

Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, January 23, 2023
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/85101776102?pwd=YW9tYWdqUU5KbGo0bEUzclpuVTFCdz09>

Meeting ID: 851 0177 6102

Password: 466027

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 after the staff presentation but before Board’s consideration of that agenda item. Persons who wish to comment on either

agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

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

Call to Order

Pledge of Allegiance

Roll Call

Announcements

Public Comment

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

Consent Items

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

1. AB 361 Findings to Continue Permitting 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).
2. Minutes of the December 19, 2022, Regular Board Meeting
Recommendation: Approve subject minutes.
3. Treasurer's Report
Recommendation: Approve the items in the report as recommended.

4. Municipal Services Review
Recommendation: Authorize the General Manager to negotiate and execute a contract with Plan West Partners to complete a Municipal Services Review and Sphere of Influence for Sacramento Suburban Water District, in the amount of \$22,000, subject to final review and approval by District legal counsel.

Items for Discussion and/or Action

5. Carmichael Water District and Sacramento Suburban Water District Combination Discussions – A Business Case for a Potential Combination
Recommendation: Amend agreement with Raftelis, in the amount of \$20,000, to address inconsistencies in the Draft Carmichael Water District and Sacramento Suburban Water District Business Case for a Potential Combination report. Authorize the General Manager to sign the amended agreement, subject to final review and approval by District legal counsel.
6. Carmichael Water District and Sacramento Suburban Water District Combination Discussion – Next Steps
Recommendation: Approval to continue further detailed analysis of the Combination Discussions between Carmichael Water District and Sacramento Suburban Water District.
7. Memorandum of Understanding with Carmichael Water District for a Communications Plan for Public Outreach on the Combination Discussions
Recommendation: Approve the Memorandum of Understanding with Carmichael Water District for a Communications Plan for Public Outreach on the Combination Discussions and authorize the General Manager to sign the Memorandum of Understanding, subject to final review and approval by District legal counsel.
8. Policy Review – Capital Asset Policy (PL - Fin 002)
Recommendation: Approve subject policy with changes.
9. 2023 Committee and Liaison Assignments
Recommendation: The Board President will appoint Board committees and assign Board member liaisons to outside organizations.
10. Nominate Director Jay Boatwright for the Sacramento Local Agency Formation Commission Special District Advisory Committee – Office B
Recommendation: Direct the Secretary of the Board to nominate Director Jay Boatwright to be considered for the position of Special District Advisory Committee - Office B, per his request.

General Manager's Report

11. General Manager's Report
 - a. Conjunctive Use Program
 - b. Storm Update

Department/Staff Reports

12. Financial Report
 - a. Financial Statement Highlights
 - b. Budgets
13. District Activity Report
14. Engineering Report
 - a. Major Capital Improvement Program Projects
 - b. Active Wells
 - c. Planning Documents
 - d. Other Projects

Information Items

15. Upcoming Water Industry Meetings/Conferences
16. Upcoming Policy Review
 - a. Debt Obligation Continuing Disclosure Policy (PL – Fin 013)

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

17. a. Regional Water Authority (Director Wichert)
Agendas for the Dec 16, 2022, and January 12, 2023 meetings.

Regional Water Authority Executive Committee (General Manager York)
Agenda for the Dec 21, 2022 meeting.

- b. Sacramento Groundwater Authority (Director Thomas)
Agenda for the Dec 8, 2022 meeting.
- c. Director Reports – AB 1234

Committee Reports

- 18. a. Carmichael Water District/SSWD 2x2 Committee Meeting
Agenda from the December 21, 2022 meeting.
- b. Del Paso Manor Water District/SSWD 2x2 Committee Meeting
Agenda from the January 10, 2023 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)

- 19. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957.

Adjournment

Upcoming Meetings

Wednesday, February 8, 2023, at 4:00 p.m., CWD/SSWD 2x2 Committee Meeting

Tuesday, February 14, 2023, at 2:00 p.m., DPMWD/SSWD Committee Meeting

Monday, February 27, 2023, at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the January 23, 2023, meeting of the Sacramento Suburban Water District Board of Directors was posted by January 18, 2023, 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: January 23, 2023

Subject: AB361 Findings to Continue Permitting 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

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.

Those who become infected with COVID-19 are at risk of serious illness and death. Many have been hospitalized with serious illness.

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



Agenda Item: 2

Date: January 23, 2023

Subject: Minutes of the December 19, 2022, Regular Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the draft minutes of the December 19, 2022, Regular Board Meeting.

Attachment:

1 – Draft Minutes

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, December 19, 2022

Location:

3701 Marconi Avenue, Suite 100, Sacramento, CA 95821, Audio Conference at 1-669-900-6833,
and Video Conference using Zoom at Meeting Id #853 2518 8382

Call to Order

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

Pledge of Allegiance

President Locke led the Pledge of Allegiance.

Swearing in Newly Elected Directors

District General Manager/Secretary Dan York (GM York) administered the Oath of Office to Jay Boatwright, Robert Wichert, Craig Locke, and Kevin Thomas.

Roll Call

Directors Present: Jay Boatwright, 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, Julie Nemitz, Mark Taylor, Jim Arenz, Jeff Ott, and Todd Artrip.

Public Present: William Eubanks, Paula Arenz, Danielle Arenz, Legal Counsel Josh Horowitz, and Christine Kohn.

Election of District Officers

1. **Election of District Officers**

President Locke presented the item.

Director Jones expressed he was not interested in becoming President for the 2023 term, and further nominated Director Boatwright for President; Director Wichert seconded. The motion passed by unanimous vote.

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

Director Wichert nominated Director Thomas for Vice President; Director Locke seconded. The motion passed by unanimous vote.

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

Announcements

GM York announced:

- Josh Horowitz, District Legal Counsel was attending the meeting virtually,
- A reminder that the January and February 2023 regular Board meetings were to be held on the fourth Monday of each of those months due to holidays,
- And, Happy Holidays to all.

Public Comment

None.

Consent Items

2. **AB 361 Findings to Continue Permitting Director Remote Participation in Board Meetings**
3. **Minutes of the November 21, 2022, Regular Board Meeting**
4. **Treasurer's Report**
5. **Policy Review – Claims Processing Policy (PL - Adm 007)**
6. **Policy Review – Investment Policy (PL – Fin 003)**
7. **Policy Review – Capital Improvement Program Policy (PL – Eng 003)**
8. **General Manager and Director Out of State Travel Request**

Regarding Item 4, William Eubanks (Mr. Eubanks) asked clarifying questions, which were answered by staff and the Board.

Director Jones requested to pull Item 7.

Director Thomas moved to approve all Consent Items, except Item 7; Director Locke seconded. The motion passed by unanimous vote.

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

Regarding Item 7, Director Jones expressed he felt that some of the language would be better fit in a procedure, noting that he would like the Policy to be brought back next month after further review.

Director Wichert disagreed, noting he felt the Policy was appropriate as written as it incorporated good practices for project management.

Director Wichert moved to approve the staff recommendation.

Director Jones expressed he felt the Policy should be reviewed sooner than 2 years.

Director Thomas seconded the motion, with the recommendation to modify, so that the Policy would come back for review in 6 months.

Director Wichert recommended the Policy come back for review in a year.

Director Thomas seconded the motion, with the amendment of reviewing the Policy in one year.

The motion passed by 4/1 vote; Director Jones opposed.

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

Items for Discussion and/or Action

9. Resolution No. 22-14 Honoring James Arenz On His Retirement

GM York presented the staff report

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

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

GM York presented a ceremonial resolution to Jim Arenz (Mr. Arenz).

Mr. Arenz expressed his gratitude and appreciation for the staff and stated it was an honor to serve the public and District, noting the District was a great place to work.

Director Jones noted that it was a pleasure working with Mr. Arenz, as he was a great boss and always fun to work with.

Assistant General Manager Matt Underwood (AGM Underwood) expressed that Mr. Arenz was very well liked and respected throughout the District, and expressed how much he appreciated his efforts over the years, noting he would be missed.

GM York commended Mr. Arenz for the years of dedication to the District and wished him the best.

10. State of the District 2022

GM York presented the staff report, PowerPoint presentation, and answered clarifying questions.

Mr. Eubanks recommended staff place the State of the District on the District’s website. The Directors concurred with Mr. Eubanks recommendation.

11. Memorandum of Understanding with Del Paso Manor Water District for a Communications Plan for Public Outreach on the Combination Discussions

GM York presented the staff report.

Director Wichert expressed that there was a lot of discussion at the last 2x2 Committee meeting about communication, and what the next steps would be, and that it concluded with noting that the messaging should be consistent from both agencies. He expressed that he endorsed the staff recommendation, and moved to approve it.

Director Locke expressed he wanted to be sure the District was not involved in any of their Proposition 218 process communication, and wanted to be sure it was being billed separately.

GM York concurred with Director Locke, expressing their Proposition 218 process would be separate.

Director Locke seconded. The motion passed by unanimous vote.

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

12. Disconnections for Delinquency

Julie Nemitz (Ms. Nemitz) presented the staff report and answered clarifying questions.

Mr. Eubanks asked clarifying questions and supported the staff recommendation.

Ms. Nemitz answered clarifying questions.

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

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

13. Committee and Liaison Appointments for 2023

President Boatwright presented the staff report, noting he would like to speak with the Directors individually on their interests on committees. He tabled the item and requested to move it to the January regular Board meeting.

Mr. Eubanks recommended that Director Thomas not be on the Audit Committee again.

General Manager’s Report

14. General Manager’s Report

GM York presented the staff report.

a. Loehman’s Plaza Fire Loop

GM York presented the staff report and answered clarifying questions.

Director Wichert noted he was not interested in this, as he wanted the District to be compensated if the District was to take on additional responsibility of an aged infrastructure.

Mr. Eubanks withdrew his comment.

b. Municipal Services Review Update

GM York presented the staff report.

Department/Staff Reports

15. Financial Report

Mr. Ott presented the staff report.

Mr. Eubanks asked clarifying questions on the budget.

a. Financial Statement Highlights

A written report was provided.

b. Budgets

A written report was provided.

16. **District Activity Report**

Todd Artrip (Mr. Artrip) presented the staff report and answered clarifying questions.

Director Wichert inquired where staff was on the meters replaced, and inquired about the 0's listed in the PM program schedule.

President Boatwright inquired if staff felt confident with completing the remaining unfinished PM tasks.

Mr. Artrip expressed staff felt pretty confident they would have the tasks completed or be very close to completion, and he additionally described how the work order system worked.

17. **Engineering Report**

AGM Underwood presented the staff report and answered clarifying questions.

a. Major Capital Improvement Program Projects

A written report was provided.

b. Active Wells

A written report was provided.

c. Planning Documents

A written report was provided.

d. Other Projects

A written report was provided.

Information Items

18. **ACWA/JPIA President's Special Recognition Award**

Mr. Artrip presented the staff report.

19. **Association of California Water Agencies/Joint Powers Insurance Authority H.R. LaBounty Safety Award**

Mr. Artrip presented the staff report.

20. **Sacramento County Local Agency Formation Commission Annexation Proposal for a Development Project**

AGM Underwood presented the staff report.

21. **Upcoming Water Industry Events**

A written report was provided.

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

- 22. a. Regional Water Authority (Director Wichert)
None.

Regional Water Authority Executive Committee (GM York)
The Agenda for the December 14, 2022 meeting was provided.

- b. Sacramento Groundwater Authority (Director Wichert)
The Agenda for the December 8, 2022 meeting was provided.

- c. Director Reports – AB 1234

Director Jones provided an oral report on the AWWA Conference that he attended on October 19, 2022; and the meetings he had with the General Manager on November 8, 18, and 28, 2022.

Director Thomas provided an oral report on the DPMWD Board Meeting he attended on November 7, 2022; the AeroJet CAG Meeting he attended on November 16, 2022; and the ACWA Conference he attended November 28 through December 1, 2022.

Directors’ Locke and Boatwright provided written reports of their meetings attended.

Committee Reports

- 23. a. DPMWD/SSWD 2x2 Meeting (Director Wichert)
The Agenda from the December 6, 2022 meeting was provided.

Director Wichert provided an oral report of the meeting.

Director’s Comments/Staff Statements and Requests

Mr. Eubanks expressed Director Boatwright might be the first Board President with the least amount of time on the Board. He further commended the Board and staff for an outstanding job over the years.

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

The Board convened in Closed Session at 7:51 p.m. to discuss the following:

- 24. Public Employee Performance Evaluation Involving the General Manager Under Government Code Section 54954.5(e) and 54957.

Return to Open Session

The Board convened in Open Session at 8:11 p.m. There was no reportable action.

Adjournment

President Boatwright adjourned the meeting at 8:12 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

DRAFT



Agenda Item: 3

Date: January 23, 2023

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 December 1, 2022 through December 31, 2022.
2. Accept the credit card expenditures listing for the period December 1, 2022 through December 31, 2022.
3. Ratify the Investment Activity register for the period December 1, 2022 through December 31, 2022.
4. Accept the Investment Portfolio Register as of the end of 4th Quarter of 2022.
5. Accept the Debt Portfolio Register as of the end of 4th Quarter of 2022.
6. Ratify the Quarterly Directors Compensation and Expense Register for 4th Quarter 2022.
7. Accept the Annual Employee Reimbursement Register for 2022

Background:

The Treasurer's report contains several items required by various Government Code sections and District policy 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, section 800.00, requires the District Treasurer to report to the Board of Directors monthly on the investment transactions conducted and regularly on the status of the investment portfolio. Government Code Section 53065.5 requires, at a minimum, 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:

Seven (7) registers are included for Board review and acceptance or ratification:

- Cash Expenditures (AP Warrants) Register – December 2022
- Credit Card Expenditures Register – December 2022
- Investment Activity Register – December 2022
- Investment Portfolio Register – 4th Quarter 2022
- Debt Portfolio Register – 4th Quarter 2022
- Directors Compensation and Expense Register – 4th Quarter 2022
- Employee Reimbursement Register – Calendar Year 2022

Cash Expenditures (AP Warrants) Register – December 2022

During the month of December 2022, the District made cash payments totaling \$6.1 million. The primary expenditures were \$4.1 million for capital improvement projects, \$0.8 million for payroll, \$0.3 million for pension and health benefits, \$0.2 million for water costs including pumping costs, \$0.3 million for construction & contract services, \$0.1 million for supplies and inventory, and \$0.3 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 amended 2022 Annual Budget. The Cash Expenditures (AP Warrants) Register is included as Attachment 1.

Credit Card Expenditures Register – December 2022

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 \$5,391 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 – December 2022

During the month of December 2022, one Certificate of Deposit was matured for \$0.4 million (par) and two US Treasury Notes were matured for \$1.4 million (par). The District also received principal pay downs on a Federal Agency Collateralized Mortgage Obligation for \$ 5,553 (par) and six Asset-Backed Security Obligations for \$38,123 (par). Details of the investment transactions are included as Attachment 3.

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

Investment Portfolio Register – 4th Quarter 2022

Excess and reserve funds are invested in diverse investments that consist of corporate notes, Federal Agency bonds and discount notes, U.S. Treasury bonds, notes and bills, Supra-National Agency notes, commercial paper, municipal bonds, negotiable certificates of deposit, asset-backed securities, collateralized mortgage obligations, and Local Agency Investment Fund (LAIF). The District's investments are under the day-to-day management of PFM Asset Management, LLC

(PFM). PFM manages the portfolio in compliance with the District's Investment Policy and provides monthly and quarterly reporting, analytics, and proposes strategies for the District. The PFM market portfolio is currently earning a rate of 1.44% per annum, while LAIF is earning 2.173%. District staff monitors investment assets quarterly and reviews the effective duration of the District's portfolio against its benchmark index on a quarterly basis as well.

Summary of District's Investment Portfolio December 30, 2022):

Fair Market Value	Security Type	Yield
\$ 3,800,151.40	Money Market	3.790%
4,796,573.19	LAIF	2.173%
	PFM Portfolio	
4,072,543.60	Asset-Backed Securities	0.85%
297,103.80	Certificates of Deposit	0.59%
8,998,735.73	Corporate Notes	1.99%
6,260,971.56	Federal Agency Securities Bonds/Notes	0.38%
266,417.57	Federal Agency Collateralized Mortgage Obligation	1.95%
1,655,103.90	Municipal Obligations	1.00%
1,297,550.51	Supra-National Agency Bond	0.36%
14,360,464.84	Treasury Bonds/Notes	1.89%
37,208,891.51	Total PFM Portfolio	1.443%
\$ 45,805,616.10		1.714%

Par value of the PFM Portfolio as of December 31, 2022 is \$39,635,963 versus the market value of \$37,208,892. The difference is primarily related to increasing interest rates, which effects the market value of the investments.

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

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

Debt Portfolio Register – 4th Quarter 2022

On March 16, 2022, the District issued two series of Revenue Refunding Bonds, Series 2022A and 2022B. The Series 2022A bonds were issued tax-exempt at a 5.0% coupon rate (true interest cost of 1.57%) with a par amount of \$34,725,000 to refund all of the \$42,000,000 outstanding variable rate 2009A Certificates of Participation. The Series 2022B bonds were issued taxable at an average coupon rate of 1.72% with a par amount of \$6,585,000 to advance refund \$6,265,000 of the \$8,670,000 outstanding 2012A Bonds with an average coupon rate of 4.67%. Total principal outstanding as of December 31, 2022 is now \$48.0 million compared to \$60.3 million at December 31, 2021 because of the refinancing. In addition, the District terminated the swap agreement with Wells Fargo Bank, N.A.. The termination fee was \$5,642,000. The letter of credit facility

agreement with Sumitomo Mitsui Banking Corporation was also terminated. The following table shows the District's long-term debt obligations as of December 31, 2022. Scheduled 2022 principal payments of \$5.4 million were paid at the end of October.

Summary of District's Debt Portfolio:

<u>Debt</u>	<u>Original Par</u>	<u>Outstanding</u>	<u>Issuance</u>	<u>Final Maturity</u>
2018A	19,615,000	6,915,000	Fixed Rate Revenue Bond	11/1/2028
2022A	34,725,000	34,455,000	Fixed Rate Revenue Bond	11/1/2031
2022B	<u>6,585,000</u>	<u>6,585,000</u>	Fixed Rate Revenue Bond	11/1/2024
	<u>90,125,000</u>	<u>47,955,000</u>		

Directors Compensation and Expense Register – 4th Quarter 2022

Director meetings attended for the 4th quarter of 2022 (that Directors have reported to staff and have been compensated for attending) and expense reimbursements are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. Directors who have not reported their meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board meeting. Director's Compensation and Expense Register is included with this report as Attachment 5.

Employee Reimbursement Register – Year 2022

Employee expense reimbursements for 2022 are attached to this report (Attachment 6) in accordance with Government Code Section 53065.5.

Attachments:

1. Cash Expenditures (AP Warrants) Register – December 2022
2. Credit Card Expenditures Register – December 2022
3. Investment Activity Register – December 2022
4. Investment Portfolio Register – 4th Quarter 2022
5. Directors Compensation and Expense Register – 4th Quarter 2022
6. Employee Reimbursements Register – Year 2022

**Cash Expenditures
December 2022**

AP Warrant List From: 12/1/2022 To: 12/31/2022

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
ACWA JPIA INSURANCE EAP	82259	12/8/2022	\$171.36	MISCELLANEOUS EMPLOYEE BENEFITS
		TOTAL	\$171.36	
ADP, INC	0079160	12/23/2022	\$4,694.20	FINANCIAL SERVICES
		TOTAL	\$4,694.20	
	0079161	12/23/2022	\$414.75	FINANCIAL SERVICES
		TOTAL	\$414.75	
	ACH-PR12022022	12/2/2022	\$295,100.15	PAROLL
		TOTAL	\$295,100.15	
	ACH-PR12162022	12/16/2022	\$276,115.36	PAYROLL
		TOTAL	\$276,115.36	
ACH-PR12302022	12/30/2022	\$265,409.45	PAYROLL	
	TOTAL	\$265,409.45		
ADVANCED ROOF DESIGN INC	82260	12/8/2022	\$1,455.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$1,455.00	
AFLAC	82273	12/8/2022	\$601.27	SUPPLEMENT INSURANCE - AFLAC
		TOTAL	\$601.27	
AIRGAS USA LLC	000007624	12/8/2022	\$44.92	OPERATING SUPPLIES
		TOTAL	\$44.92	
ALL PRO BACKFLOW	000007623	12/8/2022	\$765.00	BACKFLOW SERVICE
		TOTAL	\$765.00	
ALLIED UNIVERSAL	82311	12/8/2022	\$842.96	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$842.96	
AMAZON BUSINESS	000007629	12/8/2022	\$687.85	OFFICE SUPPLIES
			\$779.10	OPERATING SUPPLIES
		TOTAL	\$1,466.95	
	000007649	12/14/2022	\$458.40	COMMUNICATION
			\$18.99	EMPLOYEE COMM/TEAMBUILDING
			\$481.72	OPERATING SUPPLIES
	TOTAL	\$959.11		
	000007661	12/16/2022	\$618.74	OFFICE SUPPLIES
		\$266.06	OPERATING SUPPLIES	
TOTAL	\$884.80			
AMERITAS (VISION)	82423	12/16/2022	\$2,171.16	EMPLOYEE BENEFIT - VISION INSURANCE
		TOTAL	\$2,171.16	
ANSWERNET	000007610	12/8/2022	\$721.00	COMMUNICATION
		TOTAL	\$721.00	
AT&T	82309	12/8/2022	\$234.88	COMMUNICATION
		TOTAL	\$234.88	
	82402	12/14/2022	\$298.91	COMMUNICATION
		TOTAL	\$298.91	
ATLAS DISPOSAL	82261	12/8/2022	\$286.54	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$286.54	
AUBURN CONSTRUCTORS	82274	12/8/2022	\$257,362.74	PROJECT: WELL 80 WALNUT/AUBURN
			\$41,934.44	PROJECT: WELL N35 - A N WATER TREATMENT
			\$200,247.17	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$499,544.35	
	82387	12/14/2022	\$342,136.06	PROJECT: WELL 80 WALNUT/AUBURN
			\$138,562.47	PROJECT: WELL 84 ANTELOPE/DON JULIO
		\$482,586.67	PROJECT: WLS 81/82/83 ANTELOPE N./POKER	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$963,285.20	
	82415	12/16/2022	\$349,498.81	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$349,498.81	
AVEVA SELECT CALIFORNIA	82312	12/8/2022	\$26,255.00	PREPAID LICENSES & PERMIT
		TOTAL	\$26,255.00	
BADGER METER INC	000007634	12/14/2022	\$102.54	PROJECT: HOWE AVE BICYCLE & PEDESTRIAN
		TOTAL	\$102.54	
	000007655	12/16/2022	\$3,149.75	ACCRUED PURCHASES - (RECEIVED NOT
		TOTAL	\$3,149.75	
BARTKIEWICZ KRONICK & SHANAHAN	000007635	12/14/2022	\$11,563.60	LEGAL SERVICES
		TOTAL	\$11,563.60	
BASIC PACIFIC	0078903	12/7/2022	\$744.60	OPEB - RETIREE BENEFITS PREMIUM
		TOTAL	\$744.60	
	82295	12/8/2022	\$38.50	MISCELLANEOUS EMPLOYEE BENEFITS
		TOTAL	\$38.50	
BAY ALARM COMPANY	82263	12/8/2022	\$116.55	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$116.55	
BEN HARRIS	82401	12/14/2022	\$133.07	OTHER TRAINING
		TOTAL	\$133.07	
BENDER ROSENTHAL INC	82302	12/8/2022	\$55.00	PROJECT: PROP ACQU - CONSULTING SERV
			\$62.50	PROJECT: PROP ACQU- CONSULTING SERVICES
			\$182.50	PROJECT: PROP ACQU-PARK OAKS DR
		TOTAL	\$300.00	
	82398	12/14/2022	\$611.25	PROJECT: PROP ACQU- CONSULTING SERVICES
		TOTAL	\$611.25	
BERRY LUMBER	82320	12/12/2022	\$1,201.76	OPERATING SUPPLIES
		TOTAL	\$1,201.76	
BRENDA REYES	82258	12/6/2022	\$150.00	CONSERVATION REBATES
		TOTAL	\$150.00	
BROADRIDGE MAIL LLC	0078904	12/7/2022	\$10.82	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$10.82	
	0078905	12/7/2022	\$650.22	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$650.22	
	0078906	12/7/2022	\$3,489.54	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$3,489.54	
	0078907	12/7/2022	\$2.28	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$2.28	
	82297	12/8/2022	\$9,153.78	CONTRACT SERVICES
			\$18,088.25	PRINTING
		TOTAL	\$27,242.03	
	0079005	12/13/2022	\$2.06	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$2.06	
	0079006	12/13/2022	\$196.94	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$196.94	
	0079007	12/13/2022	\$192.75	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$192.75	
	0079066	12/13/2022	\$5,379.67	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$5,379.67	
	82396	12/14/2022	\$26,951.89	CONTRACT SERVICES

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
			\$1,921.60	POSTAGE/SHIPPING/UPS/FED EX
			\$3,838.03	PRINTING
		TOTAL	\$32,711.52	
	0079118	12/16/2022	\$751.64	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$751.64	
	0079156	12/20/2022	\$512.80	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$512.80	
	0079157	12/17/2022	\$6,021.54	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$6,021.54	
	0079158	12/27/2022	\$771.94	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$771.94	
BROWER MECHANICAL	000007616	12/8/2022	\$169.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$169.00	
	000007641	12/14/2022	\$1,118.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$1,118.00	
BROWN & CALDWELL	82281	12/8/2022	\$98.18	PROJECT: WELL 79 VERNER/PANORAMA- NEW
		TOTAL	\$98.18	
	82391	12/14/2022	\$33,770.69	PROJECT: WELL 79 VERNER/PANORAMA- NEW
		TOTAL	\$33,770.69	
BRYAN NELSON	82314	12/8/2022	\$250.00	UNIFORMS
		TOTAL	\$250.00	
BSK ASSOCIATES	000007660	12/16/2022	\$62,784.00	INSPECTION & TESTING
		TOTAL	\$62,784.00	
BUD'S TRI COUNTY TREE SERVICE	000007604	12/8/2022	\$1,680.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$1,680.00	
BZ SERVICE STATION MAINTENANCE	82264	12/8/2022	\$1,162.21	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$1,162.21	
CAPITAL SWEEPER SERVICE	82307	12/8/2022	\$1,237.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$1,237.00	
CDWG	000007605	12/8/2022	\$12,195.00	PROJECT: 2022 - TERMINAL SERVER UPGRADE
		TOTAL	\$12,195.00	
	000007636	12/14/2022	\$9,995.00	PROJECT: 2022 NETMOTION UPGRADE
		TOTAL	\$9,995.00	
CENTRAL VALLEY ENG & ASPHALT	000007643	12/14/2022	\$48,000.00	MISC. REPAIRS
		TOTAL	\$48,000.00	
CHAD JIVIDEN	82294	12/8/2022	\$243.99	UNIFORMS
		TOTAL	\$243.99	
CIGNA-DENTAL INS	82291	12/8/2022	\$14,928.62	EMPLOYEE BENEFIT - DENTAL INSURANCE
		TOTAL	\$14,928.62	
CINTAS	82265	12/8/2022	\$404.58	BUILDING MAINTENANCE - OFFICE & YARD
			\$632.13	UNIFORMS
		TOTAL	\$1,036.71	
	82378	12/14/2022	\$510.14	BUILDING MAINTENANCE - OFFICE & YARD
			\$857.69	UNIFORMS
		TOTAL	\$1,367.83	
CODY SCOTT	6915	12/2/2022	\$2,066.28	PAYROLL
		TOTAL	\$2,066.28	
COMCAST	82266	12/8/2022	\$78.74	COMMUNICATION
		TOTAL	\$78.74	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
CONTINENTAL PRODUCTS LLC	82316	12/8/2022	\$1,935.19	CONTRACT SERVICES
		TOTAL	\$1,935.19	
COUGHRAN MECHANICAL SERVICE	82407	12/16/2022	\$47,499.54	CONTRACT SERVICES
		TOTAL	\$47,499.54	
COUNTY OF SAC CLERK RECORDER	82416	12/16/2022	\$100.00	LICENSES, PERMITS & FEES
		TOTAL	\$100.00	
COUNTY OF SAC ENVIRO MGT DEPT	82289	12/8/2022	\$2,656.00	LICENSES, PERMITS & FEES
		TOTAL	\$2,656.00	
COUNTY OF SAC PUBLIC WORKS	82380	12/14/2022	\$282.50	PROJECT: WATT MAIN EXTENSIION
			\$893.80	PROJECT: WELL 80 WALNUT/AUBURN
			\$758.00	LICENSES, PERMITS & FEES
	TOTAL	\$1,934.30		
	82409	12/16/2022	\$678.00	PROJECT: WELL 78 BUTANO - PUMP STATION
			\$735.00	PROJECT: WELL 80 WALNUT/AUBURN
TOTAL	\$1,413.00			
COUNTY OF SAC UTILITIES	82408	12/16/2022	\$127.35	UTILITIES
		TOTAL	\$127.35	
COUNTY OF SAC VOTER REGISTRATION	82379	12/14/2022	\$28,347.45	ELECTION
		TOTAL	\$28,347.45	
Customer Refunds	82216	12/2/2022	\$10,085.59	CUSTOMER REFUNDS
		TOTAL	\$10,085.59	
DAVID ARMAND	82394	12/14/2022	\$135.12	UNIFORMS
		TOTAL	\$135.12	
DAVID LOGSDON	82254	12/6/2022	\$225.18	CONSERVATION REBATES
		TOTAL	\$225.18	
DITCH WITCH EQUIPMENT CO	82389	12/14/2022	\$6,432.02	EQUIPMENT MAINTENANCE SERVICES
			\$225.58	OPERATING SUPPLIES
		TOTAL	\$6,657.60	
DOMCO PLUMBING	82290	12/8/2022	\$225.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$225.00	
	82422	12/16/2022	\$684.00	CONSTRUCTION SERVICES
		TOTAL	\$684.00	
DOMENICHELLI & ASSOCIATES	000007606	12/8/2022	\$7,837.37	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$7,837.37	
	000007637	12/14/2022	\$5,350.82	PROJECT: GREENBERRY COMPLEX
			\$9,630.62	PROJECT: Q STREET MAIN REPLACMENT
			\$7,205.00	PROJECT: WATT MAIN EXTENSIION
TOTAL	\$22,186.44			
DOUG VEERKAMP GENERAL ENGR	000007622	12/8/2022	\$5,985.00	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$5,985.00	
	000007646	12/14/2022	\$431,152.71	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$431,152.71	
	000007654	12/14/2022	\$20,000.00	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$20,000.00	
DYLAN HUNTZINGER	82421	12/16/2022	\$173.99	UNIFORMS
		TOTAL	\$173.99	
EDI GUIDI	82253	12/6/2022	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
EDWARD HIDALGO	82301	12/8/2022	\$250.00	UNIFORMS

