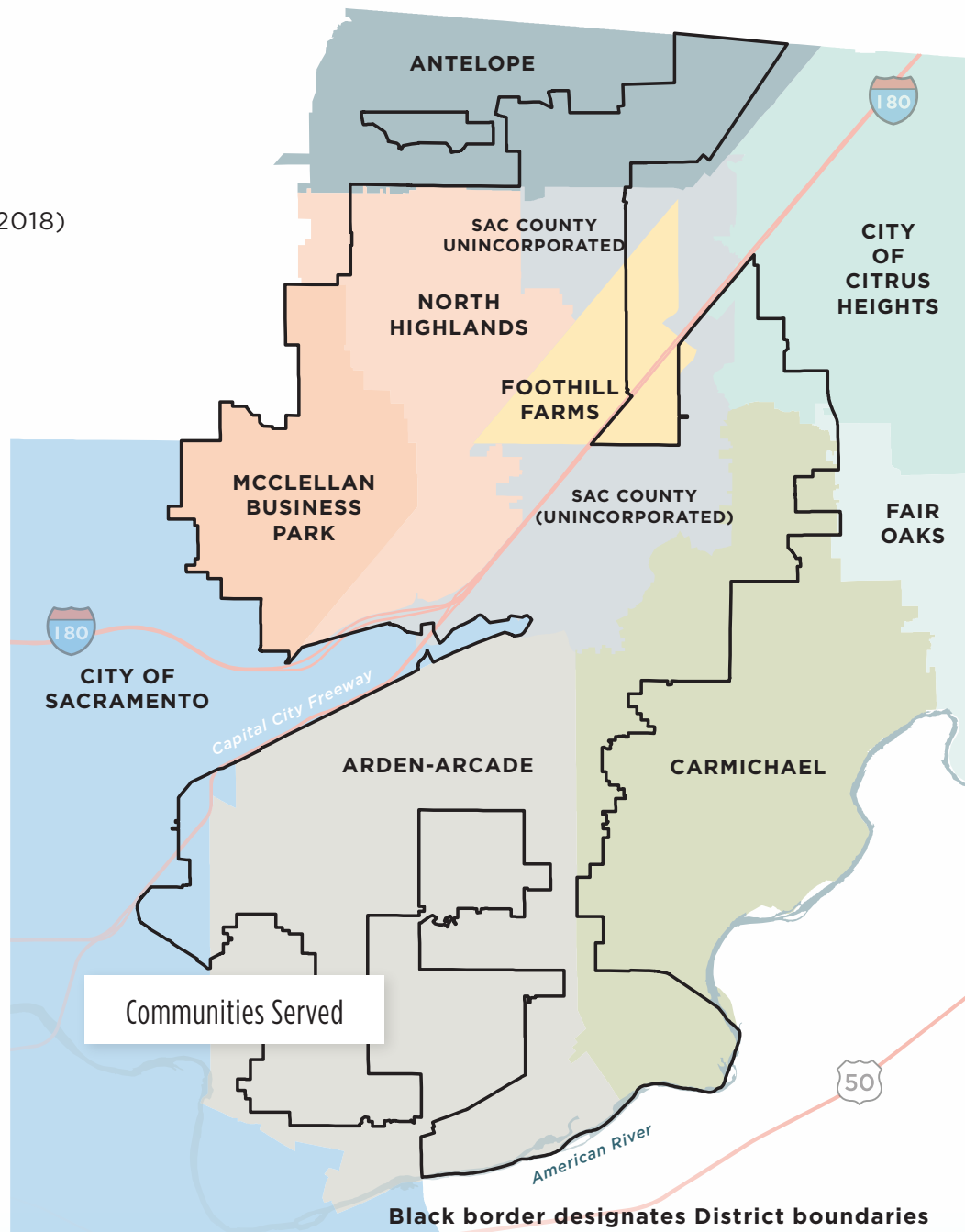
NATIONAL WATERSENSE AWARD

The U.S. Environmental Protection Agency honored SSWD with its national 2018 WaterSense Excellence in Education and Outreach Award. Pictured (from left): SSWD Conservation Manager Greg Bundesen, EPA Office of Wastewater Management's Raffael Stein and SSWD General Manager Dan York.