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$250.00	
ELEVATOR TECHNOLOGY INC	000007630	12/8/2022	\$218.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$218.00	
EMPLOYEE RELATIONS	000007617	12/8/2022	\$367.55	EMPLOYMENT COST
		TOTAL	\$367.55	
ERC CONTRACTING	000007626	12/8/2022	\$24,625.00	PROJECT: WATT MAIN EXTENSIION
			\$125.00	PROJECT: WELL 80 WALNUT/AUBURN
			\$650.00	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$25,400.00	
	000007647	12/14/2022	\$2,350.00	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$2,350.00	
ERIK FLAA	82280	12/8/2022	\$355.00	REQUIRED TRAINING
		TOTAL	\$355.00	
ERIKA LYNN CROY	82255	12/6/2022	\$360.24	CONSERVATION REBATES
		TOTAL	\$360.24	
ERROL L MONTGOMERY & ASSOCIATES INC	82427	12/16/2022	\$837.50	PROJECT: WELL N38 WTR QUALITY INVESTIGA
			\$3,181.25	PROJECT: WELL N6A-REHAB/REDEVELOPE/TEST
		TOTAL	\$4,018.75	
FLEETWASH INC	000007627	12/8/2022	\$418.92	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$418.92	
	000007648	12/14/2022	\$466.44	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$466.44	
FLOWLINE CONTRACTORS INC	000007620	12/8/2022	\$23,054.00	PROJECT: AC OVERLAY - SB1 2022 PHASE 2
			\$15,355.45	PROJECT: HOWE BICYCLE/PEDESTRIAN IMPRV
			\$11,364.00	PROJECT: ROSEVILLE RR CROSSING-ST LIGHT
		TOTAL	\$49,773.45	
	000007644	12/14/2022	\$115,719.39	RETENTION PAYABLE
		TOTAL	\$115,719.39	
	000007659	12/16/2022	\$194.92	PROJECT: HOWE BICYCLE/PEDESTRIAN IMPRV
		TOTAL	\$194.92	
FUTURE FORD	82268	12/8/2022	\$1,078.65	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$1,078.65	
GARY BRADLEY	82257	12/6/2022	\$284.69	CONSERVATION REBATES
		TOTAL	\$284.69	
GEI CONSULTANTS	82300	12/8/2022	\$13,746.50	PROJECT: WELL N35 - A N WATER TREATMENT
		TOTAL	\$13,746.50	
	82397	12/14/2022	\$7,904.25	PROJECT: WELL N35 - A N WATER TREATMENT
		TOTAL	\$7,904.25	
GEREMY MOODY	82418	12/16/2022	\$250.00	UNIFORMS
		TOTAL	\$250.00	
	6916	12/5/2022	\$1,311.84	PAYROLL
		TOTAL	\$1,311.84	
GOODFELLOW BROS CALIFORNIA LLC	82313	12/8/2022	\$26,172.50	PROJECT: AC OVERLAY SB1 2021 PHASE 2
		TOTAL	\$26,172.50	
	82404	12/14/2022	\$34,342.50	PROJECT: AC OVERLAY SB1 2022 PHASE 4
		TOTAL	\$34,342.50	
GRAINGER	82269	12/8/2022	\$121.71	OPERATING SUPPLIES
		TOTAL	\$121.71	
	82381	12/14/2022	\$879.98	OPERATING SUPPLIES

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$879.98	
GRANITE CONSTRUCTION COMPANY	82283	12/8/2022	\$7,204.00	RETENTION PAYABLE
		TOTAL	\$7,204.00	
GREEN MEDIA CREATIONS INC	000007633	12/8/2022	\$7,664.76	CONTRACT SERVICES
		TOTAL	\$7,664.76	
HARRINGTON PLASTICS	82382	12/14/2022	\$291.08	INVENTORY
		TOTAL	\$291.08	
	82410	12/16/2022	\$2,856.98	OPERATING SUPPLIES
		TOTAL	\$2,856.98	
ICONIX WATERWORKS (US) INC	000007632	12/8/2022	\$20,349.67	PROJECT: Q STREET MAIN REPLACMENT
			\$4,936.05	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$25,285.72	
	000007651	12/14/2022	\$33,198.52	PROJECT: Q STREET MAIN REPLACMENT
			\$1,068.14	PROJECT: WATT MAIN EXTENSIION
	TOTAL	\$34,266.66		
	000007662	12/16/2022	\$53,551.75	PROJECT: Q STREET MAIN REPLACMENT
		TOTAL	\$53,551.75	
IN COMMUNICATIONS	82286	12/8/2022	\$8,181.86	PUBLIC RELATIONS
		TOTAL	\$8,181.86	
INFERRERA CONSTRUCTION MANAGEMENT GROUP	82399	12/14/2022	\$3,920.00	PROJECT: MCCLELLAN BLDG 251 - MAIN REPL
		TOTAL	\$3,920.00	
JAY BOATWRIGHT	82429	12/16/2022	\$1,165.06	TRAVEL CONFERENCES
		TOTAL	\$1,165.06	
JOE CROCKETT	82275	12/8/2022	\$48.48	OPERATING SUPPLIES
			\$25.00	REQUIRED TRAINING
		TOTAL	\$73.48	
JOSH TAYLOR	82296	12/8/2022	\$60.00	REQUIRED TRAINING
		TOTAL	\$60.00	
JOSHUA GAGNON	82285	12/8/2022	\$120.00	UNIFORMS
		TOTAL	\$120.00	
JUSTIN MCGOWAN	82405	12/14/2022	\$227.99	UNIFORMS
		TOTAL	\$227.99	
KENNEDY JENKS CONSULTANTS	000007621	12/8/2022	\$765.67	PROJECT: WELL PUMP/MOTOR STANDARDIZATIO
		TOTAL	\$765.67	
	000007645	12/14/2022	\$765.67	PROJECT: WELL PUMP/MOTOR STANDARDIZATIO
TOTAL	\$765.67			
KYLE JIVIDEN	6917	12/9/2022	\$768.22	PAYROLL
		TOTAL	\$768.22	
LOEWEN PUMP MAINTENANCE	000007656	12/16/2022	\$66,600.00	PROJECT: WELL 60 - CONDITION ASSESSMENT
		TOTAL	\$66,600.00	
MADDAUS WATER MANAGEMENT INC	82306	12/8/2022	\$28,768.75	CONSULTING SERVICES
		TOTAL	\$28,768.75	
MCCLELLAN LOGISTICS II, LLC	82406	12/14/2022	\$550,760.27	PROJECT: DUDLEY BLVD EXTENSION
		TOTAL	\$550,760.27	
MICHAEL PHILLIPS LANDSCAPE CORP	000007607	12/8/2022	\$3,270.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
			\$1,240.00	CONTRACT SERVICES
		TOTAL	\$4,510.00	
MISCOWATER	82315	12/8/2022	\$3,201.42	OPERATING SUPPLIES
		TOTAL	\$3,201.42	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
MITCHELL MCCARTHY	82298	12/8/2022	\$426.66	MEMBERSHIP & DUES
		TOTAL	\$426.66	
NDS SOLUTIONS INC	000007608	12/8/2022	\$3,529.63	PUBLIC RELATIONS
		TOTAL	\$3,529.63	
OFFICE DEPOT INC	82270	12/8/2022	\$78.46	OFFICE SUPPLIES
		TOTAL	\$78.46	
	82411	12/16/2022	\$546.25	OFFICE SUPPLIES
		TOTAL	\$546.25	
PACE SUPPLY CORP	000007618	12/8/2022	\$10,087.10	INVENTORY
			\$96.98	OPERATING SUPPLIES
		TOTAL	\$10,184.08	
	000007642	12/14/2022	\$2,340.33	PROJECT: WATT MAIN EXTENSIION
			\$3,623.50	OPERATING SUPPLIES
TOTAL	\$5,963.83			
PACIFIC RIVER SUPPLY CO INC	82303	12/8/2022	\$293.40	UNIFORMS
		TOTAL	\$293.40	
PAUL MILLER	82287	12/8/2022	\$250.00	UNIFORMS
		TOTAL	\$250.00	
	82420	12/16/2022	\$189.12	OTHER TRAINING
		TOTAL	\$189.12	
PAUL WHITE	82308	12/8/2022	\$250.00	UNIFORMS
		TOTAL	\$250.00	
PERS 457 PLAN	ACH- PR12022022P	12/2/2022	\$19,274.86	DEFERRED COMPENSATION, PERS
		TOTAL	\$19,274.86	
	ACH- PR12162022P	12/16/2022	\$3,458.46	DEFERRED COMPENSATION, PERS
		TOTAL	\$3,458.46	
	ACH- PR12312022P	12/30/2022	\$6,138.46	DEFERRED COMPENSATION, PERS
		TOTAL	\$6,138.46	
PERS HEALTH	0078908	12/7/2022	\$1,676.99	EMPLOYEE BENEFIT - MEDICAL INSURANCE
		TOTAL	\$1,676.99	
	0078909	12/7/2022	\$110,462.15	EMPLOYEE BENEFIT - MEDICAL INSURANCE
		TOTAL	\$110,462.15	
PERS PENSION	REMIT0000000000 01401	12/8/2022	\$0.00	
		TOTAL	\$0.00	
	0079154	12/16/2022	\$36,314.35	EMPLOYEE BENEFIT - PENSION
			\$8,235.74	EMPLOYEE BENEFIT - PENSION
		TOTAL	\$44,550.09	
	0079155	12/11/2022	\$36,544.19	EMPLOYEE BENEFIT - PENSION
			\$7,832.86	EMPLOYEE BENEFIT - PENSION
		TOTAL	\$44,377.05	
	0079159	12/30/2022	\$36,485.88	EMPLOYEE BENEFIT - PENSION
			\$8,262.89	EMPLOYEE BENEFIT - PENSION
TOTAL		\$44,748.77		
PEST PROS PEST SOLUTIONS	82304	12/8/2022	\$395.50	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$395.50	
PETERSON BRUSTAD INC	82393	12/14/2022	\$2,711.63	PROJECT: CAPEHART TANK CONDITION ASSMNT
		TOTAL	\$2,711.63	
	82424	12/16/2022	\$15,215.65	PROJECT: ANTELOPE&WATT/ELKHORN RESERVOI
			\$1,310.50	PROJECT: ENTERPR/NORTHDROP RESERVIOR/PS

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$16,526.15	
PFM ASSET MANAGEMENT LLC	000007615	12/8/2022	\$750.00	CONSULTING SERVICES
			\$3,951.31	FINANCIAL SERVICES
		TOTAL	\$4,701.31	
POLLARD WATER	82412	12/16/2022	\$94.17	OPERATING SUPPLIES
		TOTAL	\$94.17	
POWERS ELECTRIC PRODUCTS CO	82282	12/8/2022	\$594.59	ACCRUED PURCHASES - (RECEIVED NOT
		TOTAL	\$594.59	
PSOMAS	000007614	12/8/2022	\$1,240.00	PROJECT: PRO ACQU-WALERGA/ANTELOPE-PHAM
		TOTAL	\$1,240.00	
	000007640	12/14/2022	\$3,212.00	PROJECT: PRO ACQU-WALERGA/ANTELOPE-PHAM
			\$16,427.13	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
	TOTAL	\$19,639.13		
	000007658	12/16/2022	\$1,917.50	PROJECT: MBP EASEMENTS
TOTAL		\$1,917.50		
RAMON B SANCHEZ	82256	12/6/2022	\$150.00	CONSERVATION REBATES
		TOTAL	\$150.00	
RAMOS OIL COMPANY	82318	12/8/2022	\$6,632.67	OPERATING SUPPLIES
		TOTAL	\$6,632.67	
RAWLES ENGINEERING	82383	12/14/2022	\$8,100.00	PROJECT: VALVE/HYDRANT/SERV REPL
			\$4,275.67	OPERATING SUPPLIES
		TOTAL	\$12,375.67	
	82413	12/16/2022	\$11,760.00	CONSTRUCTION SERVICES
		TOTAL	\$11,760.00	
REGIONAL WATER AUTHORITY	82319	12/12/2022	\$280.00	LOCAL TRAVEL COST
		TOTAL	\$280.00	
RICK HONMA	82317	12/8/2022	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
ROMAN ANDERSON	6918	12/15/2022	\$1,521.13	PAYROLL
		TOTAL	\$1,521.13	
RUE EQUIPMENT INC	82271	12/8/2022	\$130.00	EQUIPMENT MAINTENANCE SERVICES
		TOTAL	\$130.00	
	82384	12/14/2022	\$260.00	EQUIPMENT MAINTENANCE SERVICES
			\$252.05	VEHICLE MAINTENANCE SERVICES
	TOTAL	\$512.05		
S E AHLSTROM INSPECTION	000007628	12/8/2022	\$1,045.00	PROJECT: WATT MAIN EXTENSIION
			\$11,115.00	PROJECT: WELL 78 BUTANO - PUMP STATION
		TOTAL	\$12,160.00	
SAC ICE LLC	82395	12/14/2022	\$195.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$195.00	
SACRAMENTO SUBURBAN WATER DISTRICT	82292	12/8/2022	\$478.15	PETTY CASH
		TOTAL	\$478.15	
SENSUS USA INC	000007631	12/8/2022	\$24,110.95	INVENTORY
		TOTAL	\$24,110.95	
	000007650	12/14/2022	\$16,570.80	INVENTORY
		TOTAL	\$16,570.80	
SHAWN CHANEY	82388	12/14/2022	\$250.00	UNIFORMS
		TOTAL	\$250.00	
SIERRA CHEMICAL COMPANY	000007609	12/8/2022	\$1,481.00	HFA, CHEMICAL & DELIVERY

AP Warrant List From: 12/1/2022 To: 12/31/2022

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
			\$4,224.00	HYPO, CHEMICAL & DELIVERY
		TOTAL	\$5,705.00	
SMUD	82272	12/8/2022	\$7,450.85	ELECTRICAL CHARGES
		TOTAL	\$7,450.85	
	82385	12/14/2022	\$96,046.92	ELECTRICAL CHARGES
		TOTAL	\$96,046.92	
SMUD ACCOUNTING	000007663	12/16/2022	\$500.00	PROJECT: WELL N20 - CA & MN MITIGATION
		TOTAL	\$500.00	
SONITROL	000007611	12/8/2022	\$1,978.89	BUILDING SERVICE EXPENSE - OFFICE & YARD
			\$903.14	CONTRACT SERVICES
		TOTAL	\$2,882.03	
STERICYCLE INC	82293	12/8/2022	\$177.34	CONTRACT SERVICES
		TOTAL	\$177.34	
T&S CONSTRUCTION COMPANY INC	000007652	12/14/2022	\$226,852.77	PROJECT: WELL 78 BUTANO - PUMP STATION
		TOTAL	\$226,852.77	
TAK COMMUNICATIONS CA INC	82310	12/8/2022	\$1,515.00	PROJECT: AMI ENDPOINTS
			\$61,651.25	PROJECT: DWMWD INTERTIE VALVES
			\$2,850.00	PROJECT: MARCONI BLDG STRUCT WATERPROOF
		TOTAL	\$66,016.25	
	82403	12/14/2022	\$50,350.00	PROJECT: VALVE/HYDRANT/SERV REPL
			\$2,564.00	MISC. REPAIRS
		TOTAL	\$52,914.00	
	82426	12/16/2022	\$42,716.42	CONSTRUCTION SERVICES
		TOTAL	\$42,716.42	
TEE JANITORIAL & MAINTENANCE	82299	12/8/2022	\$4,108.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$4,108.00	
TESCO	82414	12/16/2022	\$53,000.00	PROJECT: ANTELOPE&WATT/ELKHORN RESERVOI
		TOTAL	\$53,000.00	
THOMAS SAWYER	82425	12/16/2022	\$110.00	REQUIRED TRAINING
			\$250.00	UNIFORMS
		TOTAL	\$360.00	
TINA LYNN DESIGN	000007619	12/8/2022	\$212.50	CONTRACT SERVICES
		TOTAL	\$212.50	
TODD ARTRIP	82278	12/8/2022	\$71.59	EMPLOYEE COMM/TEAMBUILDING
		TOTAL	\$71.59	
TOM DICKINSON	82279	12/8/2022	\$250.00	UNIFORMS
		TOTAL	\$250.00	
US BANK CORPORATE PAYMENT SYSTEM	82392	12/14/2022	\$5,390.88	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$5,390.88	
USA BLUEBOOK	82284	12/8/2022	\$445.76	OPERATING SUPPLIES
		TOTAL	\$445.76	
USPS	0079153	12/27/2022	\$275.00	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$275.00	
UTILITY SERVICES ASSOCIATES	82288	12/8/2022	\$15,975.91	CONTRACT SERVICES
		TOTAL	\$15,975.91	
VALIC AIG	ACH-PR12022022V	12/2/2022	\$15,289.37	DEFERRED COMPENSATION, VALIC
		TOTAL	\$15,289.37	
	ACH-PR12162022V	12/16/2022	\$4,725.00	DEFERRED COMPENSATION, VALIC
		TOTAL	\$4,725.00	

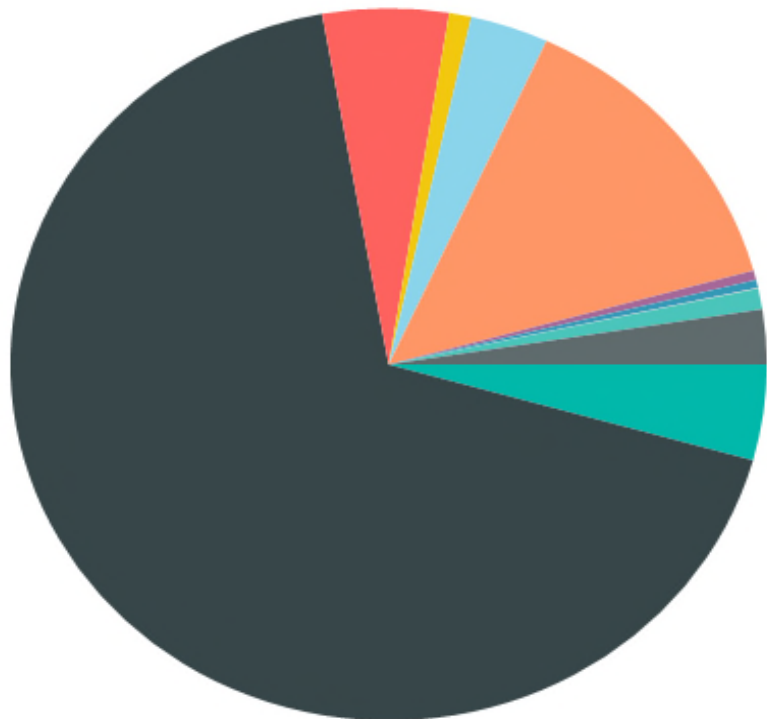
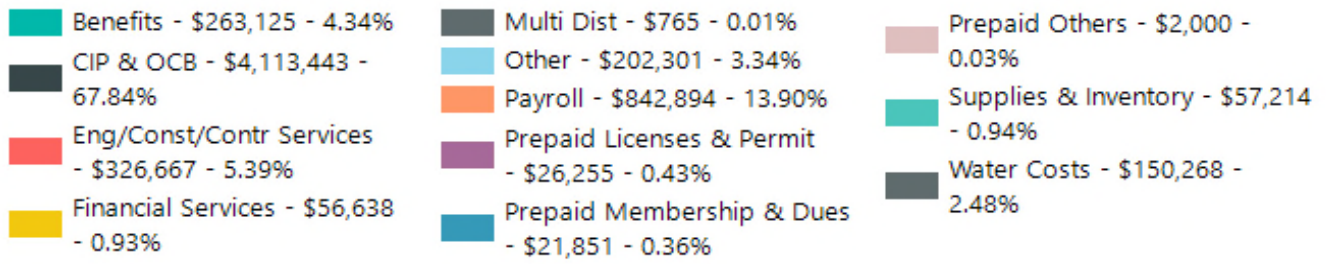
AP Warrant List From: 12/1/2022 To: 12/31/2022

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
	ACH- PR12302022V	12/30/2022	\$4,775.00	DEFERRED COMPENSATION, VALIC
		TOTAL	\$4,775.00	
VERIZON WIRELESS DALLAS TX	82277	12/8/2022	\$5,787.60	COMMUNICATION
		TOTAL	\$5,787.60	
VICKI SPRAGUE	82419	12/16/2022	\$75.00	MEMBERSHIP & DUES
		TOTAL	\$75.00	
WALNUT INDUSTRIAL CENTER LLC	82428	12/16/2022	\$2,000.00	PREPAID OTHERS
		TOTAL	\$2,000.00	
WASTE MANAGEMENT	000007612	12/8/2022	\$326.20	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$326.20	
	000007657	12/16/2022	\$111.07	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$111.07	
WATER RESEARCH FOUNDATION AWWA	82262	12/8/2022	\$21,851.45	MEMBERSHIP & DUES
		TOTAL	\$21,851.45	
WATERWISE CONSULTING, INC.	000007625	12/8/2022	\$2,660.00	CONTRACT SERVICES
		TOTAL	\$2,660.00	
WEST YOST & ASSOCIATES	000007613	12/8/2022	\$41,347.15	PROJECT: WELL 80 WALNUT/AUBURN
			\$14,682.41	PROJECT: WELL 84 ANTELOPE/DON JULIO
			\$137,802.67	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$193,832.23	
	000007639	12/14/2022	\$1,708.00	PROJECT: Q STREET MAIN REPLACMENT
			\$2,333.75	PROJECT: WELL# N32A-C - WELLS BLENDING
			\$10,215.50	CONSULTING SERVICES
		TOTAL	\$14,257.25	
WESTAMERICA BANK ANALYSIS FEES	0079119	12/16/2022	\$5,828.42	FINANCIAL SERVICES
		TOTAL	\$5,828.42	
WESTAMERICA CARD PROCESSING STMT	0079120	12/16/2022	\$29,270.03	FINANCIAL SERVICES
		TOTAL	\$29,270.03	
WEX	000007653	12/14/2022	\$14,303.33	OPERATING SUPPLIES
		TOTAL	\$14,303.33	
WIENHOFF DRUG TESTING	82276	12/8/2022	\$55.00	EMPLOYMENT COST
		TOTAL	\$55.00	
WOLF CONSULTING	82305	12/8/2022	\$4,050.00	CONSULTING SERVICES
		TOTAL	\$4,050.00	
WOOD RODGERS ENGINEERING	82417	12/16/2022	\$12,577.50	PROJECT: MARCONI BLDG ELECTRICAL UPGRAD
			\$59,744.38	PROJECT: WELL 78 BUTANO - PUMP STATION
		TOTAL	\$72,321.88	
WORLDPAY INTEGRATED PAYMENTS	0079117	12/16/2022	\$916.05	FINANCIAL SERVICES
		TOTAL	\$916.05	
ZORO	82400	12/14/2022	\$1,485.10	OPERATING SUPPLIES
		TOTAL	\$1,485.10	
GRAND TOTAL			\$6,063,421.06	

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
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AP Warrant List Summary Chart



**Credit Card Expenditures
December 2022**

**Sacramento Suburban Water District
US Bank Purchasing Card Program
CalCard Expenditures
December 2022**

Vendor Name	Description	Amount	Proj/GLAcct
COSTCO	COMMUNICATIONS & TEAM BUILDING- POTLUCK	\$127.56	02-51409
COSTCO	ENVIRONMENTAL COMPLIANCE SUPPLIES	\$118.46	14-52101
FRED PRYOR	TRAINING-CHAD JIVIDEN	\$118.00	07-51407
HOME DEPOT	DISTRIBUTION SUPPLIES	\$75.40	07-52101
FRED PRYOR	TRAINING-JOSH GAGNON	\$118.00	07-51407
FRED PRYOR	TRAINING-KYLE JIVIDEN	\$149.00	06-51407
LEATHERBYS	COMMUNICATIONS & TEAM BUILDING- DEPT LUNCH	\$150.00	02-51403
US BANK	STATEMENT		
ROUND TABLE PIZZA	LUNCH WITH THE GM FOOD	\$95.87	02-51403
RALEYS	LUNCH WITH THE GM DRINKS	\$12.32	02-51403
WILSONS	JIM ARENZ RETIREMENT AWARD	\$27.19	12-54008
TARGET	SAFETY PROGRAM PRIZE LOCKER	\$161.59	05-52101
OFFICE DEPOT	LABEL MAKER CARTRIDGE REPLACEMENT	\$32.85	03-52108
SOUTHWEST	GREG BUNDESEN FLIGHT TO CONFERENCE	\$147.97	13-55001
PAYPAL (CWEA)	CWEA - JOB ADVERTISEMENT - AAE RECRUITMENT	\$305.00	17-51402
CSDA	CSDA - JOB ADVERTISEMENT - AAE RECRUITMENT	\$105.00	17-51402
BC WATER JOBS	BC WATER - JOB ADVERTISEMENT - AAE RECRUITMENT	\$200.00	17-51402
YOURMEMBERSHIP (NGWA)	NGWA - JOB ADVERTISEMENT - AAE RECRUITMENT	\$249.00	17-51402
GOVERNMENT JOBS	GOVERNMENT JOBS - JOB ADVERTISEMENT - AAE RECRUITMENT	\$199.00	17-51402
AWRA	AWRA - JOB ADVERTISEMENT - AAE RECRUITMENT	\$495.00	17-51402
ACWA	ACWA - JOB ADVERTISEMENT - AAE RECRUITMENT	\$475.00	17-51402
CAJPA	CAJPA - JOB ADVERTISEMENT - AAE RECRUITMENT	\$100.00	17-51402
TRANSIT TALENT (WATER DISTRICT)	WATER DISTRICT JOBS - JOB ADVERTISEMENT	\$145.00	17-51402
SACRAMENTO MOTHER LODE	SACRAMENTO MOTHER LODE - HR TRAINING - MARKCUS	\$70.00	17-51407
SACRAMENTO MOTHER LODE	SACRAMENTO MOTHER LODE - HR TRAINING - SUSAN	\$50.00	17-51407
CAPITAL AIR TOOL SYSTEMS	COMPACTOR REPAIR	\$347.25	12-54003
WATER FLY EXPRESS CAR WASH	VEHICLE WASHES	\$474.00	12-54005
CHEGG ORDER	INVALID CHARGE 1	(\$124.99)	00-59450
CHEGG ORDER	INVALID CHARGE 2	(\$124.99)	00-59450
GOVERNMENT FINANCE OFFICE	ANNUAL GOVERNMENTAL GAAP UPDATE - JEFF OTT	\$180.00	03-51406
FINANCIAL ACCOUNTING FOUNDATION	THE GASB SUBSCRIPTION - JEFF OTT	\$322.00	03-52501
CALCPA SOCIETY	CALCPA - JEFF OTT	\$187.00	03-51406
MICROSOFT	ONLINE SERVICES	\$43.40	18-54509
GOVERNMENT FINANCE OFFICE	GFOA - 2022 GAAP UPDATE - LYNN PHAM	\$180.00	03-51406
GOVERNMENT FINANCE OFFICE	GFOA - 2022 GAAP UPDATE - ANN BRADFORD	\$180.00	03-51406
	Totals:	\$5,390.88	

**Investment Activity
December 2022**



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	12/01/22	12/01/22	MONEY MARKET FUND	MONEY0002	0.00	0.00	4,818.48	4,818.48			
	12/01/22	12/01/22	JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	395,000.00	0.00	1,627.40	1,627.40			
	12/01/22	12/25/22	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	5,553.38	0.00	14.82	14.82			
	12/01/22	12/25/22	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	0.00	701.71	701.71			
	12/04/22	12/04/22	FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	400,000.00	0.00	500.00	500.00			
	12/09/22	12/09/22	NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.500% 06/09/2025	63254ABD9	335,000.00	0.00	5,862.50	5,862.50			
	12/09/22	12/09/22	NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.905% 06/09/2027	63254ABE7	300,000.00	0.00	5,857.50	5,857.50			
	12/15/22	12/15/22	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	94,334.00	0.00	29.87	29.87			
	12/15/22	12/15/22	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	100,000.00	0.00	61.67	61.67			
	12/15/22	12/15/22	NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	410,000.00	0.00	112.75	112.75			
	12/15/22	12/15/22	COMET 2021-A1 A1 DTD 07/22/2021 0.550% 07/15/2026	14041NFW6	415,000.00	0.00	190.21	190.21			
	12/15/22	12/15/22	MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	195,000.00	0.00	65.00	65.00			
	12/15/22	12/15/22	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	130,000.00	0.00	83.42	83.42			
	12/15/22	12/15/22	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	275,000.00	0.00	126.04	126.04			
	12/15/22	12/15/22	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314OAC8	145,000.00	0.00	62.83	62.83			
	12/15/22	12/15/22	DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	250,000.00	0.00	120.83	120.83			



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	12/15/22	12/15/22	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	51,147.99	0.00	14.49	14.49			
	12/15/22	12/15/22	CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	108,833.69	0.00	45.35	45.35			
	12/15/22	12/15/22	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	300,000.00	0.00	992.50	992.50			
	12/15/22	12/15/22	NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	65,000.00	0.00	1,376.65	1,376.65			
	12/15/22	12/15/22	TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	450,000.00	0.00	97.50	97.50			
	12/16/22	12/16/22	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	110,000.00	0.00	62.33	62.33			
	12/16/22	12/16/22	GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	87,500.14	0.00	27.71	27.71			
	12/16/22	12/16/22	GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	170,000.00	0.00	68.00	68.00			
	12/18/22	12/18/22	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/18/2021 1.125% 06/18/2026	89236TJK2	190,000.00	0.00	1,068.75	1,068.75			
	12/19/22	12/19/22	BANK OF AMERICA CORP NOTES (CALLABLE) DTD 06/16/2020 1.319% 06/19/2026	06051GJD2	325,000.00	0.00	2,143.38	2,143.38			
	12/20/22	12/20/22	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	42,270.23	0.00	65.17	65.17			
	12/20/22	12/20/22	VWALT 2022-A A4 DTD 06/14/2022 3.650% 01/20/2027	92868AAD7	145,000.00	0.00	441.04	441.04			
	12/20/22	12/20/22	GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	50,000.00	0.00	17.08	17.08			
	12/20/22	12/20/22	VWALT 2020-A A4 DTD 12/03/2020 0.450% 07/21/2025	92868VAD1	265,000.00	0.00	99.38	99.38			
	12/21/22	12/21/22	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	130,000.00	0.00	95.33	95.33			



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
12/25/22	12/25/22	BMWLT 2021-2 A4 DTD 09/15/2021 0.430% 01/27/2025	09690AAD5	370,000.00	0.00	132.58	132.58			
12/27/22	12/28/22	AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	375,000.00	0.00	4,500.00	4,500.00			
12/30/22	12/30/22	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/30/2022 3.950% 06/30/2025	89236TKC8	125,000.00	0.00	2,468.75	2,468.75			
12/31/22	12/31/22	US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	2,525,000.00	0.00	22,093.75	22,093.75			
12/31/22	12/31/22	US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	3,150,000.00	0.00	31,500.00	31,500.00			
12/31/22	12/31/22	US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	1,800,000.00	0.00	3,375.00	3,375.00			
Transaction Type Sub-Total				14,559,639.43	0.00	90,919.77	90,919.77			
MATURITY										
12/02/22	12/02/22	DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	400,000.00	400,000.00	4,148.00	404,148.00	0.00	0.00	
12/31/22	12/31/22	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,375,000.00	1,375,000.00	14,609.38	1,389,609.38	21,806.64	0.00	
12/31/22	12/31/22	US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	25,000.00	25,000.00	265.63	25,265.63	360.35	0.00	
Transaction Type Sub-Total				1,800,000.00	1,800,000.00	19,023.01	1,819,023.01	22,166.99	0.00	
PAYDOWNS										
12/01/22	12/25/22	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	5,553.38	5,553.38	0.00	5,553.38	0.02	0.00	
12/15/22	12/15/22	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	5,566.11	5,566.11	0.00	5,566.11	0.59	0.00	
12/15/22	12/15/22	CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	7,178.56	7,178.56	0.00	7,178.56	1.58	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
12/15/22	12/15/22	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	2,913.71	2,913.71	0.00	2,913.71	0.58	0.00	
12/15/22	12/15/22	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	5,330.53	5,330.53	0.00	5,330.53	1.15	0.00	
12/16/22	12/16/22	GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	6,357.20	6,357.20	0.00	6,357.20	1.36	0.00	
12/20/22	12/20/22	VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	10,777.36	10,777.36	0.00	10,777.36	1.26	0.00	
Transaction Type Sub-Total				43,676.85	43,676.85	0.00	43,676.85	6.54	0.00	
Managed Account Sub-Total					1,843,676.85	109,942.78	1,953,619.63	22,173.53	0.00	
Total Security Transactions					\$1,843,676.85	\$109,942.78	\$1,953,619.63	\$22,173.53	\$0.00	

**Outstanding Investments
December 2022**

Consolidated Summary Statement

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT

Portfolio Summary

Portfolio Holdings	Cash Dividends and Income	Closing Market Value
PFMAM Managed Account	132,116.31	37,208,891.51
Money Market Fund	0.00	3,800,151.40
Total	\$132,116.31	\$41,009,042.91

Investment Allocation

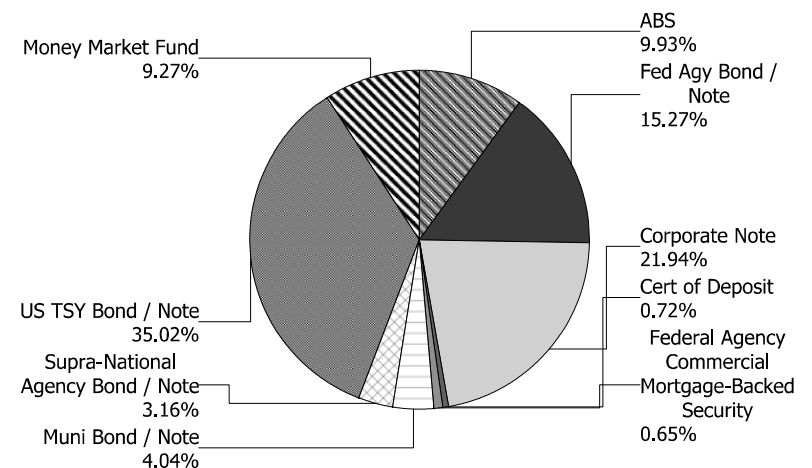
Investment Type	Closing Market Value	Percent
Asset-Backed Security	4,072,543.60	9.93
Federal Agency Bond / Note	6,260,971.56	15.27
Corporate Note	8,998,735.73	21.94
Certificate of Deposit	297,103.80	0.72
Federal Agency Commercial Mortgage-Backed Ser	266,417.57	0.65
Municipal Bond / Note	1,655,103.90	4.04
Supra-National Agency Bond / Note	1,297,550.51	3.16
U.S. Treasury Bond / Note	14,360,464.84	35.02
Money Market Fund	3,800,151.40	9.27
Total	\$41,009,042.91	100.00%

Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	3,800,151.40	9.27
31 to 60 days	0.00	0.00
61 to 90 days	297,103.80	0.72
91 to 180 days	607,331.55	1.48
181 days to 1 year	5,905,638.66	14.40
1 to 2 years	7,640,148.69	18.63
2 to 3 years	10,783,261.95	26.29
3 to 4 years	10,332,235.81	25.20
4 to 5 years	1,643,171.05	4.01
Over 5 years	0.00	0.00
Total	\$41,009,042.91	100.00%

Weighted Average Days to Maturity 761

Sector Allocation





Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 05/31/2016 1.625% 05/31/2023	912828R69	300,000.00	AA+	Aaa	06/03/19	06/07/19	297,644.53	1.83	428.57	299,757.00	296,390.64
US TREASURY NOTES DTD 10/31/2016 1.625% 10/31/2023	912828T91	1,600,000.00	AA+	Aaa	10/02/19	10/04/19	1,609,187.50	1.48	4,453.04	1,601,870.84	1,560,000.00
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	375,000.00	AA+	Aaa	02/03/20	02/07/20	385,180.66	1.36	20.72	378,463.33	360,468.75
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	475,000.00	AA+	Aaa	03/02/20	03/06/20	498,137.70	0.85	26.24	483,010.90	456,593.75
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	925,000.00	AA+	Aaa	01/02/20	01/07/20	938,622.07	1.66	51.10	929,546.24	889,156.25
US TREASURY NOTES DTD 06/30/2017 2.000% 06/30/2024	912828XX3	1,375,000.00	AA+	Aaa	12/02/19	12/05/19	1,395,625.00	1.66	75.97	1,381,747.30	1,321,718.75
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	550,000.00	AA+	Aaa	08/05/20	08/07/20	587,855.47	0.18	26.59	567,196.32	521,984.37
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	975,000.00	AA+	Aaa	06/03/20	06/05/20	1,036,356.45	0.36	47.13	1,001,820.48	925,335.94
US TREASURY NOTES DTD 12/31/2019 1.750% 12/31/2024	912828YY0	1,000,000.00	AA+	Aaa	07/01/20	07/06/20	1,065,312.50	0.28	48.34	1,029,089.77	949,062.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	100,000.00	AA+	Aaa	07/01/21	07/07/21	98,035.16	0.82	1.04	98,686.51	89,312.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	250,000.00	AA+	Aaa	05/04/21	05/06/21	245,771.48	0.75	2.59	247,276.34	223,281.25
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	500,000.00	AA+	Aaa	06/28/21	06/29/21	490,410.16	0.81	5.18	493,620.37	446,562.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	950,000.00	AA+	Aaa	11/02/21	11/04/21	924,060.55	1.05	9.84	931,288.74	848,468.75
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	400,000.00	AA+	Aaa	01/04/22	01/06/22	390,250.00	1.33	513.81	392,478.57	357,500.00

Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	750,000.00	AA+	Aaa	02/18/22	02/25/22	717,656.25	1.83	963.40	724,231.05	670,312.50
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	225,000.00	AA+	Aaa	07/05/22	07/08/22	205,971.68	2.84	588.49	208,241.23	198,738.27
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	350,000.00	AA+	Aaa	05/03/22	05/05/22	316,750.00	3.03	915.42	321,926.52	309,148.42
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	450,000.00	AA+	Aaa	08/01/22	08/04/22	414,281.25	2.74	1,176.97	417,958.54	397,476.54
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	675,000.00	AA+	Aaa	06/02/22	06/06/22	614,276.37	2.94	1,765.46	622,647.90	596,214.81
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	925,000.00	AA+	Aaa	08/08/22	08/15/22	842,328.13	3.04	2,419.33	850,275.15	817,035.11
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	1,100,000.00	AA+	Aaa	10/05/22	10/11/22	1,013,804.69	4.10	2,856.36	1,018,529.30	1,016,640.68
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	1,200,000.00	AA+	Aaa	11/01/22	11/04/22	1,095,093.75	4.39	3,116.02	1,099,227.28	1,109,062.56
Security Type Sub-Total		15,450,000.00					15,182,611.35	1.89	19,511.61	15,098,889.68	14,360,464.84
Supra-National Agency Bond / Note											
INTL BK OF RECON AND DEV NOTE DTD 04/20/2021 0.125% 04/20/2023	459058JV6	315,000.00	AAA	Aaa	04/13/21	04/20/21	314,347.95	0.23	77.66	314,902.64	310,940.91
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	600,000.00	AAA	Aaa	11/17/20	11/24/20	598,710.00	0.32	154.17	599,614.77	576,606.60
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	440,000.00	AAA	Aaa	09/15/21	09/23/21	439,674.40	0.52	598.89	439,812.54	410,003.00
Security Type Sub-Total		1,355,000.00					1,352,732.35	0.36	830.72	1,354,329.95	1,297,550.51
Municipal Bond / Note											



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Municipal Bond / Note											
CA ST EARTHQUAKE AUTH TXBL REV BONDS DTD 11/24/2020 1.477% 07/01/2023	13017HAK2	85,000.00	NR	NR	11/13/20	11/24/20	85,000.00	1.48	627.73	85,000.00	83,572.85
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	100,000.00	AA-	Aa1	11/06/19	12/05/19	100,000.00	2.10	875.42	100,000.00	96,103.00
SAN JUAN USD, CA TXBL GO BONDS DTD 10/29/2020 0.702% 08/01/2024	798306WN2	200,000.00	NR	Aa2	10/16/20	10/29/20	200,000.00	0.70	585.00	200,000.00	187,884.00
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.870% 03/15/2025	650036DT0	425,000.00	AA+	NR	12/16/20	12/23/20	425,000.00	0.87	1,088.71	425,000.00	390,247.75
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	100,000.00	AA	Aa2	07/10/20	07/16/20	100,000.00	0.88	112.83	100,000.00	90,305.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	75,000.00	AA	Aa3	09/03/20	09/16/20	75,530.25	1.11	471.75	75,276.49	68,548.50
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	105,000.00	AA	Aa3	09/03/20	09/16/20	105,696.15	1.12	660.45	105,363.00	95,967.90
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	200,000.00	AA	Aa3	09/03/20	09/16/20	200,000.00	1.26	1,258.00	200,000.00	182,796.00
MN ST TXBL GO BONDS DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	130,000.00	AAA	Aaa	08/11/20	08/25/20	130,000.00	0.63	341.25	130,000.00	117,530.40
LOS ANGELES CCD, CA TXBL GO BONDS DTD 11/10/2020 0.773% 08/01/2025	54438CYK2	175,000.00	AA+	Aaa	10/30/20	11/10/20	175,000.00	0.77	563.65	175,000.00	158,810.75
CA ST UNIV TXBL REV BONDS DTD 07/29/2021 0.862% 11/01/2025	13077DOD7	115,000.00	AA-	Aa2	07/09/21	07/29/21	115,000.00	0.86	165.22	115,000.00	102,666.25
NJ TURNPIKE AUTHORITY TXBL REV BONDS DTD 02/04/2021 1.047% 01/01/2026	646140DP5	90,000.00	AA-	A1	01/22/21	02/04/21	90,000.00	1.05	471.15	90,000.00	80,671.50
Security Type Sub-Total		1,800,000.00					1,801,226.40	1.00	7,221.16	1,800,639.49	1,655,103.90
Federal Agency Commercial Mortgage-Backed Security											



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Federal Agency Commercial Mortgage-Backed Security											
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	AA+	Aaa	03/19/20	03/25/20	288,621.09	1.95	701.71	280,569.37	266,417.57
Security Type Sub-Total		275,000.00					288,621.09	1.95	701.71	280,569.37	266,417.57
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	1,200,000.00	AA+	Aaa	08/19/20	08/21/20	1,198,776.00	0.28	1,058.33	1,199,738.03	1,165,297.20
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	365,000.00	AA+	Aaa	09/02/20	09/04/20	365,066.65	0.24	286.42	365,015.16	353,791.58
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	485,000.00	AA+	Aaa	09/02/20	09/04/20	484,839.95	0.26	380.59	484,963.59	470,106.62
FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAEY1	415,000.00	AA+	Aaa	10/14/20	10/16/20	413,452.05	0.25	108.07	414,592.87	399,830.51
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	450,000.00	AA+	Aaa	11/03/20	11/05/20	449,595.00	0.28	171.88	449,885.82	432,834.30
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	400,000.00	AA+	Aaa	11/23/20	11/25/20	399,544.00	0.29	94.44	399,862.83	383,674.00
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	400,000.00	AA+	Aaa	12/02/20	12/04/20	399,604.00	0.28	75.00	399,878.13	383,329.60
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	450,000.00	AA+	Aaa	04/15/20	04/16/20	447,768.00	0.60	481.25	448,979.45	411,969.60
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	450,000.00	AA+	Aaa	04/22/20	04/24/20	449,073.00	0.67	539.06	449,572.08	412,835.40
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	500,000.00	AA+	Aaa	07/21/20	07/23/20	497,510.00	0.48	833.33	498,727.70	452,435.00
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	450,000.00	AA+	Aaa	08/25/20	08/27/20	447,894.00	0.47	590.63	448,883.50	405,798.30
FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	200,000.00	AA+	Aaa	09/10/20	09/11/20	199,400.00	0.44	243.75	199,677.74	180,273.20



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	450,000.00	AA+	Aaa	09/23/20	09/25/20	448,645.50	0.44	459.38	449,260.37	404,465.40
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	450,000.00	AA+	Aaa	11/09/20	11/12/20	448,389.00	0.57	337.50	449,079.05	404,330.85
Security Type Sub-Total		6,665,000.00					6,649,557.15	0.38	5,659.63	6,658,116.32	6,260,971.56
Corporate Note											
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 10/09/2020 0.400% 10/10/2023	24422EVJ5	100,000.00	A	A2	10/06/20	10/09/20	99,884.00	0.44	90.00	99,970.15	96,595.40
PNC BANK NA CORP NOTES (CALLABLE) DTD 01/23/2019 3.500% 01/23/2024	693475AV7	380,000.00	A-	A3	02/12/19	02/15/19	382,705.60	3.34	5,837.22	380,543.56	374,475.18
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	135,000.00	A	A2	03/16/21	03/18/21	134,932.50	0.77	289.69	134,972.78	128,493.81
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 04/26/2021 0.500% 04/26/2024	06406RAS6	365,000.00	A	A1	04/19/21	04/26/21	364,609.45	0.54	329.51	364,828.60	344,234.79
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDO6	375,000.00	A-	A1	07/19/19	07/23/19	396,483.75	2.59	2,502.60	380,969.08	368,508.38
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	355,000.00	AA	A1	05/10/21	05/12/21	354,481.70	0.50	217.44	354,764.97	334,900.26
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	375,000.00	A-	A3	07/11/19	07/15/19	373,140.00	2.51	100.00	374,441.69	360,944.25
GOLDMAN SACHS GROUP INC (CALLABLE) BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	375,000.00	BBB+	A2	07/08/19	07/11/19	392,467.50	2.84	6,938.02	379,666.74	368,479.88
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	400,000.00	A-	A3	08/01/19	08/05/19	400,664.00	2.46	4,166.67	400,202.68	384,198.00

Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Corporate Note											
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/09/2021 0.500% 08/09/2024	69371RR40	170,000.00	A+	A1	08/03/21	08/09/21	169,908.20	0.52	335.28	169,950.92	158,307.06
WALT DISNEY COMPANY/THE (CALLABLE) DTD 09/06/2019 1.750% 08/30/2024	254687FK7	400,000.00	BBB+	A2	09/03/19	09/06/19	398,368.00	1.84	2,352.78	399,455.70	381,259.20
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/10/2021 0.625% 09/10/2024	24422EVU0	90,000.00	A	A2	09/07/21	09/10/21	89,941.50	0.65	173.44	89,967.01	83,922.03
BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	150,000.00	A	A1	01/21/20	01/28/20	150,660.00	2.00	586.25	150,252.41	143,230.65
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	125,000.00	A	A2	01/04/22	01/10/22	124,941.25	1.27	742.19	124,960.33	116,801.38
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	200,000.00	AA	A1	04/11/22	04/13/22	199,682.00	3.06	1,300.00	199,758.31	192,942.00
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	35,000.00	A	A2	03/24/22	03/28/22	34,938.75	2.76	199.50	34,954.09	33,486.81
CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025	172967JP7	275,000.00	BBB+	A3	08/28/20	09/01/20	305,236.25	0.88	1,613.33	290,073.63	265,574.38
CINTAS CORPORATION NO. 2 CORP NOTE (CALL) DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	85,000.00	A-	A3	04/26/22	05/03/22	84,981.30	3.46	488.75	84,985.45	82,301.17
APPLE INC CORPORATE NOTES DTD 05/13/2015 3.200% 05/13/2025	037833BG4	600,000.00	AA+	Aaa	11/24/21	11/29/21	636,930.00	1.37	2,560.00	625,274.06	579,413.40
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	395,000.00	A-	A1	05/24/21	06/01/21	395,000.00	0.82	271.23	395,000.00	368,372.66



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Corporate Note											
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.500% 06/09/2025	63254ABD9	335,000.00	AA-	Aa3	05/31/22	06/09/22	335,000.00	3.50	716.53	335,000.00	324,463.58
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	65,000.00	A-	A2	04/27/22	05/04/22	64,982.45	3.46	99.67	64,986.18	62,554.83
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/30/2022 3.950% 06/30/2025	89236TKC8	125,000.00	A+	A1	06/27/22	06/30/22	124,881.25	3.98	13.72	124,901.29	122,657.75
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	300,000.00	A-	A3	07/20/22	07/27/22	300,000.00	4.00	5,133.33	300,000.00	295,118.70
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025	06051GFS3	275,000.00	A-	A2	08/18/20	08/20/20	314,011.50	0.93	4,440.10	295,358.52	267,751.83
UNITEDHEALTH GROUP INC (CALLABLE) CORPORATE DTD 05/19/2021 1.150% 05/15/2026	91324PEC2	325,000.00	A+	A3	05/17/21	05/19/21	324,434.50	1.19	477.57	324,618.24	290,973.15
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 1.200% 05/28/2026	04636NAA1	325,000.00	A	A3	07/16/21	07/20/21	325,390.00	1.17	357.50	325,271.41	289,598.40
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 06/18/2021 1.125% 06/18/2026	89236TJK2	190,000.00	A+	A1	09/08/21	09/13/21	189,578.20	1.17	77.19	189,693.41	168,170.33
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 06/16/2020 1.319% 06/19/2026	06051GJD2	325,000.00	A-	A2	07/23/21	07/27/21	326,491.75	1.22	142.89	325,943.48	292,474.00
AMERICAN EXPRESS CO (CALLABLE) CORPORATE DTD 11/04/2021 1.650% 11/04/2026	025816CM9	325,000.00	BBB+	A2	11/19/21	11/23/21	324,506.00	1.68	849.06	324,616.45	287,470.63
JPMORGAN CHASE & CO NOTES (CALLABLE) DTD 11/19/2020 1.045% 11/19/2026	46647PBT2	250,000.00	A-	A1	11/24/21	11/29/21	242,655.00	1.66	304.79	244,264.75	220,072.25

Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Corporate Note											
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/10/2022 1.700% 01/08/2027	14913R2U0	325,000.00	A	A2	01/11/22	01/13/22	323,358.75	1.81	2,655.07	323,676.91	293,241.33
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	60,000.00	A	A2	01/19/22	01/24/22	59,898.00	1.99	539.50	59,917.20	54,423.18
BERKSHIRE HATHAWAY CORP NOTES (CALLABLE) DTD 03/15/2022 2.300% 03/15/2027	084664CZ2	625,000.00	AA	Aa2	03/15/22	03/17/22	613,275.00	2.70	4,232.64	615,139.17	575,904.38
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.905% 06/09/2027	63254ABE7	300,000.00	AA-	Aa3	06/09/22	06/13/22	297,318.00	4.10	715.92	297,615.35	287,420.70
Security Type Sub-Total		9,535,000.00					9,655,736.15	1.99	51,849.38	9,585,994.52	8,998,735.73
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	300,000.00	A-2	P-2	03/19/21	03/23/21	300,000.00	0.59	1,425.83	300,000.00	297,103.80
Security Type Sub-Total		300,000.00					300,000.00	0.59	1,425.83	300,000.00	297,103.80
Asset-Backed Security											
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	31,492.87	AAA	Aaa	01/21/20	01/29/20	31,489.18	1.85	17.80	31,491.59	31,346.07
MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	195,000.00	AAA	NR	06/22/21	06/29/21	194,985.28	0.40	34.67	194,991.85	189,504.06
BMWLT 2021-2 A4 DTD 09/15/2021 0.430% 01/27/2025	09690AAD5	370,000.00	NR	Aaa	09/08/21	09/15/21	369,986.01	0.43	26.52	369,991.39	352,808.88
GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	50,000.00	AAA	NR	05/18/21	05/26/21	49,995.79	0.41	6.26	49,997.48	48,151.49
VWALT 2020-A A4 DTD 12/03/2020 0.450% 07/21/2025	92868VAD1	265,000.00	AAA	NR	11/24/20	12/03/20	264,945.20	0.45	36.44	264,969.80	260,387.62



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	101,655.13	AAA	NR	10/14/20	10/21/20	101,632.76	0.50	22.59	101,642.96	98,884.21
GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	81,142.94	AAA	NR	10/06/20	10/14/20	81,125.60	0.38	12.85	81,133.53	79,009.20
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	88,767.89	AAA	NR	04/20/21	04/28/21	88,758.56	0.38	14.99	88,762.13	85,853.31
NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	410,000.00	AAA	Aaa	06/15/21	06/23/21	409,993.07	0.33	60.13	409,995.52	392,673.20
TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	450,000.00	AAA	NR	06/08/21	06/14/21	449,951.54	0.26	52.00	449,968.50	432,138.06
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	48,234.28	AAA	NR	01/20/21	01/27/21	48,224.76	0.34	7.29	48,228.52	46,554.38
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	130,000.00	NR	Aaa	11/16/21	11/24/21	129,972.60	0.89	31.78	129,979.87	123,375.84
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	139,669.47	AAA	NR	04/13/21	04/21/21	139,639.37	0.52	32.28	139,649.96	134,434.81
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	100,000.00	AAA	NR	11/09/21	11/17/21	99,977.68	0.75	32.89	99,983.26	94,231.88
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	275,000.00	AAA	Aaa	07/21/21	07/28/21	274,954.76	0.55	67.22	274,968.00	261,541.50
GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	170,000.00	AAA	NR	07/13/21	07/21/21	169,989.49	0.48	34.00	169,992.59	162,157.95
COMET 2021-A1 A1 DTD 07/22/2021 0.550% 07/15/2026	14041NFW6	415,000.00	AAA	NR	07/15/21	07/22/21	414,983.19	0.55	101.44	414,988.07	388,752.29
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	130,000.00	AAA	Aaa	10/19/21	10/27/21	129,997.54	0.77	44.49	129,998.13	122,292.30
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	250,000.00	AAA	Aaa	09/20/21	09/27/21	249,946.48	0.58	64.44	249,960.08	232,693.68



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2022**

SACRAMENTO SUBURBAN WATER DISTRICT - 00											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Asset-Backed Security											
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	110,000.00	AAA	Aaa	10/13/21	10/21/21	109,997.20	0.68	31.17	109,997.88	103,571.41
VWALT 2022-A A4 DTD 06/14/2022 3.650% 01/20/2027	92868AAD7	145,000.00	NR	Aaa	06/07/22	06/14/22	144,973.00	3.65	161.72	144,976.23	140,808.56
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	300,000.00	AAA	NR	07/12/22	07/20/22	299,992.92	3.97	529.33	299,993.60	291,372.90
Security Type Sub-Total		4,255,962.58					4,255,511.98	0.85	1,422.30	4,255,660.94	4,072,543.60
Managed Account Sub-Total		39,635,962.58					39,485,996.47	1.44	88,622.34	39,334,200.27	37,208,891.51
Securities Sub-Total		\$39,635,962.58					\$39,485,996.47	1.44%	\$88,622.34	\$39,334,200.27	\$37,208,891.51
Accrued Interest											\$88,622.34
Total Investments											\$37,297,513.85

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

January 05, 2023

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SACRAMENTO SUBURBAN WATER DISTRICT

DIRECTOR OF FINANCE
3701 MARCONI AVENUE, SUITE 100
SACRAMENTO, CA 95821

[Tran Type Definitions](#)

Account Number:

December 2022 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	4,796,573.19
Total Withdrawal:	0.00	Ending Balance:	4,796,573.19

**Directors Compensation and Expense Accounting
Fourth Quarter, December 31, 2022**

Sacramento Suburban Water District
 Board of Directors Meetings Attended (1)
 Pay Rate per Diem is \$125.00
4th Quarter 2022

Director Thomas:

10/3/2022 Del Paso Water Board Meeting
 10/5/2022 SSWD Special Board Meeting
 10/6/2022 SSWD Open House
 10/7/2022 Webinar - Looking back and Forward
 10/10/2022 SSWD Audit Committee
 10/11/2022 Meeting with Craige Locke
 10/12/2011 Meeting with Dan York
 10/13/2022 2X2 Carmichael Water District
 10/26/2022 Water Bank Webinar
 11/7/2022 Del Paso Water Board Meeting
 11/9/2022 SSWD Special Board Meeting
 11/14/2022 Carmichael Water Board Meeting
 11/16/2022 Aerojet CAG
 11/21/2022 SSWD Board Meeting
 11/28/2022 ACWA Conference
 11/29/2022 ACWA Conference
 11/30/2022 ACWA Conference
 12/1/2022 ACWA Conference
 12/5/2022 Del Paso Water Board Meeting
 12/6/2022 Del Paso Manor - SSWD 2X2
 12/7/2022 LAFCo Meeting
 12/8/2022 SGA Holiday Social
 12/19/2022 SSWD Regular Board Meeting
 12/21/2022 Carmichael Water Board Meeting
 12/16/2022 2X2 Carmichael Water District
 12/29/2022 Meeting with Director Boatwright

Director Locke:

10/3/2022 Del Paso Water Board Meeting
 10/5/2022 SSWD Special Board Meeting
 10/6/2022 SSWD Open House
 10/7/2022 Webinar - Looking back and Forward
 10/10/2022 SSWD Audit Committee
 10/11/2022 Meeting with Craige Locke
 10/12/2011 Meeting with Dan York
 10/13/2022 2X2 Carmichael Water District
 10/17/2022 SSWD Regular Board Meeting
 10/19/2022 State Water Board Racial Equity Action Plan
 10/25/2022 Cal-NV AWWA Tour
 11/7/2022 Del Paso Water Board Meeting
 11/8/2022 Training - Water Conservation Webinar
 11/9/2022 SSWD Speical Board Meeting
 11/10/2022 RWA Board Meeting
 11/16/2022 Aerojet Meeting
 12/12/2022 Meeting with Dan York
 12/15/2022 Carmichael Water Meeting
 12/18/2022 Meeting with Director Thomas
 12/19/2022 SSWD Regular Board Meeting
 12/21/2022 2X2 Carmichael Water District
 12/29/2022 Meet with Board Committee Assignment

Director Jones:

10/5/2022 SSWD Special Meeting - Budget
 10/6/2022 SSWD Open House
 10/11/2022 Del Paso Tour
 10/13/2022 2X2 Carmichael Water District
 10/17/2022 SSWD Regular Board Meeting
 10/19/2022 AWWA Conference
 11/8/2022 Meeting with Dan York
 11/9/2022 SSWD Special Meeting - Budget
 11/14/2022 Carmichael Water Board Meeting
 11/18/2022 Meeting with Dan York
 11/21/2022 SSWD Regular Board Meeting
 11/28/2022 Meeting with Dan York
 12/8/2022 RWA Holiday Meeting
 12/14/2022 Meeting with Dan York
 12/19/2022 SSWD Regular Board Meeting
 12/21/2022 2X2 Carmichael Water District
 12/28/2022 Meeting with Director Boatwright

Director Wichert:

No Pay - Verbal Report

Director Boatwright:

10/3/2022 Del Paso Water Board Meeting
 10/5/2022 SSWD Special Board Meeting
 10/6/2022 SSWD Open House
 10/10/2022 SSWD Audit Committee
 10/11/2022 Meeting with Craige Locke
 10/12/2011 Meeting with Dan York
 10/17/2022 SSWD Regular Board Meeting
 10/18/2022 2X2 Carmichael Water District
 10/19/2022 ACWA Drought Planning Workshop
 10/26/2022 Regional Water Bank Forum
 10/27/2022 Webinar VCME 8
 11/7/2022 Del Paso Water Board Meeting
 11/9/2022 SSWD Special Board Meeting
 11/10/2022 RWA Board Meeting
 11/14/2022 Carmichael Water Board Meeting
 11/17/2022 Agenda Review with Dan York
 11/21/2022 SSWD Regular Board Meeting
 11/28/2022 ACWA JPIA Meeting
 11/29/2022 ACWA JPIA Meeting
 11/30/2022 ACWA Conference
 12/1/2022 ACWA Indian Wells
 12/6/2022 2X2 Carmichael Water District
 12/7/2022 LAFCo Meeting
 12/8/2022 SGA Holiday Social
 12/14/2022 RWA Board Meeting
 12/16/2022 Meeting with Dan York
 12/19/2022 SSWD Regular Board Meeting
 12/21/2022 2X2 Carmichael Water District
 12/28/2022 Meeting with Director Jones
 12/29/2022 Meeting with Directors Thomas and Locke

(1) Meetings attended during the current quarter as reported by individual directors.