SSWD AT A GLANCE

By the Numbers (as of 12/31/2018)

179,988	Population Served
46,268	Service Connections
41,958	Metered Connections
55,064	Acre feet of contractual rights from City of Sacramento and Placer County Water Agency
30,874	Acre feet of surface water and groundwater produced for SSWD customers
12,416	Mainline Valves
6,210	Fire Hydrants
698	Miles of Distribution/Transmission System
72	Active Groundwater Production Wells
67	Full-Time Employees



2018 Highlights at a Glance

- Secured a Long-Term Warren Act Contract with the U.S. Bureau of Reclamation to access surface water supplies for the next 27 years
- Refinanced a 2009 bond, saving the District \$1.36 million over the next nine years
- Generated \$1.46 million in additional income from interest in investments, leases and other facility development charges
- Invested over \$18 million into improving SSWD's water system and its efficiency
- Hosted the SSWD's first Open House, welcoming hundreds of customers
- Replaced 5.0 miles of distribution mains
- Installed 2,232 meters, increasing metered connections to 91 percent
- Improved the capacity and operation of 11 wells
- Drilled two new wells



Financial Stewardship

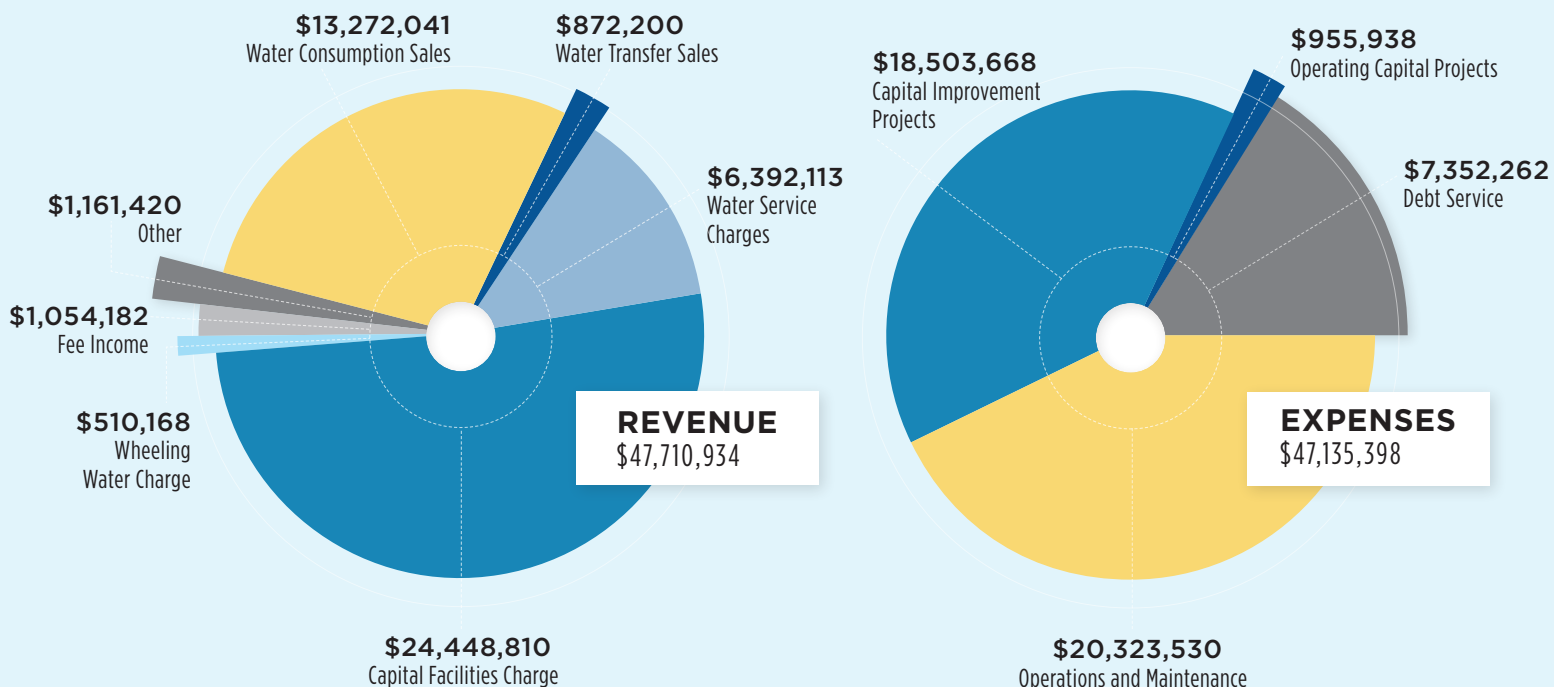
Managing the District's financial health is one of our utmost priorities. We strive to find the best ways to properly invest in upgrades and maintenance, and to ensure the highest returns on our capital reserves. We work to make sure we can provide the highest quality service at the best possible price.

In 2018, we generated:

- \$45,735,000 in income from rate payers
- \$2,144,000 from other sources including interest income, leases and water sales

The Finance Department has received top honors from the Government Finance Officers Association for the completeness and readability of our annual report for the past seven years.

WATER SYSTEM FINANCES





3701 Marconi Ave
Sacramento, CA 95821

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LEADERSHIP

SSWD is governed by a dedicated five-member Board of Directors elected to serve four-year terms.

David Jones, President (Division 1)

Robert Wichert (Division 3)

Kathleen McPherson (Division 2)

Kevin Thomas, Vice President (Division 4)

Craig Locke (Division 5)

Dan York, General Manager

SACRAMENTO SUBURBAN WATER DISTRICT

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