This report meets the reporting requirements of Government Code section 53065.5. This information will be included with the agenda mate for quarterly Board of Directors meetings.

Directors Expense Report
Calendar Year 2022
4th Quarter

Event/Purpose	Jones	Locke	Boatwright	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District						
Local Meeting Expenses						
Reimbursed by District						
Paid Directly by District						
Conferences						
Reimbursed by District	1,587.20	1,832.72	1,345.02	569.34		5,334.28
Paid Directly by District	1,374.00		1,894.96	1,219.00	775.00	5,262.96
Total	2,961.20	1,832.72	3,239.98	1,788.34	775.00	10,597.24

Directors Expense Report
2022 Year to Date

Event/Purpose	Jones	Locke	Boatwright	Thomas	Wichert	Total
Local Meeting Mileage						-
Reimbursed by District						-
Local Meeting Expenses						-
Reimbursed by District						-
Paid Directly by District						-
Conferences						-
Reimbursed by District	1,587.20	1,832.72	1,345.02	569.34		5,334.28
Paid Directly by District	1,374.00		1,894.96	1,219.00	775.00	5,262.96
Refunded by Director						-
Refunded Directly by Vendor						-
Total	2,961.20	1,832.72	3,239.98	1,788.34	775.00	10,597.24

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

**Employee Reimbursement Register
Calendar Year, December 31, 2022**

**Employee Reimbursement Register
Calendar Year 2022**

Vendor Name	Document Date	Description	Document Amount
AARON CAUDILLO	4/28/2022	Training/Certification	\$147.44
AARON CAUDILLO	6/28/2022	Training/Certification	\$223.00
AARON CAUDILLO	11/11/2022	2022 Footwear	\$250.00
ABEL RAMIREZ	5/19/2022	2022 Footwear	\$227.99
ALLEN FURR	10/3/2022	2022 Footwear	\$250.00
BEN HARRIS	12/13/2022	Training/Certification	\$133.07
BRIAN PATTERSON	11/15/2022	2022 Footwear	\$250.00
BRYAN NELSON	11/30/2022	2022 Footwear	\$250.00
CHAD JIVIDEN	11/30/2022	2022 Footwear	\$243.99
CHRIS CARTER	9/19/2022	Training/Certification	\$60.00
CODY SCOTT	11/18/2022	2022 Footwear	\$227.99
CODY SCOTT	8/30/2022	Training/Certification	\$90.00
COLIN CRANE-SMITH	10/19/2022	2022 Footwear	\$175.62
DAN YORK	8/4/2022	Local Travel/Conference	\$132.50
DAN YORK	8/9/2022	Local Travel/Conference	\$103.13
DAN YORK	9/26/2022	Local Travel/Conference	\$69.54
DAN YORK	11/7/2022	Local Travel/Conference	\$11.00
DAN YORK	5/17/2022	Local Travel/Conference	\$203.99
DARYL VINAVONG	5/3/2022	Training/Certification	\$70.00
DAVID ARMAND	12/13/2022	2022 Footwear	\$135.12
DMITRY ROSHKO	3/1/2022	Training/Certification	\$145.00
DMITRY ROSHKO	3/1/2022	Training/Certification	\$50.00
DMITRY ROSHKO	9/29/2022	Training/Certification	\$175.00
DYLAN HUNTZINGER	12/15/2022	2022 Footwear	\$173.99
EDWARD HIDALGO	12/5/2022	2022 Footwear	\$250.00
ERIK FLAA	12/7/2022	2022 Footwear	\$250.00
ERIK FLAA	12/7/2022	Training/Certification	\$105.00
EVELYN TRINH	11/14/2022	Dues/Membership	\$121.00
GEREMY MOODY	12/15/2022	2022 Footwear	\$250.00
GEREMY MOODY	6/24/2022	Training/Certification	\$439.00
GREG BUNDESEN	1/4/2022	Local Travel/Conference	\$64.80
GREG BUNDESEN	6/14/2022	Local Travel/Conference	\$14.00
GREG BUNDESEN	8/17/2022	Local Travel/Conference	\$4.80
GREG BUNDESEN	9/12/2022	Local Travel/Conference	\$279.08
HANNAH DUNRUD	1/20/2022	Training/Certification	\$240.98
HECTOR SEGOVIANO	7/26/2022	2022 Footwear	\$129.29
HECTOR SEGOVIANO	8/17/2022	2022 Footwear	\$120.71
HECTOR SEGOVIANO	8/17/2022	Local Travel/Conference	\$421.39
HECTOR SEGOVIANO	11/1/2022	Local Travel/Conference	\$72.47
JAMES ARENZ	6/6/2022	Training/Certification	\$100.00
JOE CROCKETT	2/22/2022	2022 Footwear	\$250.00
JOE CROCKETT	11/30/2022	Training/Certification	\$25.00
JOE CROCKETT	11/8/2022	Local Travel/Conference	\$51.00
JOSH TAYLOR	8/30/2022	2022 Footwear	\$239.25
JOSH TAYLOR	12/5/2022	Training/Certification	\$60.00
JOSHUA GAGNON	8/11/2022	2022 Footwear	\$130.00

**Employee Reimbursement Register
Calendar Year 2022**

Vendor Name	Document Date	Description	Document Amount
JOSHUA GAGNON	12/5/2022	2022 Footwear	\$120.00
JULIE NEMITZ	6/21/2022	Educational Reimb.	\$1,917.00
JUSTIN MCGOWAN	12/13/2022	2022 Footwear	\$227.99
JUSTIN MCGOWAN	11/18/2022	Training/Certification	\$125.00
KYLE JIVIDEN	5/12/2022	2022 Footwear	\$219.85
KYLE JIVIDEN	9/14/2022	Training/Certification	\$140.00
KYLE JIVIDEN	7/14/1905	Educational Reimb.	\$7,680.00
MARIO HERNANDEZ	9/19/2022	2022 Footwear	\$250.00
MARK TAYLOR	8/19/2022	2022 Footwear	\$250.00
MARK TAYLOR	1/20/2022	Training/Certification	\$190.00
MARK TAYLOR	11/18/2022	Local Travel/Conference	\$18.00
MAYNARD THOMAS FOX	11/7/2022	2022 Footwear	\$250.00
MAYNARD THOMAS FOX	6/22/2022	Training/Certification	\$305.00
MITCHELL MCCARTHY	11/30/2022	2022 Footwear	\$246.66
MITCHELL MCCARTHY	11/30/2022	Dues/Membership	\$180.00
MONICA VAZQUEZ	9/8/2022	Local Travel/Conference	\$173.00
PAUL MILLER	12/8/2022	2022 Footwear	\$250.00
PAUL MILLER	12/15/2022	Training/Certification	\$189.12
PAUL WHITE	12/5/2022	2022 Footwear	\$250.00
PAUL WHITE	10/19/2022	Training/Certification	\$60.00
RAUL PALOMAR	8/17/2022	2022 Footwear	\$227.99
RAUL PALOMAR	2/3/2022	Training/Certification	\$60.00
RAUL PALOMAR	11/18/2022	Local Travel/Conference	\$15.00
SARAH DAINS	7/25/2022	Local Travel/Conference	\$296.00
SCOTT BLAKE	9/7/2022	2022 Footwear	\$227.99
SHAWN CHANEY	12/13/2022	2022 Footwear	\$250.00
SHAWN CHANEY	7/28/2022	Local Travel/Conference	\$357.47
THOMAS SAWYER	12/15/2022	2022 Footwear	\$250.00
THOMAS SAWYER	12/15/2022	Training/Certification	\$110.00
TOM DICKINSON	12/2/2022	2022 Footwear	\$250.00
TOMMY MOULTON	3/15/2022	Training/Certification	\$60.00
TOMMY MOULTON	4/28/2022	Training/Certification	\$60.00
VICKI SPRAGUE	8/4/2022	2022 Footwear	\$237.02
VICKI SPRAGUE	2/3/2022	Training/Certification	\$100.00
VICKI SPRAGUE	7/11/2022	Local Travel/Conference	\$14.00
VICKI SPRAGUE	10/18/2022	Local Travel/Conference	\$302.48
VICKI SPRAGUE	12/15/2022	Dues/Membership	\$75.00
WILLIAM SADLER	5/12/2022	2022 Footwear	\$247.79
			\$23,598.50



Agenda Item: 4

Date: January 23, 2023

Subject: Municipal Services Review

Staff Contact: Dan York, General Manager

Recommended Board Action:

Authorize the General Manager to negotiate and execute a contract with Plan West Partners to complete a Municipal Services Review and Sphere of Influence for Sacramento Suburban Water District, in the amount of \$22,000, subject to final review and approval by District legal counsel.

Discussion:

Municipal Services Reviews/Sphere of Influence (MSR) are designed to equip LAFCo with relevant information and data necessary for the LAFCo Commission to make informed decisions on Sphere of Influences. The LAFCo has broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is also intended to provide information and analysis to support a sphere of influence update.

MSR's are typically conducted every ten years, with the District most recently completing a MSR in April 2021. The District provided LAFCo with an amended MSR in September 2022 due to Combination Discussions with both Del Paso Manor Water District (DPMWD) and Carmichael Water District (CWD).

However, staff has been informed by the LAFCo Executive Director that the MSR adopted by the LAFCo Commission, by resolution in March 2021, was not at the level he prefers when it pertains to Combination Discussions. Therefore, the LAFCo Executive Director has requested that the District, DPMWD and CWD complete up-to-date MSR's. As an update to that request, DPMWD has completed their MSR. In addition, the LAFCo Executive Director determined that the updated MSR's must be conducted by a neutral consultant. The LAFCo Executive Director obtained a proposal from their consultant, Plan West Partners, to conduct the District's MSR. Plan West Partners completed DPMWD's MSR. The proposal is in the amount of \$22,000.

Staff will provide the Board a draft copy prior to it being presented to the LAFCo Commission.

Municipal Services Review

January 23, 2023

Page 2 of 2

Fiscal Impact:

The cost to have Plan West Partners conduct the MSR is \$22,000.

Strategic Plan Alignment:

Goal B: Optimize Operational and Organizational Efficiencies



Agenda Item: 5

Date: January 23, 2023

Subject: Carmichael Water District and Sacramento Suburban Water District Combination Discussions – A Business Case for a Potential Combination

Staff Contact: Dan York, General Manager

Recommended Board Action:

Amend agreement with Raftelis, in the amount of \$20,000, to address inconsistencies in the Draft Carmichael Water District and Sacramento Suburban Water District Business Case for a Potential Combination report. Authorize the General Manager to sign the amended agreement, subject to final review and approval by District legal counsel.

Background:

At the December 21, 2022 Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) 2x2 Committee (Committee) Meeting, the Committee directed staff to gather comments and edits from Directors of both Boards for the Draft Business Case for a Potential Combination Study Report (Draft Report) and provide the information to Raftelis to revise and update with a recommendation to accept the final Draft Report in January Board meetings for both districts.

The original proposal received from Raftelis was in the amount of \$155,119. A contingency amount was placed on top of the proposal amount, of which the final agreement amount was set at \$160,000. Raftelis has exhausted the total amount of the agreement completing the Draft Report and conducting the edits provided by CWD and SSWD Directors.

Summary:

Raftelis presented the Draft CWD and SSWD Business Case for a Potential Combination Report (Draft Report) at the October 13, 2022 2x2 Committee meeting. The Draft Report was presented to the SSWD Board of Directors at their November 9, 2022 Special Board meeting. The SSWD Directors provided their feedback, of which was provided to CWD. The CWD Board of Directors held a Board Workshop on November 14, 2022 to review and discuss the Draft Report.

Staff has received feedback from all Directors of CWD and SSWD. The Draft Report was forwarded to Raftelis to address. Upon completion of Raftelis' edits, particular comments/questions have been addressed, with the remaining comments/questions being directed for answers in a further analysis of the Combination Discussions. However, there are comments from particular CWD Directors that need to be addressed prior to their Board

considering acceptance of the subject report. Therefore, the CWD Board chose to table this item at their January 17, 2023 regular Board meeting. The subject item is anticipated to be placed on CWD's February 2023 regular meeting agenda requesting the same amendment to the Raftelis agreement.

The intent was to receive comments/questions from both CWD and SSWD Boards, to determine if both are agreeable to continue the Combination Discussions. Directors from both agencies provided invaluable comments/questions, bringing forth the need to analyze certain topics in more detail. The Draft Report indicates that there are no fatal flaws/deterrents if CWD and SSWD were to combine. Certain comments/questions from the Directors require detailed analysis and future board decisions outside of the scope of work and purview of the consultants. Those comments/questions are listed in Attachment 2 and will be discussed with the 2x2 Committee and the CWD and SSWD Boards.

Note: The answers to each comment/question in Attachment 2 are explained below:

- **Addressed by consultant:** This means the consultant addressed/corrected the Directors comments/questions in the report.
- **Funding not available to make the suggested changes:** This is informing the Directors that it will take additional funding for the consultant to make changes to tables/figures within the report.
- **Intended to be addressed in future analysis:** This is informing the Directors that these are intended to be addressed in future analysis.
- **The overviews were developed by each agency for the Regional Collaboration Study:** This is verbiage where the consultant conducted a cut and paste from the Sacramento Region Collaboration Study.

Fiscal Impact:

Amended agreement, in the amount of \$20,000, will be split 50/50 between CWD and SSWD.

- Attachment: 1. A Business Case for a Potential Combination
2. Directors Comments and Questions on Draft Raftelis Business Case for a Potential Combination

**CARMICHAEL WATER DISTRICT &
SACRAMENTO SUBURBAN WATER DISTRICT**

**Business Case for a Potential
Combination**

STUDY REPORT / JANUARY 10, 2023



January 10, 2023

Mr. Daniel R. York, General Manager
c/o Ms. Heather Hernandez at hhernandez@sswd.org
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Ms. Cathy Lee, General Manager
Carmichael Water District
7837 Fair Oaks Boulevard
Carmichael, CA 95608

Subject: Business Case for a Potential Combination Study Report

Dear Mr. York & Ms. Lee:

Raftelis and Zanjero are pleased to provide this Business Case for a Potential Combination Study Report (Report) to Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) as part of your ongoing efforts to ensure the continuation of high quality, reliable, and fiscally responsible service to each community.

The major objectives of the Study include the following:

- Identification of the advantages, disadvantages, opportunities, challenges, and risks of a possible utility combination, and in particular identification of any fatal flaws.
- Evaluation of the financial and operational business case for a potential utility combination.
- Development of recommended next steps on collaborative implementation of near-term shared service opportunities or longer-term utility combination.

The Report summarizes the key findings and recommendations related to the water utility combination business case evaluation.

It has been a pleasure working with you, and we thank you and the Districts' staff for the support provided during the course of this study.

Sincerely,



Zachary Green
Project Manager

Acknowledgments

Study authors include Zachary Green of Raftelis Financial Consultants, Inc. and Gwyn-Mohr Tully of Zanjero.

Along with our Project Sponsors at each district, which included Cathy Lee, General Manager at Carmichael Water District, and Dan York, General Manager at Sacramento Suburban Water District, we would like to acknowledge the contributors who supported this effort, for their commitment and contributions. These individuals devoted their time in service of the best interests of constituent customers in each district, as well as the local environment and economy. These include both Boards of Directors as well as a subgroup 2X2 Committee that engaged deeply on this work and provided consistent and meaningful input throughout the Study. We thank you for your dedication and efforts.

Carmichael Water District Staff and Board Members:

Ron Davis, Board Division 1 Director
Mark R. Emmerson, Board Division 2 Director (2X2 Committee Member)
Ron Greenwood, Board Division 4 Director
Cathy Lee, General Manager and Secretary to the Board (Project Sponsor)
Jeff Nelson, Board Division 3 Director (2X2 Committee Member)
Paul Selsky, Board Division 5 Director

Sacramento Suburban Water District Staff and Board Members:

Jay N. Boatright, Board President and Division 2 Director
David A. Jones, Board Division 1 Director (2X2 Committee Member)
Craig M. Locke, Board Division 5 Director (2X2 Committee Member)
Kevin M. Thomas, Board Vice President and Division 4 Director
Robert P. Wichert, Board Division 3 Director
Dan York, General Manager (Project Sponsor)

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Executive Summary

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) partnered with Raftelis Financial Consultants, Inc. to conduct a Business Case Study for a Potential Combination (Study) of the two organizations. This Report represents a preliminary assessment to identify any fatal flaws of a potential combination. A more detailed assessment of the operational, funding, and financing considerations of such a combination will be addressed in future phases of analysis.

Given the limited water resources in the Sacramento region and across California, as well as evolving regulatory and customer demands, examining regional collaboration opportunities is imperative. It is important to recognize that this Study is being conducted in a time of high inflation and evolving regulations. These factors are creating significant upward pressure on rates. Utility costs are increasing rapidly. In addition, resources are more difficult to procure because of supply chain issues and the effects of “The Great Resignation.” Perhaps most significantly, utilities across the west are in an era of extreme drought that has touched the entire State of California and Sacramento Region in many ways. The realized effects include curtailments in the amount of water that can be extracted from existing surface water supply sources and an increasing emphasis on conservation that includes voluntary requests and mandated actions for customer usage reductions, penalties for repeat offenders, demand objectives, and water loss reductions.

CWD and SSWD initiated this Study to address their desire to gain efficiencies through collaboration. By way of collaboration, they hope to maximize value and minimize costs to customers, optimize water supplies and service levels, and improve the ability to advocate effectively during local and regional water policy discussions. Ultimately, the goal of the study is to objectively evaluate the potential benefits and risks of the combination of the two agencies, and if combination is found to be favorable, to develop an implementation path. In addition, a key goal of the Study was to conduct

This Study follows a series of prior efforts that looked at either regional collaboration or combination alternatives, each of which helped to focus and advance conversations between CWD and SSWD. SSWD and CWD, as well as many of the water agencies in the region, already have resource sharing and collaboration arrangements and there are several initiatives and agencies, such as the Regional Water Authority (RWA), that are actively working to form additional partnerships to address issues that impact the region and/or groups of utilities in and around Sacramento County. SSWD itself is a product of combination having been created through the merging of the Arden-Arcade Water District and the Northridge Water District. Over time, SSWD has come to recognize that effort as a successful one that allowed for better cost control and more reliable service. CWD has recognized the potential for scale and greater regional coordination to improve the sustainability of its services through an award-winning partnership with Golden State Water Company and Aerojet Rocketdyne.

This Study focuses on evaluating existing governance, operational, managerial, administrative, capital, and water supply functions as compared with potential future states of increasing collaboration and combination. Staffing and financial considerations are addressed for each function as well as at the organizational scale. To unlock opportunities for comparison of these two unique agencies, the Study focuses on unitized financials that put each organization and future state organization on an equal footing. Units of financial analysis include staff, customer, infrastructure, and water production measures that get at the efficiency of utility

operations. Ultimately, the Study evaluates these analytics to develop recommendations around possible next steps for the agencies' collective consideration.

There are both pros and cons to considering a combination of CWD and SSWD. Prominent pros include the following:

- Ability to achieve greater scale efficiencies through a larger organization: the two entities each have areas of strength, as well as under and over-utilized staff; combining the two entities could provide efficiencies if resources are used strategically
- Greater water resource sharing and utilization: maximizing the use of water resources is a complex process filled with regulatory and political hurdles, but with the portfolio of groundwater, purchased water, remediated, and surface water assets possessed by both Districts, there are significant opportunities to maximize resources
- Greater political advocacy: a larger organization that covers a broader service area will likely be able to increase its political advocacy in the region, helping it protect resources and ensure that it is appropriately represented so customers' needs are addressed
- Higher levels of customer service are possible by combining resources, allowing more specialization of staff, greater levels of scale efficiency, and perhaps new or expanded services
- More rate and financial stability are possible with a combined organization featuring a larger and more stable supply of water resources, a broader customer base, and an improved ability to deal with changes in operating conditions brought on by water resource challenges, staffing shortages, and inflation

While the pros to combination are significant, there are also notable cons including the following:

- A perceived loss of local control and the dilution of representation in a combined entity may be a concern; a combined entity would have Board members representing a larger number of constituents, assuming the Board is of the same size as the current Boards
- A larger organization often means more bureaucracy, and if not managed, redundancy and inefficiency; sound leadership will need to ensure scale efficiency is created while avoiding the pitfalls of a larger organization
- Adapting to changes can be challenging for staff, which requires attention and management effort to effectively navigate and thoughtfully consider as the new organization takes shape
- Challenges to water resources and/or limited ability to maximize resources: the regulatory and political environment may make it difficult to use water resources with maximum efficiency and could even invite some challenges to current arrangements

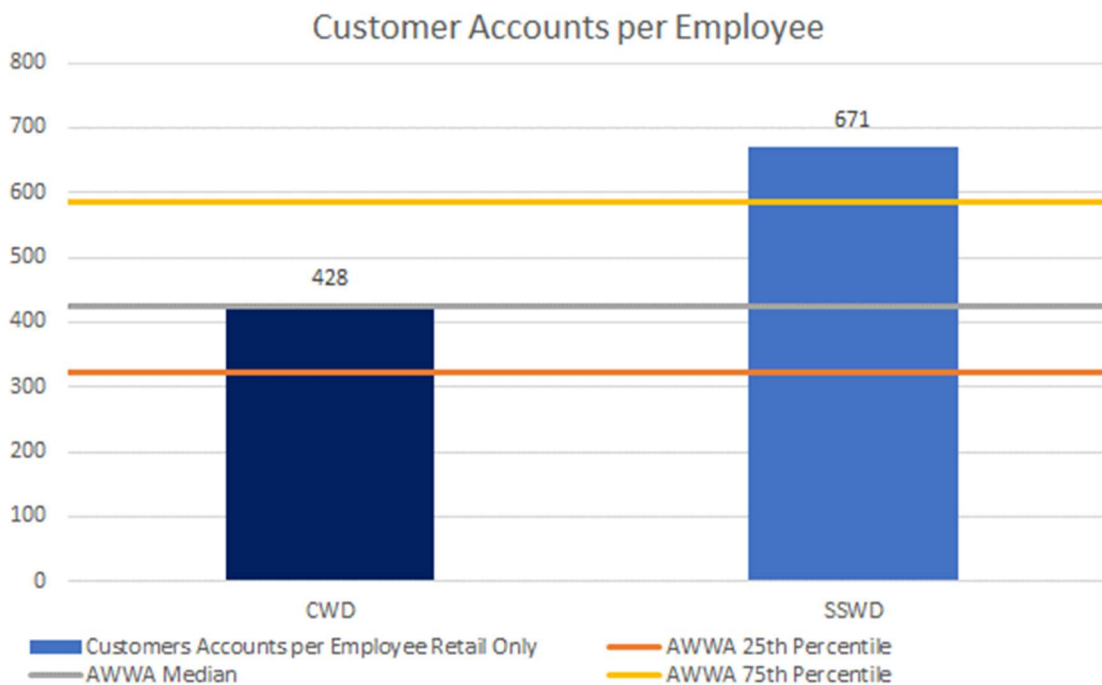
Two mechanisms for a potential combination are considered, as prescribed by state law, and administered by the Sacramento Local Area Formation Commission (LAFCo). Combining two or more public agencies (utilities) into one can be primarily achieved as either a consolidation or a reorganization (dissolution and subsequent annexation). The words "combination" or "combined" do not have a legal definition under LAFCo Law. This is in contrast to other words used colloquially like "merger" or "consolidation." The terms "consolidation" (as defined in Government Code §56030) and "reorganization" (as defined in Government Code §56073) have specific meanings. The end results are essentially the same: one agency assumes the rights, responsibilities, assets, and liabilities from others.

If combining the two Districts moves forward, one of the most significant activities will be aligning the staff and operations of the two entities. An approach that moves from current to interim and then to long term

arrangement is laid out. In the interim structure, all staff from SSWD and CWD would be retained, and water operations would largely continue as they do now. Functions would be slowly integrated over a period of a few years. This approach is least disruptive for both internal and external stakeholders. It allows the leadership of the combined entity to integrate operations carefully and deliberately. Conceptual (only) organizational charts are provided to show a theoretical view of how the organizations may be integrated in the interim and long term periods. Note these are not intended to be implemented as shown.

Integrating systems such as Computerized Maintenance Management System (CMMS), GIS, and Customer Information/ Billing (CIS), as well as processes like accounting, record keeping, and contracting would be tackled during the interim period. There would be costs and a considerable amount of staff time involved in the interim period. Essentially, these activities could be managed largely as they are now until full integration occurs. Current capital plans and activities could also be maintained in the interim period to ensure minimal disruption. Over the interim period, integration would be needed to achieve the scale efficiencies and other benefits afforded by combination. Raffelis estimates that a combined entity could at least achieve the same level of labor efficiency that SSWD currently achieves, which delivers services for 156% of the number of accounts on a per employee basis as compared with CWD per the figure below.

Customer Accounts per Employee



In the prior regional study of collaboration¹ opportunities in the Sacramento area conducted with CWD, SSWD, and a broader set of utilities, repeatable avoided cost ranges on the order of 8-20% relative to uncombined organizations were noted for utility consolidations. Such repeatable savings may be attributable to combined facilities, staff right sizing, labor specialization or a range of operational opportunities through joint contracting, purchasing power, or other initiatives. Such levels again appear achievable between CWD and SSWD if the aforementioned 20-30% lower costs at SSWD are spread across normalized retail services.

¹ <https://www.sswd.org/about/sacramento-regional-water-utility-collaboration-study-reports>

A key unknown variable is the monetization of water supplies, which could further drive economic benefits in this case.

The table below details a rough financial estimate of the expected impact of combination activities based on industry costs estimated as part of similar studies by Raftelis and based on analyses of CWD and SSWD's current normalized cost spreads. The nearly \$15 million dollars in savings over the first 10 years of integration equates to over 2% of combined operating expenses. However, this analysis is limited to the line items noted below that are immediately relevant to the combination effort, but does not account for worker productivity gains attributable to increased specialization, systems optimization, and the ability of the combined larger ratepayer base to bring down costs per unit and drive additional efficiencies. Together those impacts could account for additional savings of 5-15%+ annually based on the normalized cost analyses described previously in this section and the range of efficiency gains seen in other utility combinations nationally.

Business Case Summary

Description	Type	One Year		Over 10 Year Horizon	
		Low Estimate	High Estimate	Low Estimate	High Estimate
Elimination of redundant staff salary and benefits (Implemented Years 3-10)	Ongoing	\$0	\$1,250,000	\$0	\$12,500,000
Cost of providing salary parity	One-Time	(\$75,000)	(\$450,000)	(\$750,000)	(\$4,500,000)
Cost of providing benefits parity	One-Time	\$5,000	\$300,000	\$50,000	\$3,000,000
Software & Technology	One-Time	(\$25,000)	(\$1,000,000)	(\$25,000)	(\$1,000,000)
Relocation costs	One-Time	(\$10,000)	(\$40,000)	(\$10,000)	(\$40,000)
Combination-related studies and legal costs	One-Time	(\$250,000)	(\$500,000)	(\$250,000)	(\$500,000)
Existing legal services savings	Ongoing	\$0	\$29,000	\$580,000	\$1,280,000
Board consolidation savings	Ongoing	\$21,000	\$63,000	\$630,000	\$1,050,000
Water supply changes	Ongoing	\$0	(\$1,050,000) ²	\$0	\$2,750,000 ³
NET COST IMPACTS OF COMBINATION		(\$334,000)	(\$1,148,000)	\$225,000	\$14,790,000

Finally, it is important to remember that, in addition to the financial upside of a potential combination of 8 to 20% in total, it is the increased ability to manage supplies, implement best practices, and provide quality and reliable service to customers that must also be qualitatively considered in any agency combination business case exercise.

² Derived by annualizing what is estimated to be up to \$5.25 million over 5 years.

³ Management estimate of up to \$8 million increase in combined water sales from monetization and optimization of supplies over 10 years, less estimated \$5.25 million in legal and other expenses to pursue opportunities.

Overall, the business case evaluation did not yield any fundamental barriers to combining agencies. Financial expectations are higher to the upside than to the downside, particularly over the longer-term. While there are initial net costs to combining, these would likely be outweighed by operational benefits and service reliability improvements, particularly once the combined agency refines its operational model and matures.

The Study provides a high level implementation timeline that features a likely series of events that would occur should SSWD and CWD desire to pursue combination. It begins with a thorough review of the considerations laid out in this Study and must be initiated by an affirmative vote from each of the Boards of SSWD and CWD. Note that how and when the Boards vote, and whether they pursue consolidation or reorganization as defined by the LAFCo Law, is important because it has implications with customer outreach and other procedures. Customer communication will be a key consideration and should be initiated early in the process.

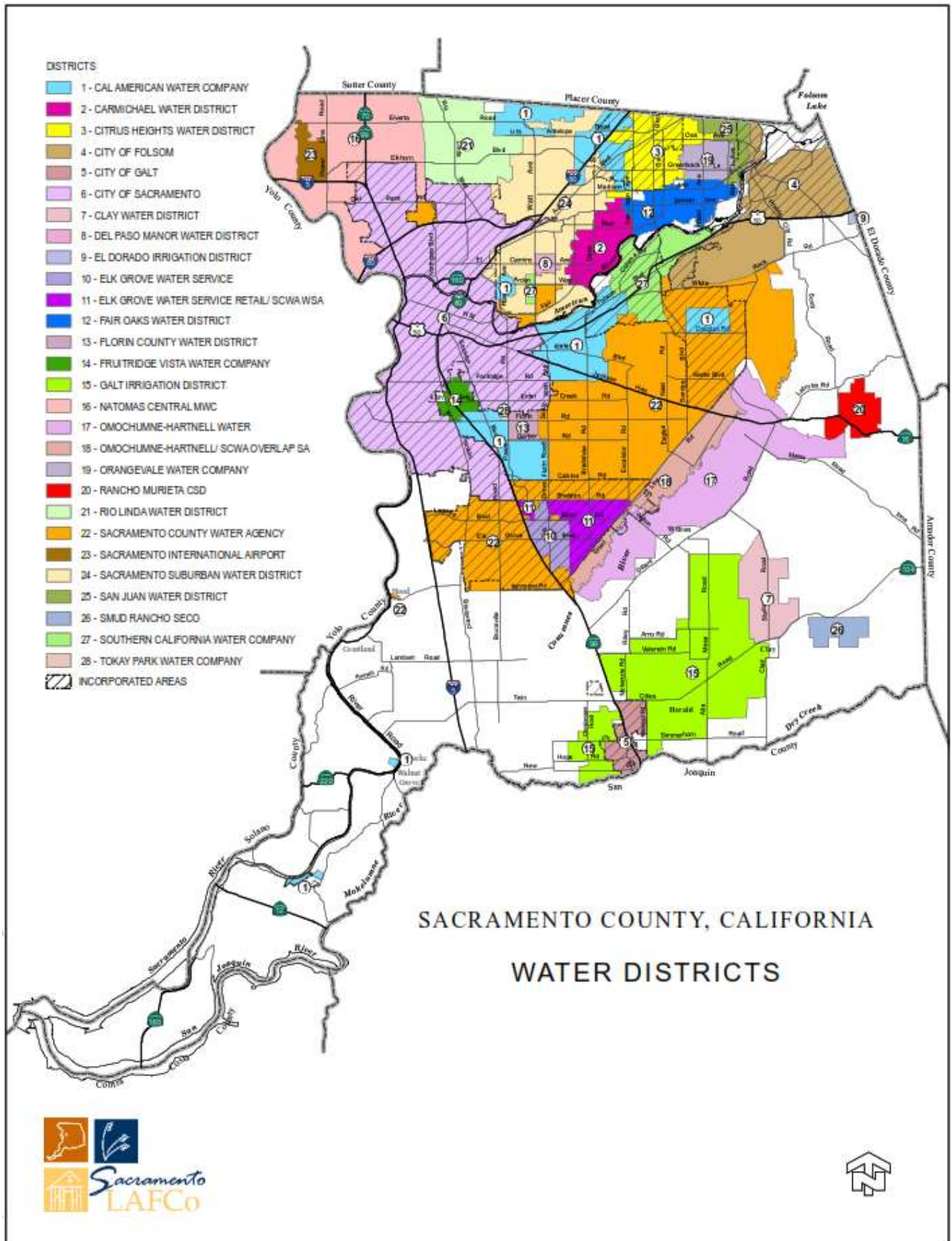
1. Introduction

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) contracted with Raftelis Financial Consultant, Inc. to conduct a Business Case Study for a Potential Combination (Study) of the two organizations. Note that the term “combination” is used in place of similar words such as consolidation, merger, and reorganization, some of which have distinct meanings for regulatory agencies such as the Sacramento Local Agency Formation Commission. This Report details the findings of the Study in full and provides recommendations about possible next steps for consideration.

1.1. Background

There are at least 28 different water entities, both public and private, serving Sacramento County, as shown in Figure 1. Given the limited water resources in the region and across California, as well as evolving regulatory and customer demands, and increasing pressures on water rates, examining regional collaboration opportunities is imperative. Many of the water agencies in the region already have resource sharing and collaboration arrangements. In addition, there are several initiatives and agencies, such as the Regional Water Authority (RWA), that work to form partnerships to address issues that impact the region and/or groups of utilities in and around Sacramento County.

Figure 1: Sacramento County Water Suppliers



This Study follows a series of prior efforts that looked at either regional collaboration or combination alternatives, each of which helped to focus and advance conversations between CWD and SSWD. One of those studies was conducted by Raftelis and, while its focus was on shared services among a broader set of stakeholders that included CWD and SSWD, that effort highlighted that the opportunities to gain efficiencies and enhance service levels appeared to be greatest under a fully combined model.

SSWD itself is a product of combination, having been created through the merging of the Arcade Water District and the Northridge Water District. Over time SSWD has come to recognize that effort as a successful one that allowed for better cost control and more reliable service. CWD has recognized the potential for scale and greater regional coordination to improve the sustainability of its services through an award-winning partnership with Golden State Water Company and Aerojet Rocketdyne.

It is important to recognize that this Study is being conducted in time of high inflation and evolving regulations. These factors are creating significant upward pressure on water rates. Costs are increasing rapidly. In addition, resources are more difficult to procure because of supply chain issues and the effects of “The Great Resignation.” Perhaps most significantly, utilities across the west are in an era of extreme drought that has touched the entire State of California and Sacramento Region in many ways. The realized effects include curtailments in the amount of water that can be extracted from existing sources and an increasing emphasis on conservation that includes largely voluntary requests for customer usage reductions and penalties for repeat offenders. This has subsequently reduced usage per capita and resulted in the need for ever nimble rate setting practices. The potential effects, however, are more severe, and include but are not limited to limited (dwindling) water supply sources and customer restrictions on water usage along with increasingly strict enforcement and penalties, and additional environmental water supply needs. While the resiliency of the participating utilities that results from the seniority and variety of their water sources, as well as the quality of their management, has prevented CWD and SSWD from enduring the most extreme effects of the drought, it is apparent that the need to remain vigilant in the pursuit of resilient utility operations will continue to increase over time. Given the mix of water resources and differences in scale between the organizations, there appears to be an opportunity to develop a deeper and perhaps fundamental connection for the mutual benefit of both Districts.

1.2. Purpose of Study

CWD and SSWD initiated this Study to address their desire to gain efficiencies through collaboration. Through collaboration they hope to maximize value and minimize costs to customers, optimize water supplies and service levels, and improve the ability to advocate effectively during local and regional water policy discussions. Ultimately, the goal of the study is to objectively evaluate the potential benefits and risks of a potential combination of the two agencies, and if combination is found to be favorable, to develop an implementation path. Another objective was to identify any fatal flaws before next steps are taken. A more detailed assessment of the operational, funding, and financing considerations of such a combination will be addressed in future phases of analysis.

1.3. Study Approach

Raftelis’ approach to this Study focuses on evaluating existing governance, operational, managerial, administrative, capital, water supply functions as compared with potential future states of increasing collaboration and combination. Staffing and financial considerations are addressed for each function as well as at the organizational scale. To unlock opportunities for comparison of these two unique agencies, the

Study focuses on unitized financials that put each organization and future state organization on an equal footing. Units of financial analysis include staff, customer, infrastructure, and water production measures that get at the efficiency of utility operations. Ultimately, we evaluate these analytics to develop recommendations around possible next steps for the agencies' collective consideration.

As we engaged in the Study it became clear that specific areas of consideration required significant attention given the potential hurdles that they presented. These include:

- Board Structure
- Sacramento Local Area Formation Commission (LAFCo)
- Prior Agreements
- Labor
- Finance
- Water Resources

As neutral evaluators and advisors, the goal is to identify solutions for the agencies that help achieve their mission of providing high quality and reliable water service that balances sustainability and affordability for customers, and is in-line with applicable laws. To that end, we have supplemented our organizational analytics with content developed by legal experts from Zanjero with expertise in California water supply regulations and Raftelis staff experts in stakeholder outreach and communications. All of this work was done in collaboration with the two Districts and their representatives.

Raftelis worked to follow the data wherever it took us. We recognize that there are staff, Board, and community members at each agency that are likely to be initially either in favor of or against the idea of a potential combination, and as such we have taken great care to be objective in this analysis. We have attempted to highlight the opportunities and challenges of a potential combination, while acknowledging that such an endeavor is a complex exercise, and particularly so in a water stressed region governed by western and California water laws and in an era of political polarization.

2. Utility Overviews

This section provides introductory information such as system descriptions and the characteristics of each agency. It is critical to understand the current state of these two agencies as they investigate forming deeper connections with each other. Further, topline information introduced here is used in downstream analytics and discussion throughout the report.

2.1. CWD

CWD was established as an Irrigation District in 1916. The District serves a predominantly residential suburban community and does not serve any major industrial customers that account for a large percentage of water sales within its service area. There are 12,000 customer connections that represent a population served of about 40,000 people by the CWD.

2.1.1. System Description

CWD largely sources its water from the American River with supplemental groundwater wells in high demand seasons. With the dual water supplies, CWD practices conjunctive use and has banked groundwater via in-lieu recharge. American River water is treated at a micro filtration plant that CWD invested significantly since 2002. During times of drought, when withdrawals from the river become limited, CWD is fortunate to have access to supply from groundwater wells to help meet customer demands. In the summers of 2014, 2015, 2021, and 2022 the State of California ordered CWD to stop all withdrawals from the American River because of water scarcity.

CWD maintains nearly 160 miles of pipe and supplies an average of just under 9,000 acre-feet of water annually to its customers. CWD is 100% metered with a mix of mechanical and digital AMR (truck-read) flow meters.

2.1.2. Culture and Context

Customers are engaged on water issues and are reportedly happy with the quality and services that CWD provides. CWD reports that customers like the small town feel of the District, and that, while they take pride in their independence, they are certainly open to collaborative opportunities that could achieve efficiencies through the sharing of resources. As the Study progresses and in the context of ongoing economic uncertainty resulting from the Covid-19 pandemic, CWD notes that both union and non-union employees will want assurances that collaboration efforts will not threaten their jobs, benefits, or labor structure.

As a result of their dual surface and groundwater supply, award-winning public-private-partnership supply agreement, and their position relative to peers, CWD has the potential to be an important voice for the benefits of collaboration, while maintaining appropriate independence.

2.2. SSWD

SSWD is a larger utility that was formed as a County Water District in February 2002, through the consolidation of the former Arcade Water District and Northridge Water District, which were formed in 1954 and 1956, respectively. There over 47,000 customers accounts representing a population of nearly 200,000 people.

2.2.1. System Description

SSWD continues to make investments in several areas including infrastructure replacement and a conjunctive use program. SSWD is reliant on groundwater, but has contractual surface water rights to 26,064 acre-feet per year of surface water from the City of Sacramento water entitlement; and a contract to purchase up to 29,000 acre-feet of surface water per year from Placer County Water Authority (PCWA), with a 8,000 acre-feet take or pay caveat in the agreement. SSWD's conjunctive use program has resulted in approximately 240,000 acre-feet of banked groundwater. The District delivers water through a network of nearly 700 miles of pipe. Since 2005, SSWD has replaced approximately 100 miles of its distribution system at a cost of approximately \$110 million.

SSWD works to invest in technologies that enhance operational efficiency. The District is approximately 99.6% metered; and is on schedule to be 100% metered by the end of 2022. SSWD has installed Advanced Metering Infrastructure (AMI) meters that can be read remotely for all customers. SSWD's Computerized Maintenance Management System (CMMS) is CityWorks. In 2007, SSWD chose to fully implement the CMMS system by placing a computer in each District vehicle.

2.2.2. Culture and Context

While SSWD's staff of 73 meets the agency's baseline needs and has little excess capacity, there are select areas where SSWD may be able to share or enhance services in collaboration with other agencies. For example, SSWD expressed openness to exploring opportunities for new shared FTEs in the Regional Collaboration Study⁴ to enhance scale efficiencies. In addition, as a large district with a robust mix of ground and surface water assets, SSWD seeks to continue to identify opportunities to diversify the resiliency and quality of its water supplies.

Prior to this Study, SSWD engaged in an effort with San Juan Water District (SJWD)⁵ looking at consolidation, which was largely motivated by opportunities to reduce operational redundancies and the potential for enhanced reliability that would be offered by having access to surface water during certain periods. SSWD then engaged with a multi-agency study⁴ (facilitated by Raftelis and including CWD and others) to look at collaboration (rather than combination). The study found many opportunities to achieve savings or service level improvements as a region through collaboration or combinations.

⁴ <https://www.sswd.org/about/sacramento-regional-water-utility-collaboration-study-reports>

⁵ <https://www.sswd.org/modules/showdocument.aspx?documentid=6790>

3. Organizational Assessment

An assessment of each organization's high-level structures and utility functions highlights the similarities and differences of CWD and SSWD and helps clarify future state considerations. First, the assessment covers internal governance structures and external bodies that will inform a potential combination. Next, the assessment addresses labor considerations broadly before covering the range of utility functions individually to identify the similarities, differences, opportunities, and challenges that each present in this context. Following the organizational assessment is a comprehensive analysis of agency Water Resources (Section 4) and Finances (Section 5), though elements of those sections are included throughout this section as needed to inform the business case.

3.1. Governance

Organizational and governance structures provide the framework for decision-making and service delivery for CWD and SSWD. In addition to internal structures, the agencies must consider how LAFCo, and the State Water Resources Control Board, Division of Drinking Water will inform any potential next steps towards a combination.

We begin the comparative analyses with an overview of both the existing internal and then the potential external governance structures and how they will be impacted by and inform a combination.

3.1.1. History

CWD and SSWD are both special districts under California law, with the former having been created as an Irrigation District and the latter a County Water District from two other county water districts. However, these distinctions do not appear to be barriers to a combination as functionally their responsibilities, authorities, and regulations are largely the same, and there are numerous precedent examples of irrigation districts and county water districts merging. A county water district is considered a higher level of organizational constitution and as such a combination of CWD and SSWD would likely take that form rather than an irrigation district. CWD has existed as a single organization for its entire 100 plus year history, while SSWD was the result of a fairly recent merger of the Arcade Water District and the Northridge Water District in 2002. For CWD, its long history as a standalone organization must be considered when engaging with stakeholders as any consideration of a loss of autonomy or local control may be met with more scrutiny, relative to SSWD, which is itself a product of a recent combination.

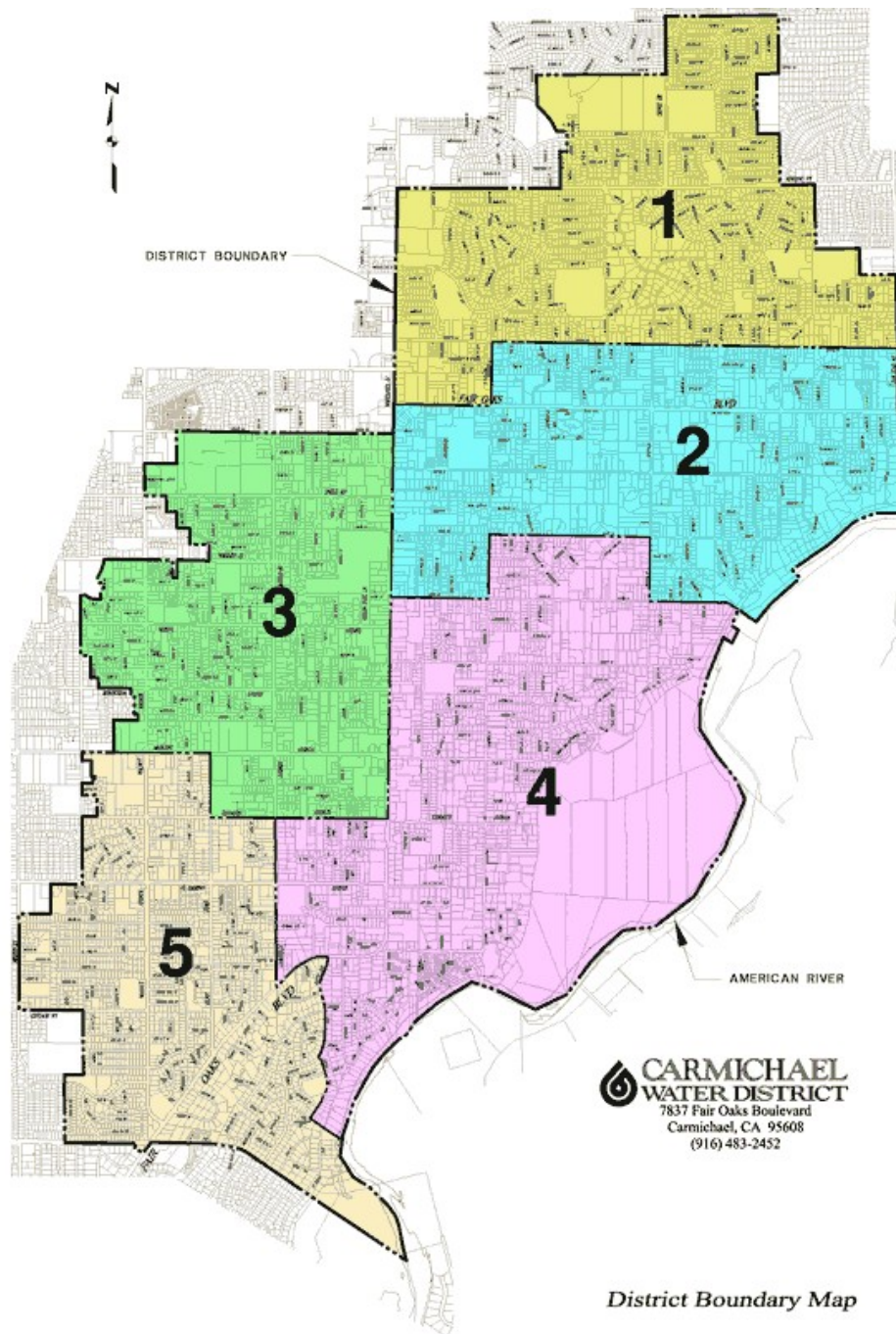
The two prior studies of combination and collaboration opportunities that set the stage for this Study are important to consider as this next level of analysis is reviewed. The initial investigation of a combination of SSWD and San Juan Water District (SJWD) did identify advantages to expanding organizational scale and regional integration. Indeed, the subsequent study of collaboration opportunities was better received by the smaller participating agencies, which included SSWD, SJWD, and several of its wholesale customers as well as the City of Folsom and CWD. It can be said that the sheer number of opportunities for shared service, as well as the potential for even greater cost avoidance and service level enhancement through combination that emerged in the regional study added to momentum for this study. This Study will be constructive to further building regional momentum for collaboration, as it provides an opportunity to carefully consider the practical realities of an integration between two agencies that may serve as an example to the complex regional web of stakeholders. Regional collaboration, including combination, is more challenging to examine

deeply all at once than it is between just two agencies. Still those prior efforts are an important piece of the history that led to this Study and include relevant information that was leveraged for this Study in several sections of the Report.

3.1.2. Governing Bodies

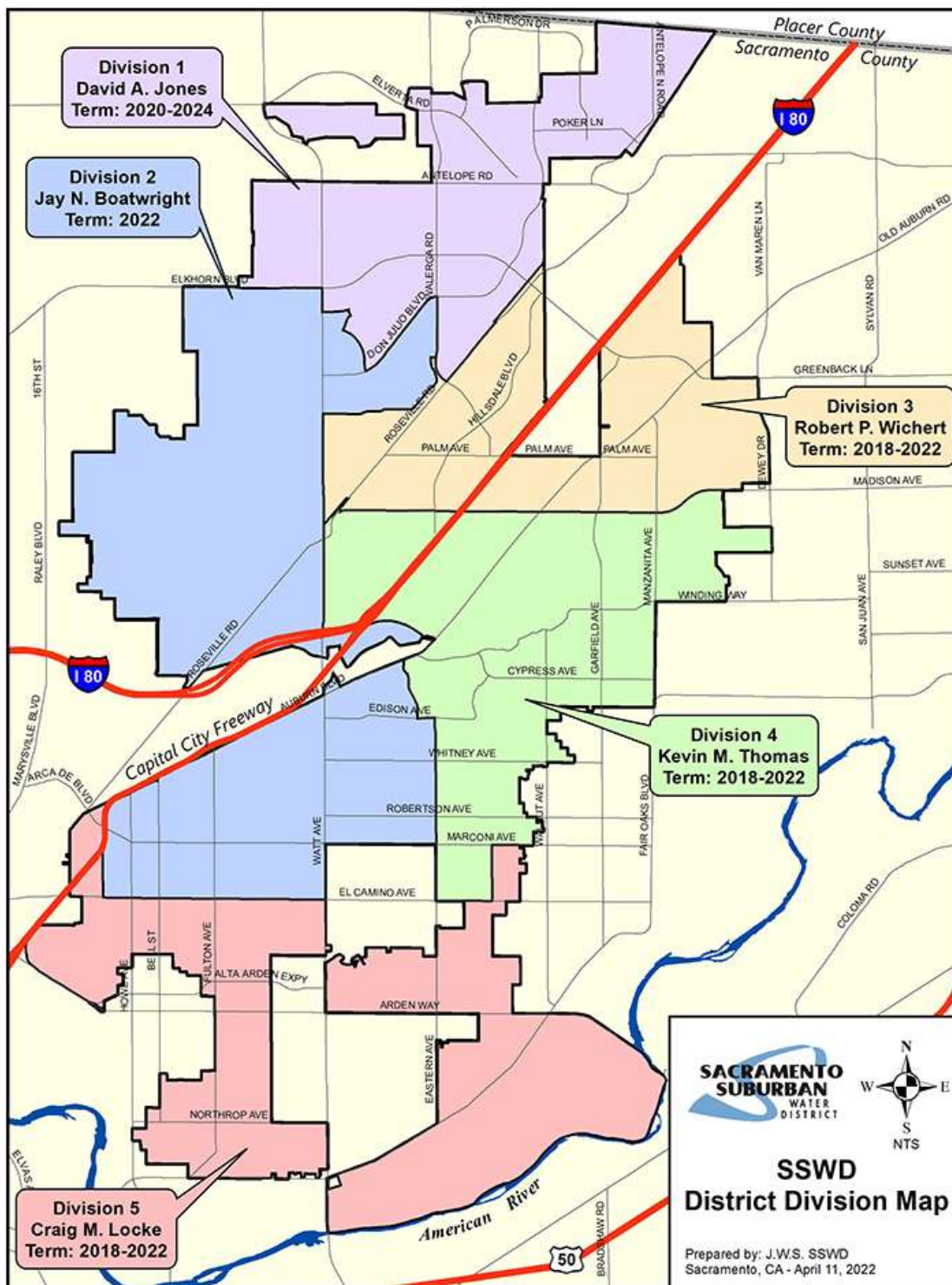
CWD’s Board of Directors consists of five members which represent proportional shares of the District’s population. Each Director serves a four-year staggered term. Figure 2 includes a map detailing the five Divisions of CWD, each of which are represented on the Board by one Director.

Figure 2: CWD District Map Showing Five Board Divisions



SSWD’s Board of Directors consists of five members which represent proportional shares of the District’s population. Figure 3 includes a map detailing the five Divisions of SSWD, each of which are represented on the Board by one Director. Board Members are elected to staggered four-year terms with elections occurring in all even numbered years.

Figure 3: SSWD District Map Showing Five Board Divisions



Any steps towards a combination will require the actions of the Boards, and subsequently, a fully combined organization would include a revised Board structure. Typically, an odd numbered Board size of perhaps nine initially, and ultimately five to seven members is considered ideal to ensure critical mass for executing duties, an odd number to discourage tie voting, and a manageable headcount to avoid excessive deliberations and cumbersome bureaucracy.⁶ Indeed, the progression from two separate five member boards to nine⁷, seven, and five is what proceeded when Arcade and Northridge combined to form SSWD. This presents a potential conflict for existing Board members should they feel that their seat is threatened. This tension can be mitigated by developing a transition plan for the agencies that recognizes and addresses this conflict directly. For example, an interim structure could be developed that maintains all or perhaps one less Board seat and phases more out as terms expire over time. The local LAFCo agency can help with this transition, as it has the power to approve a transition plan document submitted by the agencies under review, to formalize the roadmap from the current state to a combined framework. Typically, Boards will experience some natural turnover and so a transition phase may allow for natural Board attrition without forcing any departures to accomplish the desired end state. If board expenses are ultimately fully halved this could result in up to \$1.05 million in savings over 10 years.

3.1.3. Sacramento County LAFCo

LAFCos were created by the State of California in response to rapid growth experienced in the 20th century and the urban sprawl that resulted. Each LAFCo works with residents, their parent county, and any cities and special districts in their region on jurisdictional issues to discourage urban sprawl and encourage the orderly formation of appropriate local agencies. A regular part of a LAFCo's duties is to review special districts to ensure services are being provided in a cost-effective manner.⁸ LAFCos have the authority to approve and manage combination efforts, as well enable the transition from one organizational form to another. Applications for combination, and some forms of collaboration, need to be submitted to the local LAFCo for review, public engagement, and approval. LAFCos are able to work with agencies to provide guidance and temporary rules to facilitate combination. This can include arrangements for transitioning Board seats and finances between agencies, or consolidating them in the case of a combination of two or more entities. As part of a consolidation or collaboration process, CWD and SSWD will need to develop a plan for approval with the LAFCo of Sacramento County. The State Water Resources Control Board, Division of Drinking Water, provides support resources and have some high level involvement (process outline, permitting, water supply questions, etc.) in any process of combination, but their materials do appear to heavily defer to engagement through LAFCos.⁹

The Sacramento LAFCo provided information specifically about a possible combination between SSWD and CWD, which we have included excerpts from and summarized as follows:

In the LAFCo context, there are a number of terms related to consolidation that have specific definitions. The words “combination” or “combined” do not have a legal definition under LAFCo Law. This is in contrast to other words used colloquially like “merger” or “consolidation.” The terms “consolidation” (as defined in

⁶ <https://www.diligent.com/insights/board-composition/why-your-board-size-matters-how-a-smaller-board-can-be-more-effective/>

⁷ One member voluntarily resigned at the outset of the Arcade-Northridge combination.

⁸ Sacramento County Local Agency Formation Commission, History, <https://sac.lafco.saccounty.gov/AboutUs/Pages/WhatsLafco.aspx>

⁹ https://calafco.org/sites/default/files/resources/2017_Staff_Workshop/Water%20Consolidations_SWRCB%20presentation.pdf, https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/consolidation.html

Government Code §56030) and “reorganization” (as defined in Government Code §56073)” have specific meanings. Combining two or more public agencies (utilities) into one can be primarily achieved as either a consolidation or a reorganization (dissolution and subsequent annexation). The end results are essentially the same: one agency assumes the rights, responsibilities, assets, and liabilities from others. There are several quirks to this process.

In a consolidation, all agencies are dissolved and a new one is created in their place with a service area that encompasses the previous districts’ service areas. The new agency is the successor entity. This was the approach taken when SSWD was created following the dissolution of the Arcade and Northridge Water Districts. The process initiates when both agencies file for consolidation. In a reorganization, one or more districts are dissolved and one agency annexes all or a portion of their former service areas. An existing agency is the successor entity. The process initiates when one or more districts applies to dissolve, and the remaining district applies to annex the service area of the dissolved district(s).

Either district can initiate these processes by adopting a resolution of application and going through the “normal” LAFCo process. However, there is a sub-LAFCo process that is likely applicable: Government Code §56853(a) states that if the combining agencies adopt *substantially similar* resolutions of application, LAFCo must either approve or conditionally approve the proposal (in other words LAFCo cannot deny the application). In fact, this exact Code was applied to create SSWD from the Arcade and Northridge Water Districts. In addition, this section says that the reorganization could be ordered by LAFCo without an election unless the conditions under GC §57081(b) are met. After the approval hearing, a second hearing (called a conducting authority hearing or a protest hearing) must be held, but only to determine if the conditions specified in GC §57081(b) exist.

There are some nuances. General elections are not automatic under this process; however, landowners and registered voters can potentially force one. If the districts opt for the reorganization route, and if the Board of the dissolving district adopts the resolution for dissolution unanimously, then, under Government Code §57077.1(c), LAFCo is also empowered to waive the Conducting Authority Hearing for the dissolution only. If the LAFCo approves and takes the appropriate administrative steps in GC §56663 when providing the hearing notice, then the Conducting Authority Hearing can be waived for the annexation portion.

Ultimately, a request for reorganization or consolidation would need to be submitted to the Sacramento County LAFCo for review and approval. However, there are several aspects of the application that would need to be addressed. In addition, before an application is submitted, the two Districts would need to conduct public outreach and meetings with stakeholders.

The public outreach and meetings required by LAFCo represent part but not the entirety of recommended customer communications should SSWD and CWD take next steps towards a combination. As part of this Study, Raftelis developed customer engagement guidance for CWD and SSWD, which is included as Appendix F and touched on briefly in Section 6. It will be important for both organizations to communicate regularly about the combination process and potential options being considered. Developing resources like a fact sheet, infographics, or short videos, which can be used in different communications channels can help proactively address potential questions and drive people to learn more. Holding in-person or virtual open houses can be a good method to humanize the agencies and provide an opportunity for stakeholders to learn more about the process in a relaxed setting.

Sections 3.1.3.1 and 3.1.4 will address different aspects of combinations that the organizations will need to consider and that can inform the application to LAFCo.

3.1.3.1. Combination Process

Governance will be a key component of any effort toward combination. There are two avenues to combine the services of CWD and SSWD, consolidation or reorganization. The end result is essentially the same, with one agency assuming the rights, responsibilities, assets, and liabilities from the current organizations. Note that when we use the word combination, we are using that term purposefully to refer generically to any kind of combination of the agencies. Below are more details on the formally defined reorganization and consolidation scenarios:

- **Reorganization: Dissolution of CWD and annexation by SSWD** – One district is dissolved, and one agency annexes their former service area. Restructuring SSWD to merge with CWD would result in dissolving CWD. The SSWD Board would remain intact, as they were elected by the SSWD customers, however, there would need to be one Director from either SSWD or CWD that would resign, and then the Board would shrink from nine, to seven and finally to five, while redistricting the divisions at each election. This process would be included in the LAFCo resolution. The combined entity through this process would initially allow for a large Board consisting of a combination of SSWD and former CWD Board members. The Sacramento County LAFCo could assist and provide guidance in this process. Generally, this process is less disruptive than a consolidation and the protest period only applies to residents of the dissolving agency.
- **Consolidation: Creation of a new Water District** – All agencies are dissolved and a new one is created in their place with a service area that encompasses the previous districts' service areas. A new Water District would require dissolving both CWD and SSWD. According to interviews with LAFCo staff, LAFCo can approve a larger temporary Board to represent both CWD and SSWD Boards and allow the Board to become smaller over time until it reaches the size of five members, which seems to be a desirable size given the scope of the organizations and the service base. All residents from both districts can oppose during the protest period and may require a new Proposition 218 vote to re-ratify special taxes and benefit assessments (note this would not be relevant to CWD or SSWD revenues, as they are recovered through user charges). This process can be disruptive because it allows for the potential cancellation of existing contracts unless they are specifically transferred as part of the LAFCo approval.

To initiate the process, the Districts will need to submit resolutions of application to LAFCo which should include: the actions requests from LAFCo, designated contact person, map of the service area affected, what should be done with zones of benefit or benefit assessments, fiscal considerations, governing considerations, and any other conditions of approval requested of LAFCo. The Districts will work with LAFCo to review the combination plans and engage with the community. Regardless of the option chosen, formal notice will need to be sent to all landowners and registered voters within the boundaries of any district(s) being dissolved. An election to approve consolidation would be necessary if between 25-50% of registered voters or owners by land value object to the change. If more than 50% of registered voters or owners by land value object to the change, the consolidation will not go forward. If less than 25% of voters or owners by land value object to change the consolidation would go forward. In an interim period, assuming a consolidation moves forward, it will be important for both Boards to work closely together to identify the appropriate next steps, engage the community, and make decisions together.

Under either Reorganization or Consolidation CWD and SSWD may wish to work with LAFCo to create a temporary, larger Board with the desired number of members. This option allows all but one of the current

CWD and SSWD Board of Directors members to remain involved and roll off of the governance body as terms expire.

3.1.4. Prior Agreements

It is important to recognize that this Study and any subsequent steps towards combination represent the latest efforts in a measured and productive process of increasing regional collaboration for both CWD and SSWD. In the prior regional collaboration study extensive care was taken to document all that CWD, SSWD, and other regional peers already do to benefit from collective action. This includes joint metering contracts, trainings, and other events through the two state Joint Powers Insurance Authorities (CA JPIA and ACWA JPIA), regular coordination of conservation actions through RWA and beyond, mutual aid agreements, and beyond. While that study also identified additional steps to continue to advance successful collaboration, it was also clear that larger efforts held the potential for the greatest benefits. The LAFCo process is designed to confirm that before such a next step is engaged, residents have the opportunity to make their voice heard, but the agencies through their increasing success with collaborations have already demonstrated their collective will to pursue cost avoidance and service level optimization together.

3.2. Organizational Structure

The organizational structure of each agency is represented as the hierarchy of each agency's functional groupings and staff roles. Appendix A includes an organizational chart for CWD, and Appendix B the same for SSWD. In general, both agencies are organized into Management & Administration roles such as Executive, Finance, and Customer Services & Billing, as well as Engineering & Capital Improvement roles, Distribution System Operations roles, and Production Operations roles. While these similar structures suggest some level of redundancy in staffing, many of these functions will scale with any larger unified utility operation given the separate infrastructure components. Those roles that do not scale as easily in a combined structure can be absorbed through attrition if combination is pursued. Appendix C includes a proposed interim organizational chart that maintains all current staff as an initial structure, while Appendix D includes an example of a consolidated longer-term organizational chart that could be implemented over time. **Note:** The organizational charts should not be constructed as recommended structures or a roadmap for staffing. They are simply a conceptual approach showing how the two agencies could be combined in the short term and in the long term. Any decisions about how a combined entity may be structured is solely up to the leadership of the organization.

Noteworthy differences between the organizational structure of CWD and SSWD do go beyond just scale. As a result of the size of the organization, we also observe greater role specialization at SSWD relative to CWD. Rather than merely expanding the roster of generalists, larger organizations have the luxury of hiring a more specialized staff. These specialized roles are highlighted throughout the functional sections that follow.

One benefit of scale and specialization can be efficiency. Figure 4 and Figure 5 show that SSWD is able to serve nearly double the number of customer accounts and people per employee as compared with CWD. Since labor is a significant cost input for utilities, labor efficiency can lead to more affordable service as long as it doesn't result in declines in infrastructure reliability, an overworked staff, or other signs of an organization stretched thin. On balance, this Study does not suggest that SSWD is lacking in the provision of key services, but rather that, similar to the findings in the broader Collaboration Study which included additional utilities, SSWD is likely providing a high level of service at a relatively low cost. Section 5 digs

deeper into the finances of each organization to further assess potential performance and cost implications of combining agencies.

Figure 4: Customer Accounts per Employee

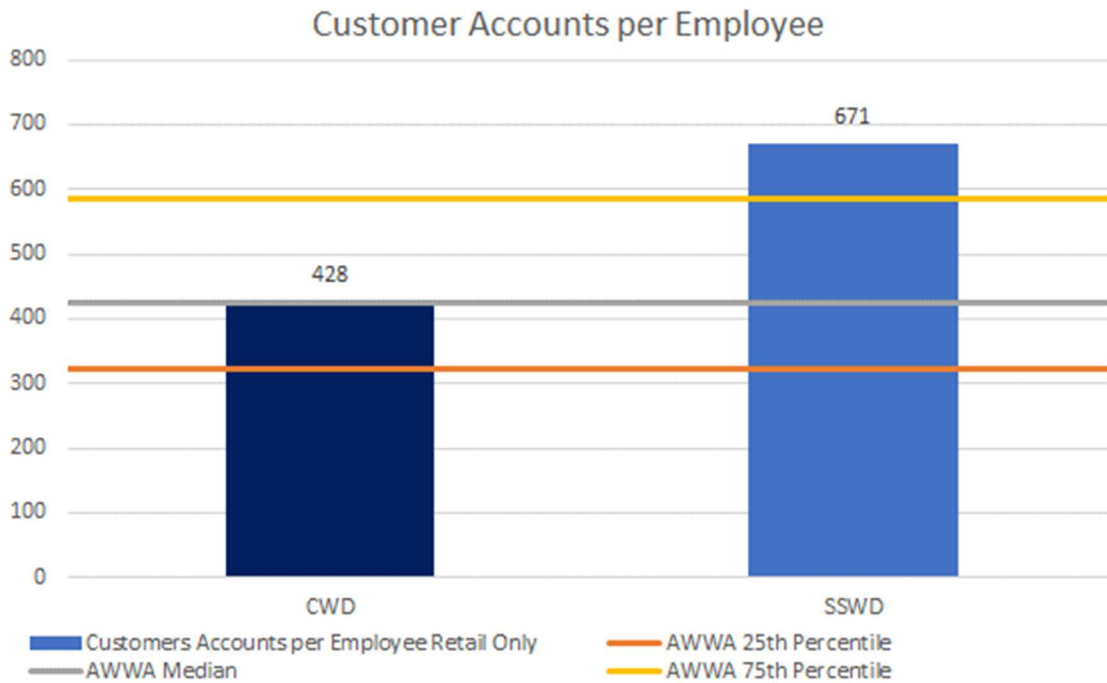
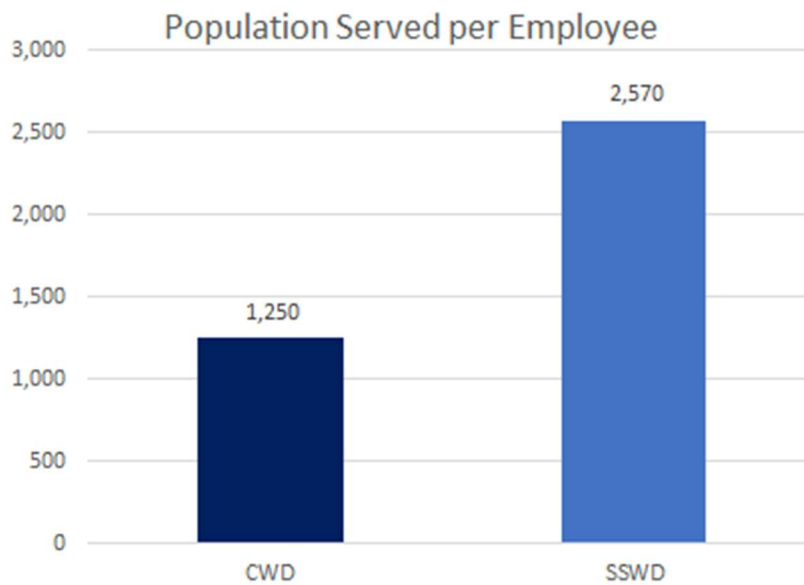


Figure 5: Population Served per Employee



3.3. Labor, Salaries, and Benefits

Due to differences in labor organization at CWD and SSWD, labor considerations must be addressed as part of any combined model. This section details the differences between the organizations and potential opportunities and challenges for the path forward. In addition to the level of organization, differences in salaries and benefits are important considerations as part of this assessment.

3.3.1. Labor Structure

CWD's Production and Distribution staff are members of the American Federation of State, County and Municipal Employees (AFSCME), Local 146, which is an affiliated union of the American Federation of Labor and Congress of Industrial Organizations (AFL/CIO) (the Union). The latest Memorandum of Understanding (MOU) between CWD and represented employees covers the period from July 1, 2022, through June 30, 2025. The MOU grants the Union the right to negotiate on behalf of represented employees across a broad scope of representation on labor matters, which include payroll specifications, leave time, schedule, breaks, salaries and wages, overtime, fringe benefits, grievance procedures, strikes and lockouts, disciplinary procedures, firing, health and safety, District policies, and job descriptions.

Broadly, many of the procedural items dictated by the MOU, such as mandatory breaks, and maximum work hours, may be distinct to CWD, but the resulting salary ranges and benefits do not shake out as extraordinarily different from SSWD, and in fact in many cases SSWD had higher salary ceilings for similar roles at the time data was provided for this Study.¹⁰ The key difference for represented CWD employees is that many of their employee rights are enshrined in an MOU, whereas at SSWD organizational procedures and policies may be more subject to the discretion of the Board/General Manager. Union membership dues are also a cost employees must weigh relative to the certainty of rights and benefits offered. Should CWD employees find that their peers at SSWD are well compensated and treated fairly vs. not, labor considerations may factor more or less into combination considerations.

SSWD employees are not represented by a union, and this presents a wrinkle that must be carefully considered in any move toward combining Districts. It might also be beneficial to consider timing and combination to align with the re-negotiation of the MOU between CWD and the Union. Ultimately, employees of CWD and SSWD would have to collectively decide with management as to whether or not they prefer to maintain representation or not under a combined agency. This decision depends of course on whether informal collaboration or full combination is pursued, but also on how a combination is pursued should it move forward. For example, if reorganization is pursued it is perhaps less likely that representation would be maintained, as SSWD being the larger agency and not currently having representation, could be less likely to accommodate terms and CWD would be dissolved. If, however, consolidation is pursued, the new agency would be starting from scratch and employees might jointly decide to join a union or not.

3.3.2. Salaries

The water sector finds itself in an increasingly competitive labor market where employee retention can be challenging. Both CWD and SSWD periodically conduct salary surveys to ensure that they remain competitive in the marketplace.

¹⁰ Note that CWD had salary adjustments during the Study that may have resulted in more parity but observations detailed here reflect data provided earlier in the Study.

Appendix D details the salary ranges for each role at both CWD and SSWD. For 2022 SSWD has a higher average salary (\$91,093) and median salary (\$81,151) as compared with same for CWD (\$74,947 and \$67,941 respectively). Still CWD notes that salaries for represented employees at CWD are similar to the most comparable positions at SSWD with largely overlapping ranges depending on the level following adjustments that occurred during the Study after data was analyzed. It is important to note that the CWD fiscal year is offset from SSWD's calendar year, and therefore costs of living adjustments may lag CWD, particularly during the current period of exceptionally high inflation. It is also common for smaller agencies to pay lower salaries given that their base of ratepayers (colloquially "ratebase") is smaller. This can be significant in terms of employee retention and recruitment and is clearly one argument in favor of combining agencies.

As water agencies get larger, in general, there are more opportunities for advancement and specialization in roles, whereas at smaller agencies employees may wear many hats. At the same time smaller organizations may allow employees to have more involvement in decision making and less bureaucracy, which some may find desirable. While the workplace environment is an important determinant in employee retention, for many a baseline expectation is that the paycheck is at a minimum competitive if not above market rates for a given role. As discussed above, organized labor also influences agency salary setting and may dictate ranges, levels, overtime, hours, and other important terms that may be critically important for represented employees.

In general, a comparative review of salaries might suggest that some CWD employees might expect a raise if they were reorganized (note we are using the word "reorganized" very definitionally here) into SSWD, however, the salary tradeoffs in a new consolidated (note we are using the word "consolidated" very definitionally here) entity could be less clear and involve potential tradeoffs and re-negotiations. Part of the challenge of projections about salaries in any combination model is that employee roles and responsibilities might change under varying approaches, with some employees' responsibilities narrowing and increasing in specialization and others potentially broadening over the larger service area of number of customers/employees. These potential changes also vary by role as, for example, the job responsibilities of Treatment Operators at CWD might not change very much under a combined agency where they are focusing on infrastructure that is unique to the CWD system (Bajamont Water Treatment Plant). However, Distribution Operators at CWD could potentially be merged into a larger team where resources might be deployed across a combined service area, therefore theoretically expanding the territory and complexity of such roles.

Some CWD employees believe there are benefits from the advocacy activities of their Union in salary negotiations and the step and CPI increases that are negotiated into the MOU on their behalf will be important considerations for some represented staff even if at present the resulting salary ceilings of those roles appear lower than some equivalent roles at SSWD.

Of course, salaries are only part of the total package of employee considerations with the other major component being the range of benefits.

3.3.3. Benefits

Particularly in the United States employees rely on their employer for not just income, but also a range of benefits that ensure their well-being in other ways. While medical insurance is the most prominent, there is a much broader spectrum of fringe benefits and paid time off nuances that tend to vary by employer. As with salaries, some aspects of benefits may be impacted by collective bargaining agreements for applicable represented employees at CWD.

Broadly, the agencies' benefits appear quite comparable. Each offer a similar range of benefits with reasonable employer contributions for insurance premiums, though contribution levels do differ with CWD contributing more to offset healthcare premiums¹¹. Similarly, retirement benefits are dictated largely by a state program, the California Public Employees Retirement System (CalPERS), are therefore appear analogous as well. Again, represented employees at CWD may hold tightly to the benefits that their Union offers should representation be on the table in any combination considerations.

Note that CWD does not have benefits policies for part-time employees as they generally do not have any on staff, while SSWD part-time employees are not offered benefits and again there is no policy.

Table 1: Benefits Summary

Benefit Type	CWD	SSWD
Medical	Provided to all regular FT and eligible retired employees. New employee eligibility is discussed during orientation with waiting periods varying by plan. District pays premium for employees and eligible dependents up to Blue Shield Access Plus – Region 1 rate for each plan.	Provided to all regular FT and eligible retired employees (per CalPERS for retired the 10/20 vesting schedule applies). New employees are eligible on 1st day of first full month following hire date.
Dental	District pays dental premiums for all employees and eligible dependents.	District pays dental premiums for all employees and eligible dependents. New employees are eligible on 1st day of first full month following hire date.
Vision	District pays vision premium for all employees and eligible dependents.	District pays vision premium for all employees and eligible dependents. New employees are eligible on 1st day of first full month following hire date.
Basic Life and AD&D	The District pays premium employee's Basic Life/AD&D. The amount of the Basic Life/AD&D benefit is equal to two (2) times the employee's annual base earnings up to a maximum benefit of two hundred thousand dollars (\$200,000).	Fully paid life and accidental death insurance benefits equal to 2 times annual salary (uncapped) are effective the first day of the first full month following hire date; coverage is available for active employees only.
Short Term Disability	N/A?	Fully paid short-term (STD) disability insurance benefits are effective the first day of the first full month following hire date; coverage is available for active employees only. STD is 66.67% of basic weekly income to a maximum benefit of \$2,000 and begins on the 31st day of disability up to a maximum of 9 weeks.
Long Term Disability	District pays premium for employee.	Fully paid long-term (LTD) disability insurance benefits are effective the first day of the first full month following hire date; coverage is available for active employees only. LTD is 66.67% of basic monthly income up to a maximum of \$10,000.

¹¹ Costs of medical benefits per employee indicate that CWD pays about \$1,000 more per employee per year in support of premiums. Indeed CWD notes that their employees generally do not pay out of pocket premiums.

Deferred Compensation	Voluntary IRS approved 457 plan available. Employee eligible to enroll upon date of hire and may change contribution amounts of percentage at end of any pay period. District makes no contribution or match.	Voluntary plan, two separate IRS 457 plans available. Employee eligible to enroll upon date of hire and may change contribution amounts of percentage at end of any pay period. District makes no contribution or match.
Retirement	CalPERS years of service takes effect immediately upon employment. As required by CalPERS, new members (after 1/1/2013) must pay the employee share for the 2% @ 62 benefit and at CWD 50% of the normal costs. Classic Members (prior to 1/1/2013) are eligible for the 2% @ 55 plan and the employer portion only is covered.	CalPERS years of service takes effect immediately upon employment for FTE's. As required by CalPERS, PEPRAs members (CalPERS membership after 1/1/2013) must pay the employee share for the 2% @ 62 benefit. Classic Members (CalPERS membership prior to 1/1/2013) are eligible for the 2% @ 55 plan and the employer portion is covered for those Classic employees hired before 8/18/2020. Classic Members who are hired after 8/18/2020, must pay the employee share for this benefit as well. Classic members who were hired before 1/1/2003 are eligible for the 3% @ 60 formula, and the employer portion is covered. This plan is closed.
Retiree Health Coverage	The District will provide medical coverage for Retirees and eligible family members based on the CalPERS medical benefits vesting schedule. The retired employee is responsible to coordinate all retirement and retiree medical benefits with CalPERS within the applicable timeframes and contract requirements.	Employees hired on or after 1/1/03 who retire from the District with at least 5 years of service and a minimum of 10 years credited service in CalPERS are eligible for post-retirement medical benefit payments up to the higher of: the higher of the lowest-cost HMO or PPO plan offered by CalPERS, or the CalPERS "100/90 Formula." The District's contribution toward post-retirement coverage for employees and their eligible dependents will be a percentage of the post-retirement coverage cost based on the employee's total credited years of qualifying service under the CalPERS vesting schedule. Those employees hired before 1/1/2003 are considered fully vested.
Holidays	11 holidays plus one floating holiday	13 paid holidays per year – if less than 13 are designated by GM, personal holidays are received in order to reach the total of 13.
Vacation	Full-time employees accrue time each pay period based on length of service to District, earning from 12 to 25 days per year. An employee may cash out up to the maximum vacation accrual (300 hours) upon separation.	Similar to CWD; An employee may accrue a max of 400 hours (hours over cap are paid out on December each year) and will be paid for all unused vacation at separation of employment.
Sick leave	FT earn 3.7 hours of sick time per pay period (12 days or 96 hours per year)	12 days per year (96 hours) per year beginning the first full pay period after hire date.
Bereavement Leave	Yes	Yes. Currently 3 paid days with allowance for extra 3 days using employees own leave balances. In process of possible change in language due to AB 1949, which requires employers to offer 5 (unpaid) days of bereavement.

3.4. Management & Administration

CWD and SSWD have management and administration staff to provide valuable enterprise-wide services such as executive leadership, human resources (HR), finance, accounting, customer service, billing, information technology (IT), communications, inventory, and water conservation that support the core function of water provision. In this section we will review the management and administration implications of combined management & administration operations.

3.4.1. Utility Comparison

Management and administration activities at CWD include general management, finance, accounting, payroll, inventory, purchasing, billing, customer service, water conservation, communications, and HR functions. In terms of reporting, CWD houses their communications and water efficiency staff, as well as their Information Technology Coordinator under the Engineering Manager. The latter roles will be discussed in this section as they are more typically considered a higher-level management and administration function. Engineering roles including GIS are discussed in Section 3.5. In total CWD management & administration staff includes 12 staff roles or full-time-equivalents (FTEs) all of which are non-union positions. CWD management and administration staff job descriptions, FTEs by role, reporting relationships, and exempt status are summarized as follows:

- General Manager (GM) (1, Reports to Board) – The GM is the agency executive leader and Board liaison. All management level roles at CWD ultimately report to the GM; the GM directs and reviews the overall activities and operations. This is the only role that does not have a defined salary range as GM compensation is by contract. This is a salaried exempt position.
- Administrative Specialist (1, Reports to GM) – The Administrative Specialist conducts a range of administrative work in support of the GM and Board, under the general supervision of the GM. Specific responsibilities include organizing and coordinating Board related functions, HR operations, preparing reports, and other duties as assigned. Note that CWD does not have any in-house HR staff. This is a salaried exempt position.
- Finance Manager (1, Reports to GM) – The Finance Manager plans, organizes, manages, coordinates, and directs the financial and business operations. This is a salaried position.
- Inventory Specialist (1, Reports to Finance Manager) – The Inventory Specialist is responsible for purchasing, warehouse and inventory management, facility maintenance, and meter reading. This is an hourly (non-exempt) position and is eligible for overtime.
- Senior Accountant (1, Reports to Finance Manager) – The Senior Accountant performs a variety of fiscal, payroll, and recordkeeping operations. This the higher of two levels of accounting roles each with their own salary bands to encourage advancement. This is an hourly position and is eligible for overtime.
- Billing Supervisor (1, Reports to Finance Manager) – The Billing Supervisor manages the billing operations and oversees interactions with critical billing software (CSM, Great Plains) that are fundamental to issuing bills to customers and ensuring revenue recovery. In addition, the Billing Supervisor and their direct reports handle customer service interactions and complaint responses. This is an exempt position.
- Billing Specialist (2, Report to Billing Supervisor) – The Billing Specialist completes workloads assigned by the Billing Supervisor. Tasks focus on billing water services, accounts receivables, and customer service. There are two levels to this role each with their own salary bands to encourage advancement. This is an hourly position and is eligible for overtime.

- Information Technology Coordinator (1, Reports to Engineering Manager) – The IT Coordinator manages the computer, telephone, security, communication, and IT functions of the District. This is a salaried position.
- Public Information (PIO), Water Efficiency, and Communications¹² (3, Report to Engineering Manager) – Public Information, Water Efficiency, and Communications staff manage the public information, water efficiency, and new construction operations of the District. Junior staff tasks include monitoring and analyzing consumer water use to ensure compliance with conservation requirements and best management practices, as well as being involved in the meter reading program. The PIO is an exempt position, and the rest are non-exempt.

Management and administration activities at SSWD include general management, finance, accounting, payroll, inventory, purchasing, billing, customer service, water conservation, communications, IT and HR. In terms of reporting, SSWD includes a GIS and Engineering Drafter under the management and administration branch of the organizational chart.¹³ Those roles will be discussed in Section 3.5. Further, SSWD has an Assistant General Manager role that is more focused on management of engineering and system operations but is included here given the leadership role this position occupies. In total SSWD management and administration staff includes 26 staff roles or FTEs. SSWD does not have any staff that employ collective bargaining. SSWD Management and Administration staff job descriptions, FTEs by role, reporting relationships, and salaried (exempt) status are summarized as follows:

- GM (Reports to Board) – The GM is the agency executive leader and Board liaison. All management level roles at SSWD ultimately report to the GM, as the GM directs and reviews the overall activities and operations of the District. This is the only role at the District that does not have a defined salary range as GM compensation is by contract. This is a salaried exempt position.
- Assistant GM (1, Reports to GM) – The Assistant GM sits atop the engineering and operations divisions of SSWD and serves as an operations leader. This is a salaried exempt position.
- Executive Assistance to the GM (1, Reports to GM) – The Executive Assistant to the GM conducts a range of administrative work in support of the GM and Board under the general supervision of the GM. Specific responsibilities include organizing and coordinating schedules, preparing reports, overseeing Board policy reviews, and other duties as assigned. This is a salaried exempt position.
- HR Administration (2, Report to GM) – The Human Resource division oversees all HR operations for the District including recruitment, salaries and benefits, and employee relations while ensuring compliance with applicable local, state, and federal laws that govern these personnel activities. This is a salaried position. In addition, HR staff receive and respond to inquiries from the public, other District departments, and outside agencies and assists with various special projects.
- Finance and Administration (5, Reports to the GM) – The Director of Finance and Administration leads a team of five that deliver finance and accounting services at SSWD. The Director reports to the GM. In addition to the Director, staff roles include an accounting Controller as well as two additional accounting staff. A Purchasing Specialist role also serves as a management and administrative role related to the financial group, though their focus is much more on the operational realm of the organization. In addition to accounting, responsibilities include budgeting, rate setting, internal financial reporting, and beyond.

¹² CWD noted during the Study that the Communications role is no longer on staff.

¹³ These were recently moved to the IT department by SSWD for efficiencies.

- Billing and Customer Services (6, Reports to Director of Finance and Administration) – The Billing and Customer Services staff handle critical functions for SSWD that include processing bills/collections, and handling customer inquiries. This division also sits under the Director of Finance and Administration. This dedicated function serves as the face of the utility for many customer interactions and includes staff with a broad set of resources and procedures that support their ability to handle a wide range of customer requests that may touch on service issues, billing, conservation programs, complaints, and beyond. Ensuring adequate staffing and responsiveness in this division can significantly impact perceptions about any public utility.
- Water Conservation (2.5, Reports to Customer Services Manager) – The Water Conservation division at SSWD includes general public information, communications, and dedicated water efficiency staff. This group manages conservation programming and efforts to inform the public about the full range of utility activities, resources, and events. SSWD notes that there are two temporary roles hired as seasonal staff in summer. These are reflected here as 0.5 FTE.
- Information Technology (3, Reports to Director of Finance and Administration) – The Information Technology division ensures that key electronic systems and tools are functioning to meet the needs of utility staff and operations cross functionally.

In addition to the roles listed above, SSWD on occasion employs Temporary Office Staff or Interns in support of various management and administration functions. These positions are paid hourly and do not receive benefits.

3.4.2. Opportunities

The management and administration functions are the areas of the organizations that may present the largest potential overlaps in roles under a combined agency. Even at large organizations, it is sometimes possible for executive level functions to be staffed relatively leanly given their job descriptions. However, any identified redundancies are likely best addressed through attrition and over time to ensure a smooth transition to any new organizational framework due to certain challenges that can emerge when attempting such a transition. These challenges are described in the section below. This concept will also be discussed more fully in Section 7.

In addition to opportunities to achieve leaner executive level staffing under a combined organization, management and administration functions may benefit from certain roles that either currently do not exist, or may be somewhat over- or under-staffed, at one organization or another. Specifically, the following opportunities are apparent as we look across CWD and SSWD:

- CWD does not have a dedicated HR staff, and SSWD does. CWD could benefit from this resource for recruiting and other critical HR functions.
- For its size, CWD is well staffed in water conservation and communications functions. If combined with SSWD it's possible that some staff in these areas could perhaps be realigned or reduced through attrition over time, or changes made in responsibilities to increase specialization.
- The CWD Inventory Specialist is involved in a range of functions including meter reading and appears to have some overlap in responsibility with SSWD's Purchasing Specialist role. It could therefore make sense to specialize these roles further under a combined organization to allow employees to deepen their focus on elements of the tasks that they excel at or might prefer to focus on.
- There would likely need to be a layering of responsibility between the two GM roles under a combined organization. This could perhaps initially be achieved through the creation of a Deputy role

or a division of responsibilities and focus between the two employees. Over time it is expected that these high salary positions would collapse into one position through attrition.

- Existing contract legal savings of up to \$1.28 million could be realized over 10 years if annual costs are halved.

Note: These are merely suggestions that could be implemented in a combined organization to increase efficiency or effectiveness. Any decisions about how a combined entity may be staffed or structured is solely up to the leadership of the organization.

3.4.3. Challenges

Seizing opportunities for potential savings by realigning or reducing staffing in management and administrative functions is typically not straight forward for a number of reasons:

- A larger organization does require more overhead staff to manage the larger system and headcount. It may also need to meet new requirements because of its size that smaller organization were able to avoid.
- A combined agency that merely seeks to cut staff to save on costs could hurt the morale of existing employees and lead to a significant loss of organizational knowledge. Staff cuts could also jeopardize the existing levels of service stakeholders have become accustomed to receiving.
- Whether CWD or SSWD staff take on leadership or managerial roles in any newly combined framework, and particularly where they are involved in work that crosses the old service area boundaries, there are likely to be gaps in knowledge about the staff, IT, procedures, and infrastructure that they are newly responsible for. Where reporting relationships change it may take time for staff to build trust with each other.
- There are some positions at each organization that are currently taking on multiple roles and may at times be stretched thin. In a combined organization, those serving multiple roles could hand off those tasks that are outside their core job description to more specialized staff. This would allow them to undertake their core job description at a deeper level with the goal of delivering a more comprehensive level of service to the organization.
- Differences in accounting, finance, billing, and metering technologies may take time to reconcile and require investment as systems integration will be key to realizing the full operational benefits of combining the agencies.

Section 7 details a possible path forward to help mitigate these challenges through a phased combination approach.

3.5. Engineering

Engineering and capital planning/delivery functions are critical to water systems given the need for planning and the design, renewal, and replacement of physical assets to ensure reliable services for customers. At some utilities the bulk of the engineering and planning is performed by outside consultants and at others more of these functions are performed by staff. SSWD and CWD perform a considerable amount of engineering and capital planning/delivery functions in-house, but use consultants for more complex projects. Key staff members at SSWD and CWD often collaborate with a range of consultants and contractors to conduct a complex and temporarily variable set of major projects over time. In this section we look at the structure of the engineering functions of CWD and SSWD to identify opportunities and challenges that might result from the combination of these staffs into a single area-wide function.

Finally, in the digital age a key collaborator with engineering departments and other utility functions has become in-house GIS and Computerized Maintenance Management System (CMMS) experts. These technologies allow utilities to create work/service order records, maps, and digital twins of their systems to aid in tasks ranging from work planning and asset management to system design, locating, record-keeping, asset management, and beyond.

3.5.1. Utility Comparison

At CWD a small engineering department (3 FTE) handles this key function with contractor support, as needed. As we observed with the management and administration function, the relatively lean engineering department staff at CWD are expected to handle a broad range of activities. The Engineering Manager Reports to the GM and supervises one staff Engineer, as well as a GIS Specialist role. Together this team handles capital project management, infrastructure design with contractor support, capital planning assessments and development, asset management planning, compliance reviews, and the full range of engineering functions.

At SSWD the larger engineering department (8 FTE) is able to specialize more as compared with that of CWD. For example, SSWD employs a full-time Engineering Drafter (1 FTE) to help develop technical drawings based on the designs, plans, and layouts of engineering staff.

SSWD employees three Student Interns in support of various engineering functions. These positions are paid by the hour and do not receive fringe benefits.

3.5.2. Opportunities

In the SSWD Engineering Department, we observed the greater level of specialization and role hierarchy that SSWD's scale offers. Employees that are responsible for more roles simply are not able to focus as much effort and may be less proficient at each task than those in more specialized roles. However, per more granular analytics that are consistent with Figure 4 (not included in Report) we also know that engineering employees at SSWD are responsible for more accounts per employee than those at CWD, which takes the efficiency of specialization and works to stretch it further.

Around the country staff at utilities tend to be quite busy, due to an aging and competitive workforce and skilled labor shortages. Ultimately, it will be up to local management at any new entity to determine if current available staff numbers are insufficient, adequate, or perhaps excessive in a given function. Current vacancies across the two engineering departments may be able to be filled by existing staff as roles change or are eliminated and as the synergies of the combined organizations become clearer.

3.5.3. Challenges

Combination of the engineering departments may present the following challenges:

- Both organizations have Engineering Manager roles that could be maintained under an interim structure with each of their focus directed at specific activities. SSWD notes that this is what was done when Arcade and Northridge came together, and a similar redundancy was identified.

- Despite being staffed with capable engineers and technical people, each organization has distinct CMMS and GIS procedures¹⁴, and practices that can be difficult to integrate. These decisions will take time and require focused decision-making, leadership, and governance. The spirit of collaboration and trust required to fully align disparate sets of experts, each of which know their own systems better than the other, will take time to cultivate.

Section 7 details a possible path forward to help mitigate these challenges through a phased combination approach.

3.6. Field Operations

The field operations of the agencies include activities focused on the water distribution infrastructure of CWD (9 FTE) and SSWD (24 FTE). In addition to division managers and operational staff, field operations at SSWD also include dedicated roles for safety, fleet management, distribution related facilities, and field operations coordination. The water distribution infrastructure of CWD and SSWD are not anticipated to contract with the potential organizational combination under consideration. Unlike management and administrative structures that may be refined through a combination, the distribution staff of the two organizations is not likely to be an area where obvious efficiencies present in the interim, particularly below the managerial level. While current vacancies that exist in the workforce could potentially be eliminated under a combination, management will likely only be able to determine if efficiencies have emerged once the workload and staff availability of the combined organization becomes clearer. Nationwide, water utility operational staff are becoming harder to find and so it is likely the focus will be on retaining and recruiting.

3.6.1. Utility Comparison

CWD field operations include a superintendent and eight operational staff including vacancies. These staff are included in the union contract. At SSWD there are 23 field staff positions including vacancies. The fully staffed organization would include distribution facilities and fleet specialist roles as well as a field operations coordinator in support of the Operations Department. Finally, an existing Safety/Risk Officer role at SSWD straddles the definition of management and administration and operational staff as they sit in an oversight role, but interact significantly with field staff on compliance requirements and internal policies designed to ensure their safety.

3.6.2. Opportunities

A combination of the field operations staff could present the following opportunities:

- A key benefit of the larger workforce will likely be the increased flexibility that comes with having more resources to deploy on days when some staff may be unavailable. This alone should increase operational reliability in both service areas. Overtime work can also be spread out somewhat further to reduce the potential for staff burnout and help cover position vacancies.
- Knowledge sharing between the staff of each District can ensure that best practices permeate each District. This can be accelerated further through joint training. The SSWD training facility is already

¹⁴ Both agencies use ESRI ArcGIS, the same tool, but each may have different standards and procedures for mapping assets and leveraging data in the field, at facilities, and via integrations with CMMS tools. Overtime the sophistication and integration of this information can be operationally powerful and tends to scale with utility size to enable increasing coordination and asset management best practices.

an asset that presents regional training opportunities, but it can be exploited further should the agencies combine.

- Equipment sharing and joint purchasing can also accelerate under a combined organization, particularly if joint facilities are invested in. For now, a centralized distribution deployment and warehouse facility is not contemplated as a near term priority for the combination effort, but over the longer term consolidated real estate could advance at the discretion of the Boards and management.
- The field operations staff could likely maintain split Superintendent roles in the interim structure before being combined into one deployable force with a single Superintendent in the future. If teams dedicated to each service area are justifiable given the differences in the infrastructure and geography of the systems, the teams can be kept largely separate except where staff are exchanged to meet any increased workloads for projects periodically or where staff are used to fill in for vacations or absences here and there. This arrangement could be adjusted once more operational experience with the combined system is gained and particularly if infrastructure, expertise, and procedures begin to become more homogenous across the two service areas.
- Larger organizations are perceived to have better staff retention as well as more opportunities for advancement, learning, support, and team building emerge in mature organizations, which are also more resistant to competitive wage pressures.

3.6.3. Challenges

Combining the field operations staff could present the following challenges:

- The distinct infrastructure, practices, and familiarity of each District may lead to a period where it is initially challenging for best practices and joint senior management to realize fully efficient combined field operations.
- Differences in infrastructure between the systems may also limit opportunities for joint purchasing of materials and supplies or equipment where it is not practical to align them over time based assets lifecycles and the needs of each service area.
- CWD collective bargaining will be challenging to navigate under any combined organization. Under a reorganization where CWD merged into SSWD, the union contract may be voided as it would through a consolidation where both Districts initially dissolve. However, under any scenario field operations staff would have the opportunity to organize as is the case at any District currently.

Section 7 details a possible path forward to help mitigate these challenges through a phased combination approach.

3.7. Water Production Operations

There are important differences between the water production and treatment operations of CWD and SSWD. Most prominent is that CWD staff operate a surface water treatment plant that requires daily staffing, and that has 20.5% cost offsets as part of the Golden State Water Company/Aerojet Rocketdyne agreement. Staffing for the CWD plant dictates certain role requirements and certifications relative to groundwater

productions staff, who often work less regular and more mobile schedules while servicing numerous groundwater production sites.

3.7.1. Utility Comparison

CWD water production staff include a superintendent and five additional certified water treatment operators for the 22 million gallons per day (MGD) Bajamont Water Treatment Plant. These staff are included in the union contract. At SSWD, water production staff (17 FTE) include more layers (superintendent, foreman, and operators) and add dedicated instrumentation and SCADA roles that are critical to the functioning of the larger system.¹⁵ SSWD's compliance and cross connection staff sit here as well, as their work touches on policy, lab work, and sources of supply. Environmental Compliance roles (3 FTE) at SSWD work to ensure the system and operations are aligned with applicable regulations from all levels of government. An SSWD Cross Connection Control Specialist (1 FTE) reflects further operational specialization at SSWD. However, it is due to licensing and certification requirements that CWD does not have dedicated compliance or cross connection positions, though more general staff and contractor support are employed to ensure that these tasks are addressed. This is, in fact, due to operator requirements at the water treatment plant.

3.7.2. Opportunities

A combination of the water production operations will present the following opportunities:

- Some of the functions detailed here, such as the Environmental Compliance, and Cross Connection roles are organized differently for CWD due to specialty surface water treatment plant requirements and smaller customer base. The implications of having dedicated staff in these areas may in theory be significant for groundwater portions of CWD and include avoided contractor costs, increased expertise, and greater degrees of specialization on assigned tasks. However, for the operations of the water treatment plant at CWD, the specialists at SSWD may not be available or necessary given the unique skill sets CWD plant staff.
- Because the water supplies of CWD and SSWD are separated spatially and by the type of supply and nature of treatment operations, these facilities are expected to remain separate. This reduces the amount of capital investments that are needed as part of the combination and minimizes disruption to operations in these areas.
- Despite differences in the systems, it is expected that some materials and supplies, equipment, or even staff or contracting will be able to be shared for the groundwater portions of the system under a combined organization to the benefit of each agency.
- SSWD roles dedicated to SCADA could perhaps benefit CWD. Generally “smart-water” and “internet-of-things” investments and costs may scale favorably as a larger combined organization
- Fundamentally, combination will result in a more diverse and resilient water supply.

3.7.3. Challenges

A combination of the water production operations will likely present the following challenges:

- Restrictions on surface water adjudication may limit the use of shared treatment infrastructure. Were these restrictions not present, an engineering feasibility study to look at a truly combined production infrastructure could perhaps proceed to maximize efficiencies in water production operations.
- The differences in the systems may limit the amount of shared expertise and the ability to leverage the larger organization under a combination.

¹⁵ SSWD notes that SCADA staff was moved to IT from Operations during the course of the Study.

- CWD collective bargaining will be challenging to navigate under any combined organization for water production staff. Under a reorganization where CWD merged into SSWD, the union contract may be voided as it would through a consolidation where both Districts initially dissolve. It is generally only under a reorganization where SSWD dissolved and was annexed by CWD where the union would remain. However, under any scenario production staff would have the opportunity to organize as is the case at any District currently.

Section 7 details a possible path forward to help mitigate these challenges through a phased combination approach. Finally, note that more detail on water supplies is discussed in a separate section of the report.

4. Water Resources

This section (authored by Raftelis partner Zanjero) examines the fundamental issues associated with using each District’s water assets under a combined governance model and explores approaches to water asset management integration in the context of changed future climatological and regulatory conditions. Currently, both SSWD and CWD possess ample surface water and groundwater supplies to meet their current needs and both Districts provide reliable water supplies even under extreme drought cycles as experienced over the last ten years.¹⁶ But, there are changing water supply reliability concerns within CWD and SSWD as snowpack and runoff patterns from the Sierra Nevada mountains change, Placer County and the City of Sacramento experience extended population growth, and regulatory requirements in the Sacramento-San Joaquin Bay Delta (Delta) address water quality and endangered species concerns. For example, CWD experienced no surface water right curtailments in its 100-year history prior to 2014. Since 2014, CWD has experienced water right curtailments and serious threats of water right curtailments in four of the last ten years through August 2022.¹⁷

The changes in water supply patterns are happening and likely caused by regulatory modifications and climate variation throughout the Sacramento River watershed drainage.¹⁸ Previously unknown curtailment orders have been issued for appropriative water rights with priority dates as old as 1852 in the American River watershed.¹⁹ And surface water supplies that are needed to stabilize the saltwater intrusion into the Bay-Delta estuary (known as the “X2 Line”) as well as threatened and endangered species populations in the Delta and its tributaries will require additional flows derived from existing water rights. As such, creative approaches will be needed to optimize the water assets available to CWD and SSWD through any combination process to ensure supply availability over an extended water planning horizon.

4.1. CWD and SSWD Water Asset Inventory

CWD possesses numerous surface water supplies and groundwater wells. CWD also has access to additional surface water supplies that it has not yet fully activated. SSWD obtains its water supplies from groundwater extraction and surface water supplies delivered under contracts with neighboring water agencies. All of these supplies could be integrated to maximize benefit for both Districts through a combination effort.

4.1.1. CWD’s Surface Water Rights

CWD’s primary water supplies consist of three appropriative water rights derived from the natural flow of the American River – License 1387, License 8371, and Permit 7356. The “natural flow” consists of supplies that would normally be available on the river system under natural conditions subject to more senior appropriators. For instance, CWD’s water rights are senior in priority to the United States Bureau of Reclamation’s (Reclamation) water rights for Folsom Dam and reservoir.²⁰ As such, CWD has the right to

¹⁶ The cost to provide each source of water is an important factor in optimizing future water deliveries but is ancillary to the reliability issues posed in this assessment.

¹⁷ On August 16, 2022, SWRCB issued a curtailment order for CWD’s License 1387 interrupting CWD’s groundwater substitution transfer.

¹⁸ <https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Water-Resilience/CA-Water-Supply-Strategy.pdf>

¹⁹ State Water Resources Control Board Curtailment Order of August 3, 2022.

²⁰ Reclamation’s oldest water right on the American River is Application 13372 with a priority date of October 1, 1949.

divert the natural flow in the American River watershed to fill its water supply needs before Reclamation may divert any water to meet its storage rights in Folsom Reservoir because of the priority in water right appropriations.

CWD’s supply is based upon water availability that is tied to CWD’s three diversion priority dates under its water rights of 1915, 1925, and 1948. The State Water Resources Control Board (State Board) determines when there is sufficient water supply in the American River watershed to satisfy CWD’s diversion rates under each water right. The State Board’s supply availability analysis relies upon hydrologic models that simulate water diversions throughout the American River watershed based upon snowpack surveys and streamflow measurements. Table 2 summarizes the key components of CWD’s three surface water rights.

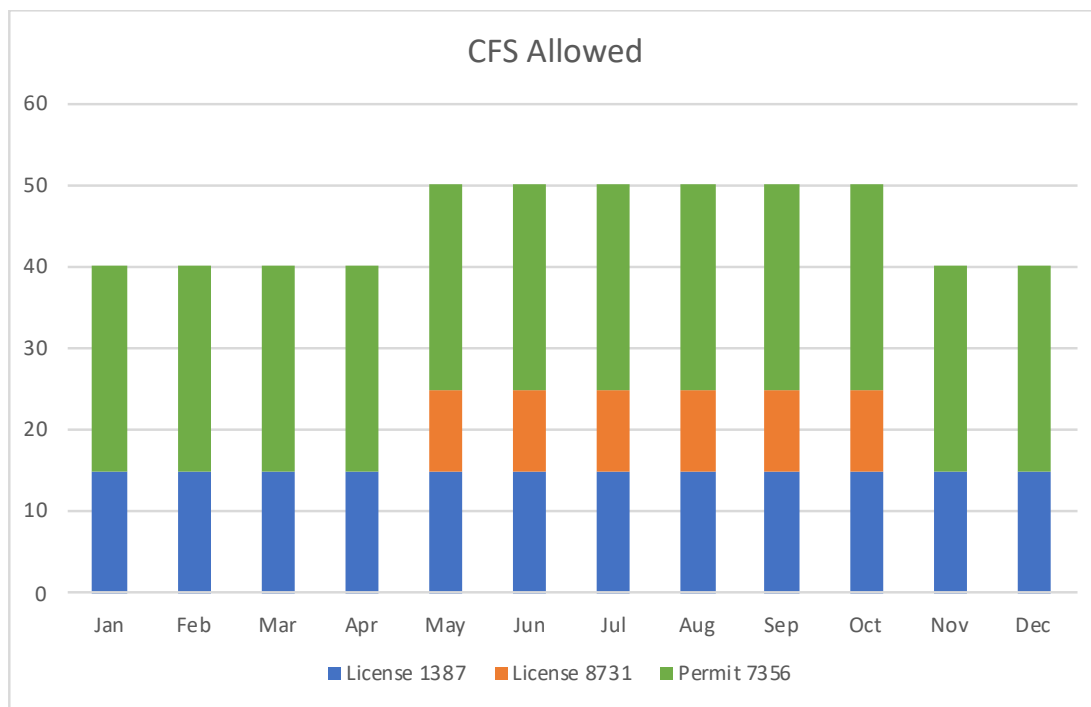
Table 2: CWD’s Surface Water Rights

Water Right	Priority	Div Rate	Volume (AFY)	Div Period	Purposes of Use	Place of Use	Status
L-1387	9/18/1915	15 cfs	10,859	Jan - Dec	Irrig and Dom	4500 AC, Map 1964	Active
L-8731	8/22/1925	10 cfs	3,669	May - Nov 1	Irrig, Dom, and Mun	4500 AC, Map 1968	Active
P-7356	3/1/1948	25 cfs	18,099	Jan - Dec	Dom and Mun	4500 AC, Map 1968	Pending

cfs = cubic feet per second, AFY = acre-foot per year

As shown in Table 2, CWD’s three surface water rights present a number of unique attributes that require explanation and further consideration. First, the total diversion rates under each water right are permitted only during specific periods in a calendar year. License 1387 and Permit 7356 may be diverted in all months of the year but License 8731 may only be diverted from May 1 through November 1 of each year. Figure 6 below shows the monthly diversions available under each water right for each month of the year.

Figure 6: Diversion Rates for CWD’s Water Rights²¹



²¹ Carmichael Water District 2020 Urban Water Management Plan at page 3-2.

As shown in Figure 6, CWD has significant water supplies available in each month under all three of its water rights, assuming there are no monthly curtailments and that the water supply noted under Permit 7356 is available. Specifically, the minimum water available per month exceeds 2,000 acre-feet in February and the maximum monthly water available exceeds 3,000 acre-feet in the summer. On an annual basis, as shown in Table 2, CWD's surface water volume totals 32,627 acre-feet. Although this total volume is tantalizing, the actual available annual supply is likely less than this total, and in some months, as seen in the curtailment orders issued over the last 10 years, may be reduced to zero.

There are three beneficial uses assigned to CWD's three water rights. All water rights are available for "domestic use", while Licenses 1387 and 8731 may also be used for "irrigation" and License 8731 and Permit 7356 are available for "municipal use." These beneficial uses are defined more specifically as follows:

- Domestic Use: "...the use of water in homes, resorts, motels, organization camps, campgrounds, etc., including the incidental watering of domestic stock for family sustenance or enjoyment and the irrigation of not to exceed one-half acre in lawn, ornamental shrubbery, or gardens at any single establishment. The use of water at a campground or resort for human consumption, cooking or sanitary purposes is a domestic use."²²
- Irrigation Use: "any application of water to the production of irrigated crops or the maintenance of large areas of lawns, shrubbery, or gardens."²³
- Municipal Use: "the use of water for the municipal water supply of a city, town, or other similar population group, and use incidental thereto for any beneficial purpose."²⁴

Starting with 2022 water rights reporting, CWD is able to use its monthly billing data, based on customer type to differentiate the delivery of its water supplies based upon the beneficial use classifications. For instance, for 2022 reporting, CWD identified that the surface water delivered to a supermarket is derived only from License 8731 or Permit 7356, since a supermarket may not be considered a "domestic use" or "irrigation use" under the California Code of Regulations. Specifically, there is the potential that a supermarket in CWD's service area may not be eligible to use a water supply derived from License 1387 in the event that purposes of use enforcement actions impact CWD.

The availability of CWD's water rights also have place of use restrictions – meaning the surface water supplies may only be used in designated places of use. The places of use identified in CWD's three water rights are described as follows:

- License 1387: "4,500 acres comprising the service area of Carmichael Irrigation District as shown on map filed with the State Water Rights Board on December 21 ,1964."
- License 8731 and Permit 7356: "...a net area of 4,500 acres within an area of 4,950 acres comprising the service area of Carmichael Irrigation District as shown on map filed with State Water Resources Control Board on January 19, 1968."

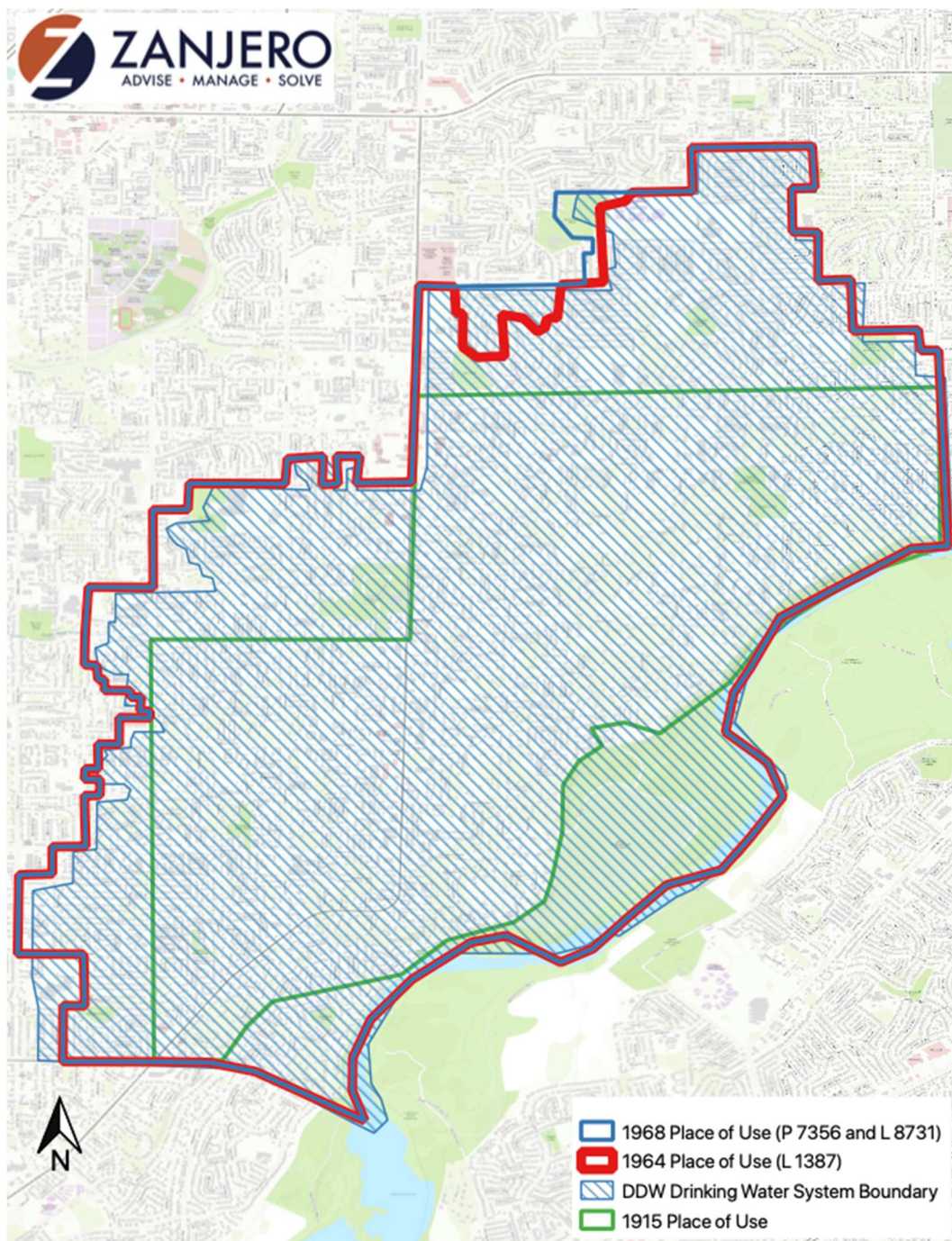
²² 23 CCR 660

²³ 23 CCR 661

²⁴ 23 CCR 663

CWD’s service area currently encompasses approximately 5,000 acres (which is closer to the designation in License 8731 and 7356).²⁵ Figure 7 depicts the various places of use as shown in documents on file with the State Board.

Figure 7: CWD Water Rights Place of Use Maps



CWD’s Permit 7356 also has some unresolved issues that leaves the volume of water available to CWD under this supply in flux. In 2009, the State Board denied CWD’s request to renew Permit 7356, noting that CWD was not putting the water to beneficial use and that CWD did not adequately satisfy two of the three

²⁵ <https://carmichaelwd.org/about-us/district-history/>

necessary findings for a time extension. The State Board's Order stated "Permittee has not shown good cause for the time extension... Therefore, it is ordered that the State Water Board, hereby denies the petition for extension of time." The denied petition for extension for Permit 7356 renders the total water available under the Permit uncertain. Despite the 2009 Order, CWD continues to use and file reports demonstrating water use under Permit 7356, but the Order denying the Permit extension indicates that water under this Permit was not used at the time the Order was issued. As such, additional actions should be taken with the State Board to identify and secure available water supplies under Permit 7356 and to ensure that current diversions under Permit 7356 are legal.

4.1.1.1. Additional Surface Water Available to CWD

CWD contracted 300 ac-ft of San Juan Water District's pre-1914 appropriative water right to be used during curtailment only based on CWD's conservation efforts and other supplies. SJWD's pre-1914 appropriative water right from the American River has a priority date of 1853. This water right was perfected by the North Fork Ditch Company for diversion in all months of the year for domestic, irrigation, and municipal purposes. SJWD's pre-1914 appropriative water right has been delivered to areas in Sacramento County and Placer County and was further secured through a Settlement Contract executed with the United States Bureau of Reclamation for appropriations and construction of Folsom Dam and Reservoir. The total acreage encompassed within CWD for this water right is unclear but likely includes the Carmichael Colonies and areas encompassing CWD's boundary upon the District's formation in 1916. Accordingly, SJWD's pre-1914 appropriative water right may be used in CWD's service area within the right's place of use at any time as permitted by SJWD.

4.1.1.2. Aerojet Water

CWD also has access to remediated supplies from the Aerojet-Rocketdyne (Aerojet) Groundwater Extraction and Treatment (GET) program in the North Basin and South Basin. These water supplies are extracted and treated by Aerojet and then discharged into the American River. Aerojet's treatment facilities, called "GET LA" and "GET LB", are located within CWD's service area. GET LA is located at Ancil Hoffman Park and GET LB is located near CWD's Bajamont Water Treatment Plant (Bajamont). Historically, CWD had acquired water supplies from GET LA to serve a portion of the irrigation demands at Ancil Hoffman Golf Course. However, due to Aerojet ceasing GET LA operations, CWD is not able to utilize the water to meet the golf course demands without paying exorbitant operational costs to operate the GET LA facilities. CWD also has the capability to acquire water from GET LB and has exercised that option in curtailment conditions. Presently, Aerojet GET water may be captured from the GET facilities and directly used for non-potable uses or may be rediverted through a surface water facility after discharge to the American River. CWD's existing intake facilities have captured excess discharge from upstream Aerojet treatment facilities and CWD continued to work with Aerojet to pursue a long term contract similar to other GET water diverters like Sacramento County Water Agency (SCWA) and Golden State Water Company (GSWC).²⁶

GET water may also be used for direct potable uses so long as additional permits are acquired from the State Board. CWD could obtain the water derived from GET LB and incorporate that supply into its Bajamont treatment system. Specifically, under Process Memo 97-005, CWD may use an "extremely impaired water source" for direct potable uses so long as the water asset is treated to specific levels per the State Water

²⁶ SCWA holds a settlement contract with Aerojet to capture over 8,000 acre-feet per year of discharged GET water into its surface water diversion facilities and GSWC holds a contract for 5,000 acre-feet with a provision for as much as 10,000 acre-feet more should GSWC's needs arise.

Resources Control Board’s requirements.²⁷ CWD notes that the Division of Drinking Water declined this approach due to available groundwater supplies.

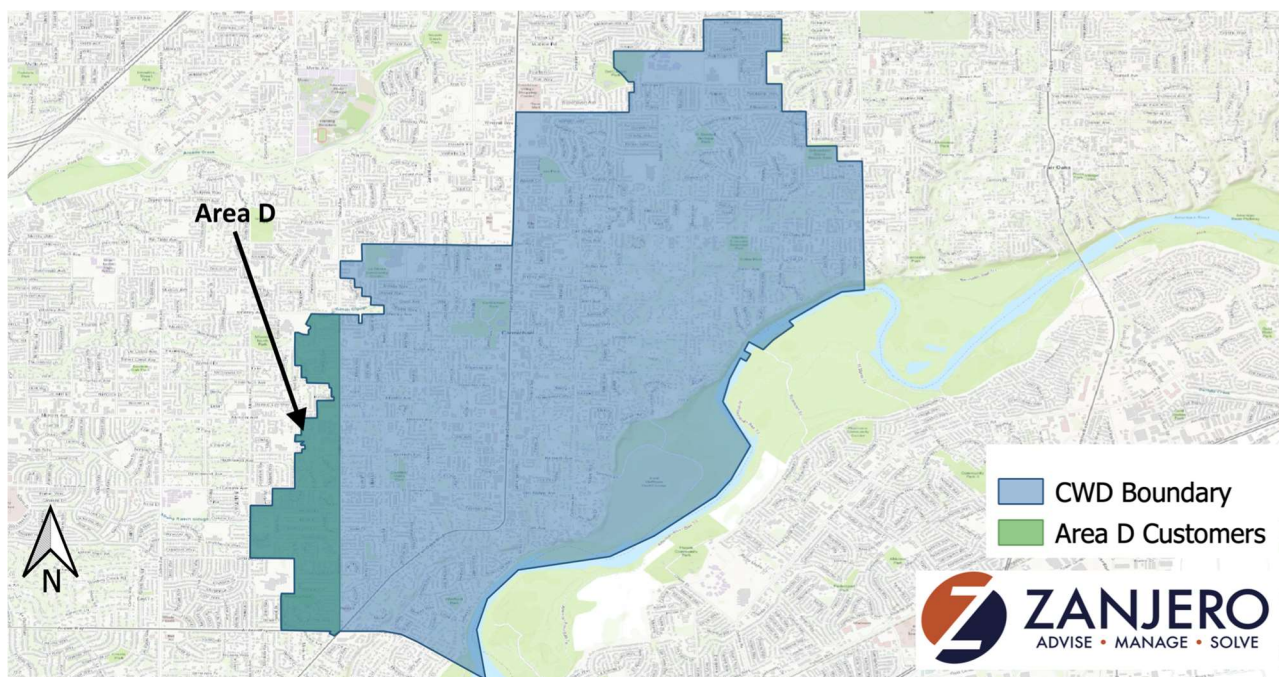
4.1.1.3. GSWC Water Supplies

CWD has attempted, but was not successful, to access Golden State Water Company’s surface water through its intertie at Bajamont, even though it has never utilized any GSWC supply. Normally, CWD diverts and treats up to 5,000 acre-feet of GSWC’s GET supplies at this location per GSWC’s settlement contract with Aerojet.²⁸ As such, in its simplest form, GSWC could forgo its GET water deliveries and allow CWD to take delivery of these supplies. These supplies have no place of use restrictions and are not subject to the rules germane to surface water appropriations. If GSWC’s GET supplies were delivered to CWD, GSWC could use groundwater supplies with Aerojet’s approval and its other surface water supplies to meet GSWC demands. In addition, the intertie pipeline was designed to move water in both directions, so it is plausible, with an addition of a pump station, that GSWC could deliver other components of its water asset portfolio to CWD for use in its service area.

4.1.1.4. Area D

A portion of CWD lies within areas served by the City of Sacramento’s surface water assets known as “Area D”. Area D overlaps approximately 390 acres within CWD that roughly aligns with Walnut Avenue. Area D’s intersection with CWD’s service area is shown in .

Figure 8: Map Showing Area D in CWD’s Service Area²⁹



The City of Sacramento has several water assets that can be used within Area D totaling 26,064 acre-feet (AF). These water assets include the City’s surface water rights, including water rights linked to the

²⁷ https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/docs/process_memo_97-005-r2020_v7.pdf

²⁸ Diversion, Treatment and Delivery Agreement By and Between Golden State Water Company and Carmichael Water District, August 24, 2016.

²⁹ Carmichael Water District 2020 Urban Water Management Plan at page 3-12.

Sacramento Municipal Utility District system operations in the upper American River watershed, and the City’s water assets derived from the Sacramento River. Specifically, these assets include the City’s water right permits 11358, 11359, 11360, and 11361 from the American River and Permit 992 and pre-1914 appropriation S025297 from the Sacramento River. The details of these assets are more fully developed in SSWD’s portfolio section since SSWD is contracted to receive these supplies already. In short, this portion of the CWD may be capable of applying City of Sacramento’s water supplies for beneficial uses in the portion of Area D inside CWD’s service area boundaries. These supplies could be available to the District in Area D subject to CWD reaching an agreement with the City for sharing of those resources. CWD has begun an initial discussion with the City to deliver water into the portion of Area D that lies within CWD’s service area boundary. The City has declined to file a temporary change in point of diversion for the City’s water supplies but would coordinate wheeling activities with SSWD, as described more fully later in this section.

4.1.2. CWD Groundwater Supplies

CWD has five active wells with a total extraction capacity of 6,400 gallons per minute. CWD normally uses only four of these wells to serve customers. CWD also has additional decommissioned wells that could be available (after repair) to capture groundwater supplies within the groundwater basin. The wells and their capacities are listed in Table 3.

Table 3: CWD Wells

Well Name	Max. Production (gpm)	Status
Garfield	1,100	Active
La Vista	1,400	Active
Winding Way	1,350	Active
Barrett School	1,250	Standby
Willow Park	1,300	Active
Subtotal	6,400	
Dewey	1,250	Decommission
Barrett Road	1,500	Inactive
Ladera Way	1,350	Decommission
Total	10,650	

4.1.3. SSWD’s Surface Water Assets

SSWD possesses two long-term contracts for surface water supplies with the City of Sacramento and Placer County Water Agency and one short-term contract for surface water supplies with San Juan Water District. SSWD holds no surface water rights independent of these surface water contracts.

4.1.3.1. City of Sacramento Contract

SSWD entered into an agreement with the City of Sacramento in 2004 (2004 Agreement) to receive a maximum supply of 26,064 acre-feet per year. SSWD may obtain water supplies from the City pursuant to the terms of the 2004 Agreement under any of the City’s water rights originating in the American River or Sacramento River. The ability to use supplies derived from these rights is subject to the rules in the 2004 Agreement related to “Firm” and “Non-Firm” capacity, the disposition of the rights subject to flow criteria (Hodge Flow) in the American River, and the obligations of the City to supply its customers with water supplies. The availability of the City’s water supplies have been re-examined internally since SSWD

developed its 2020 Urban Water Management Plan³⁰ and SSWD has additional opportunities to derive surface water supplies from both the American River and Sacramento River systems from the City's water asset portfolio that were not contemplated at that time.

The surface water supply contract with the City of Sacramento relies upon the six water rights (and the accompanying Reclamation contract) that are available to serve Area D. These rights include water right permits 11358, 11359, 11360, and 11361 from the American River and Permit 992 and a pre-1914 appropriation (S014834) from the Sacramento River. The details of these water rights are important for assessing the availability in SSWD's service area under the 2004 Agreement.

Two of the City's American River Permits – 11359 and 11360 – are derived from the Sacramento Municipal Utility District's (SMUD's) Upper American River Project (UARP) and are diverted and stored by SMUD as part of its power generation activities. The release of this water from SMUD's UARP reservoirs is then available for re-diversion by the City of Sacramento for consumptive uses.³¹ Thus, the City may appropriate water under these two rights based upon the natural flow on the American River and may also divert water based upon SMUD's storage and releases in the UARP. The City's "re-diversions" of water after they have been diverted to storage and released by SMUD are not subject to any restrictions related to the Hodge Decision or other flow requirements in the American River because they are managed releases derived from SMUD's hydroelectric power production in the UARP. These types of releases remove the flowing water from the natural flow characterizations that would otherwise apply to appropriative water rights. Accordingly, these water supplies are available for diversion all year so long as they can be derived from SMUD's UARP storage and release operations.

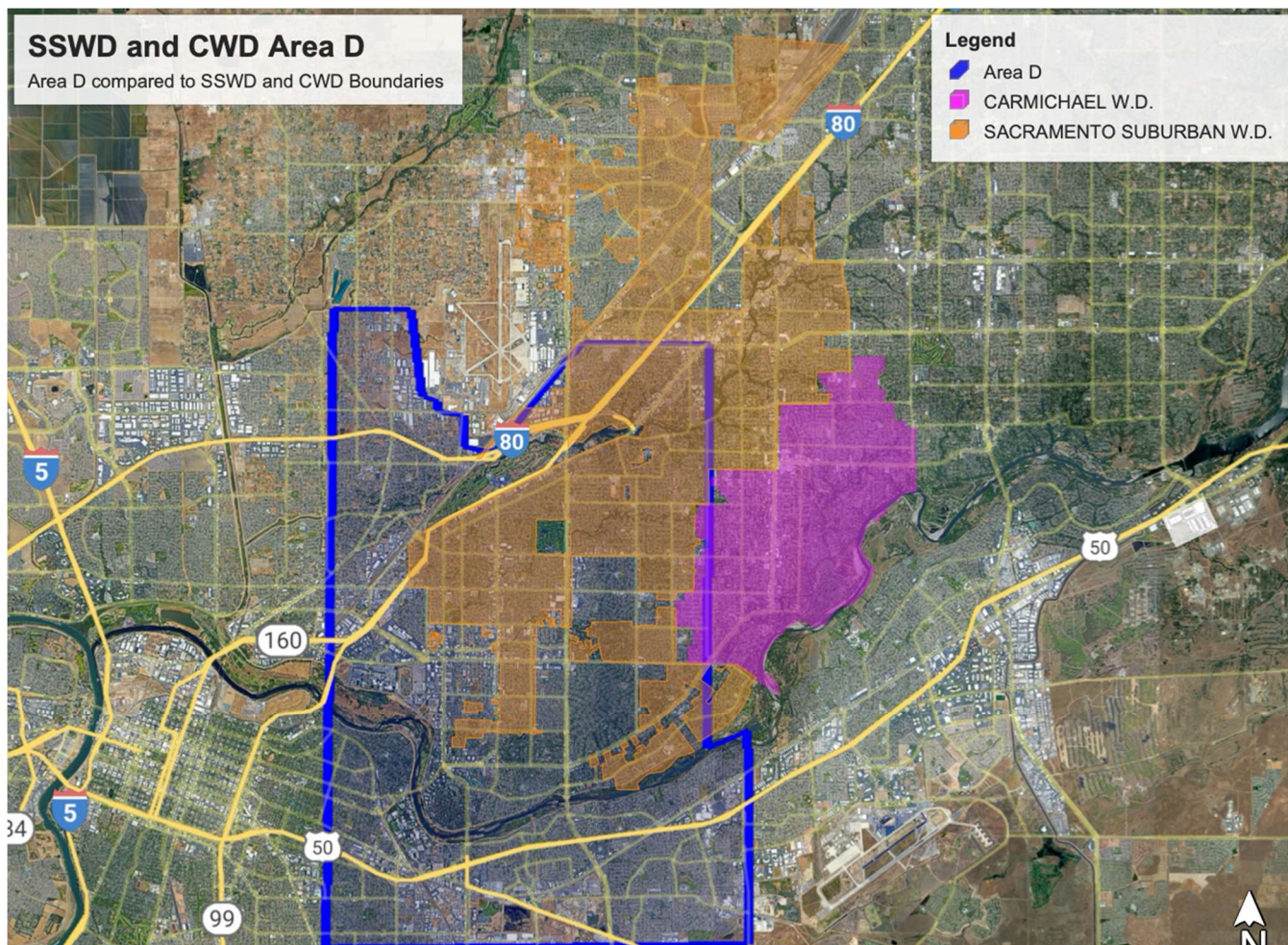
The water supplies available under Permits 11359 and 11360 may be used within the "City of Sacramento and adjacent areas, an area of 96,000 acres as shown on map."³² The place of use has historically incorporated the entire place known as "Area D." Area D as it relates to SSWD and CWD is shown on the map in Figure 9.

³⁰ Sacramento Suburban Water District's 2020 Urban Water Management Plan indicates that the available supplies from the City include only those originating on the American River and that they are all subject to diversion restrictions under the Hodge decision (at 6-2).

³¹ Decision 893 also applies to Reclamation's impoundment of UARP supplies that may be used to satisfy these rediversion water deliveries to the City.

³² Note that the map referred to in this permit language is not shown in this report or that it refers to the map in the permit materials.

Figure 9: Map Showing Area D in Relation to SSWD’s and CWD’s Service Areas



The City’s other two American River Permits – 11358 and 11361 – are not connected to SMUD’s UARP and, as such, may only be diverted when sufficient natural flow is available in the American River and the Hodge criteria are inapplicable. Specifically, the Hodge Decision prohibits diversion under these two permits when flows on the American River falls below 1,750 cubic feet per second (cfs) July 1 to October 15, 2,000 cfs October 15 to end of February, and 3,000 cfs from March 1 through June 30. Thus, these two water supplies may not be available for SSWD under the 2004 Agreement when natural flow conditions in the American River prohibit diversion.

The 2004 Agreement also anticipates the City delivering water to SSWD derived from its Sacramento River diversion facilities.³³ All six City water rights may be diverted at the City’s Sacramento River diversion facilities. The City’s pre-1914 appropriation may be diverted and used in the “City of Sacramento” that is not detailed in the map accompanying in the Initial Statement of Diversion and Use filed in 1997. Moreover, there are discrepancies in the filed documents about the appropriation priority date that should be addressed to determine the precise long-term reliability of this supply.³⁴ Nevertheless, despite the uncertainty in the place

³³ SSWD purchased capacity in the City’s Fairbairn Treatment Plant (\$45 million), which may be memorialized in the contract.

³⁴ The Initial SODU indicates 1854 but other documents in the SWRCB records indicate 1849 and possibly earlier diversions.

of use, the pre-1914 disposition of this water supply could make it easier to use in additional areas within SSWD's service area.

The City's Permit 992 water right has a priority date of 1921 and allows diversions of up to 300 cubic feet per second for use in the City of Sacramento. Permit 992 has been issued numerous extensions for completion and amendments to allow diversion at the City's new diversion facilities. Accordingly, all six of the City's main water assets may be used for municipal and industrial purposes in SSWD's service area under the terms of the 2004 Agreement. Determining the exact places of use in SSWD's service area that could be available related to S014834 and Permit 992 is beyond the scope of this memorandum.

4.1.3.2. Northridge Park County Water District and City of Sacramento Contract

Northridge Park County Water District ("Northridge") entered into a water supply contract with the City of Sacramento in 1980. This water supply contract entitled Northridge to obtain 25 cfs, capped at 9,023 acre-feet, under City's four American River watershed water right permits (as noted in the previous section). The supplies under this contract could be used anywhere in that portion of Area D that lay within Northridge's service area. Northridge merged with Arcade Water District in 2002 and formed Sacramento Suburban Water District. As such, SSWD assumed the rights and obligations under the 1980 Agreement with the City and therefore may have access to use City's American River water supplies within all areas within Area D that currently lie within SSWD's service area, as shown in Figure 9. This opportunity may depend on whether or not the City rescinded the agreement upon non-payment by Northridge, which may be the case but has not been confirmed.

4.1.3.3. PCWA Contract

SSWD uses surface water purchased from Placer County water supplies that is derived from PCWA's water right permits 13856 and 13858. In 2000, these two permits were amended to include the place of use areas within Sacramento County that included portions of SSWD's service area. The exact place of use is recorded on a map dated July 31, 1996 that is on file with the State Water Resources Control Board (SWRCB).³⁵ This water is treated at SJWD's treatment plant before delivery to SSWD.³⁶ PCWA and SSWD extended the contract through 2045. SSWD is entitled to 29,000 acre-feet under the terms of the agreement, but the availability of that water supply is dependent upon the unimpaired inflow into Folsom reservoir and may be modified depending upon SSWD's previous year's payment and use. In short, this supply is generally only available in normal and above normal water years and the water supply available under the agreement may be subject to reduction for non-use if SSWD chooses not to receive it when it is available.

4.1.3.4. SJWD and SSWD Contract

SSWD entered into an annual water supply agreement with SJWD in 2020 for the purchase of up to 4,000 AF surplus water supply under SJWD's pre-1914 appropriative water right (S000656) from the American River. The agreement to supply this water ended on February 28, 2021 and must be renewed annually between SSWD and SJWD in order for SSWD to obtain water delivery. The water supply available under this contract was quantified as conserved water derived from SJWD's water conservation activities. This conserved water supply is generally available for SSWD's use in all year types so long as the needs of SJWD

³⁵ Order Approving the Change in Place of Use and Amending the Permit (for permits 13856 and 13858) dated May 24, 2000.

³⁶ Sacramento Suburban Water District's 2020 Urban Water Management Plan at 6-1.

and its retail agencies are fulfilled, and the temporary transfer agreement is renewed. SJWD provides this water through a temporary conserved water transfer and has identified existing environmental documents that cover the proposed deliveries. SSWD is not in the place of use of SJWD’s pre-1914 appropriative water right, but is added to the place of use each year pursuant to the temporary transfer rules applicable to conserved water transfers and applicable environmental laws.

4.1.3.5. CVP Section 215 Water

SSWD has received a nominal amount of Central Valley Project (CVP) Section 215 water. This water is available for diversion when surplus conditions exist in the American River watershed as they relate to Reclamation’s operations of Folsom Reservoir. When this surplus water is available, SSWD may have an opportunity to divert and deliver this water in its service area. SSWD’s service area lies within the CVP’s Place of Use.

4.1.4. SSWD Groundwater Supplies

SSWD has 74 wells with a total extraction capacity of 86,238 gallons per minute to capture groundwater supplies in the North Basin.

Table 4: SSWD Wells

Well Number	Well Name	GPM	Well Number	Well Name	GPM
N5	Hillsdale	775	13	Calderwood/Marconi	625
N24	Don Julio	1,130	14	Marconi South/Fulton	600
N25	Sutter	1,590	22	West/Becerra	725
N26	Monument	780	23	Marconi North/Fulton	600
N32-A	Poker 1	2,000	24	Becerra/Woodcrest	600
N32-B	Poker 2	2,000	26	Greenwood/Marconi	700
N34	Cottage	2,000	28	Red Robin/Darwin	700
N35	Antelope	2,570	30	Rockbridge/Keith	600
N14	Orange Grove	1,300	37	Morse/Cottage Park	80
N15	Cabana	1,070	40	Auburn/Yard	700
N17	Oakdale	1,020	41	Albatross/Iris	500
N1	Evergreen	800	43	Edison/Traux	850
N3	Engle	900	45	Jamestown/Middleberry	750
N6A	Palm	3,000	60	Whitney/Concetta	500
N7	Rosebud	1,130	65	Merrily/Annadale	1,100
N8	Field	950	66	Eastern/Woodside Church	1,300
N9	Cameron	1,050	2A	Watt/Arden	1,100
N10	Walnut	1,300	32A	Eden/Root	1,650
N12	St Johns	1,100	33A	Auburn/Norris	2,400
N20	Cypress	1,100	40A	Auburn/Yard	2,300
N22	River College	860	4B	Hernando/Santa Anita Park	600
N23a	Freeway	1,050	18	Riding Club/Ladino	700
N29	Merrihill	860	25	Thor/Mercury	700
N30	ParkOaks	1,000	35	Ulysses/Mercury	700
N39	Coyle	1,350	75	Enterprise/Northrop	1,000
N23a	Rutland	1,500	20A	Watt/Arden	1,100
MC10	McClellan Business Park	723	47	Copenhagen/Arden	950
27	Melrose/Channing	875	71	River Drive/Jacob	2,700
31A	Watt/Elkhorn	900	72	River Walk/NETP	1,400
52	Weddigen/Gothberg	900	73	River Walk/NETP East	3,400
56A	Fairbairn/Karl	2,230	74	River Walk/NETP South	2,600
58	Thirty Second/Elkhorn	920	55A	Stewart/Lyndale	2,100
59A	Bainbridge/Holmes School	3,000	46	Jonas/Sierra Mills	750
64	Galbrath/Antelope Woods	1,200	70	Sierra/Blackmer	600
5	Bell/El Camino	325	76	Fulton/Fair Oaks	400
9	Ravenwood/Eastern	500	77	Larch/Northrop	300
12	Hernando/Santa Anita Park	600	3A	Auburn/Norris	2,400

Note that several SSWD wells are offline due to mechanical issues. To address these wells and competition for support, SSWD signed a five-year contract with a well contractor in 2022, who will work 100% for SSWD, with an option to purchase the firm. This will assist in responding to both reactive and proactive issues to existing wells. In addition, SSWD is currently in the process of constructing six new wells, as well as six more wells in the next five to six years. The well contractor and expanding portfolio of groundwater assets would be a boon to a combined organization and help ensure the operability of the larger well portfolio.

4.2. Future Changes to Water Rights and Supplies

The water assets available to CWD and SSWD may be changed in the future. Climate variation and regulatory changes threaten the availability of each agencies' water supplies while opportunities with additional storage may prove advantageous to both Districts' conjunctive use activities. The brief sections below describe these key issues.

4.2.1. Bay-Delta Water Quality Control Plan

As noted in the 2021 Regional Collaboration Study³⁷, the Bay-Delta Water Quality Control Plan (Plan) may permanently change water rights in the Sacramento River watershed. In 2018, SWRCB adopted Plan amendments that require increased “unimpaired flows” in the tributaries of the San Joaquin River.³⁸ The implementation plan to meet the San Joaquin River’s unimpaired flows requirements is informative for the Sacramento River watershed because the Sacramento River watershed plan is not yet fully developed.³⁹ Water diversions in the Sacramento River watershed will likely need to be reduced in order to meet the flow requirements necessary to meet the Delta Water Quality objectives. The American River watershed purveyors have been negotiating “Voluntary Agreements” that would provide the water supplies to meet the flow requirements into the Sacramento River from the American River. These negotiations have been slow and have encountered some opposition from external entities. Whether or not the Voluntary Agreement negotiations are successful, the regional water purveyors will likely have some obligations to forgo diversions of some portion of their surface water supplies in certain time periods in order to meet the Plan objectives.

4.2.2. Snowpack and Runoff Variation

As noted in the Raftelis report in 2021, there are future climate change scenarios that also impact the timing, volume, and availability of surface water supplies.⁴⁰ The California Department of Water Resources (DWR) has already recorded decreases in snowpack and earlier spring runoff. DWR predicts that California will experience “a 48-65% loss [in snowpack] from the historical April 1 average.” This change in natural storage will impact the timing of natural flows in the American River watershed and thereby impact the availability of supplies under the water rights that have no storage components (all of CWD’s water rights and a few of the City of Sacramento’s water rights). In addition, California’s Natural Resources Agency recently published a report stating: “Our climate has changed. We are experiencing extreme, sustained drought conditions in California.... This is our new climate reality, and we must adapt.”⁴¹

³⁷ <https://www.sswd.org/about/sacramento-regional-water-utility-collaboration-study-reports>

³⁸ https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/

³⁹ https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/comp_review.html

⁴⁰ <https://water.ca.gov/Programs/All-Programs/Climate-Change-Program/Climate-Change-and-Water>

⁴¹ <https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Water-Resilience/CA-Water-Supply-Strategy.pdf>

Accordingly, future considerations related to the viability of surface water supplies under changed climate conditions should account for potential changes to the availability of those rights based on snowpack and runoff variation.

4.2.3. Groundwater Banking and Extraction

The RWA is working to develop the Sacramento Regional Groundwater Bank (Bank) in the American River watershed region.⁴² The Bank is a water storage facility with approximately 1.8 million acre-feet of storage capacity and an annual storage input of approximately 60,000 acre-feet.⁴³ The proposed Bank could improve long-term regional water supply reliability by improving opportunities for conjunctive water management by regional purveyors. CWD and SSWD already conjunctively manage their available surface water and groundwater resources. The Bank would provide a more formalized opportunity for these entities to optimize their collective water assets for long-term water supply reliability and for water asset monetization. Utilizing the proposed Bank with an integrated conjunctive use program could maximize opportunities for both Districts.

4.3. The Opportunities

CWD and SSWD have numerous opportunities to integrate their water asset portfolios to meet both short-term and long-term water reliability objectives. This section will address the long-term water supply objectives that could be realized through a combination.

4.3.1. CWD's Water Rights

CWD's three appropriative water rights are not available for use in SSWD's service area without obtaining authorization from the State Board. Specifically, CWD's water rights have specific identified places of use that do not include any portion of the SSWD service area. In order to expand the place of use under CWD's water rights, CWD would be required to file a petition for change with the State Board and the State Board would need to rule on the viability of the change petition. The State Board's determination would hinge on its findings, through an evidentiary hearing process, of whether the proposed change would cause injury to other legal users of water or the environment. Simply expanding the place of use of water available under the water rights would likely result in a determination that "more water would be used under the water rights than would have otherwise been used" and thus there would be a reduction in supplies available for other legal water users and the environment.

As an example, PCWA undertook this place of use expansion in order to include portions of SSWD's service area under their Permits 13856 and 13858. The State Board's petition and hearing process took over five years and was considerably expensive, approximating \$5 million in transaction costs. Nevertheless, PCWA was able to secure an expanded place of use to include SSWD's service area. This expanded use of water was not deemed injurious to other legal users because PCWA would only deliver supplies that it had already captured in its American River reservoirs. However, CWD does not have any reservoirs and only captures the natural flow of the American River. Thus, capturing additional natural flows that CWD otherwise does not already divert may be construed as injury to other legal users and the environment. Nevertheless, in a successful place of use change petition, both CWD and SSWD would be able to divert and treat water in wetter periods to optimize Bajamont Water Treatment Plant's spare capacity and store the water via ASR operations.

⁴² <https://rwah2o.org/sacramento-regional-water-bank/>

⁴³ https://rwah2o.org/wp-content/uploads/2019/04/WaterBank_Insert_9-FINAL.pdf

Additionally, a change petition that affirmatively demonstrated that CWD had historically been diverting and using the water may have a better chance of success. Specifically, CWD would need to demonstrate that affirmative actions within CWD have conserved water resources that CWD would have otherwise diverted and used but for those conservation activities. Conserved water is protected for future use under Water Code section 1011 and CWD has conserved as much as 4,000 acre-feet from its historical maximum use that could be made available for alternative uses. As such, there may be opportunity to expand the place of use related to CWD's conserved water for use in SSWD's service area through a State Board process, but the process would be prolonged and expensive.

CWD could also petition for a temporary change to potentially deliver conserved water or water derived from a groundwater substitution process into SSWD's service area. The State Board has never addressed a temporary change petition process that is derived strictly from conserved water that is no longer diverted by an agency. The State Board has heretofore only addressed conservation transfers that were attributable to reductions in consumptive use under the provisions in the Water Transfer Whitepaper.⁴⁴ The American River watershed regional purveyors have been developing a program to facilitate urban conservation-based transfers. As noted in previous sections, SJWD has been successful in its conservation-based transfer with SSWD that is derived from its pre-1914 appropriative water right. CWD's water rights would require affirmative State Board approvals in order to execute a conservation-based transfer.

CWD could continue its foray into groundwater substitution transfers and deliver SSWD its surface water supplies under these temporary transfer rules. In this scenario, CWD would pump groundwater in an equal amount to the surface water it transferred to SSWD under any of its three water rights. Although this type of transfer is plausible, it would simply result in CWD increasing groundwater pumping and SSWD decreasing groundwater pumping and using CWD's surface water. In other words, a groundwater substitution transfer may not be a practical and cost-effective water management action between the two Districts as they would essentially be trading water supplies.

4.3.2. CWD's Other Supplies

CWD's other water supplies, not derived from CWD's groundwater wells, may be available for use in SSWD's service area. For instance, water supplies made available from GET LA and GET LB could potentially be diverted at the City of Sacramento's American River or Sacramento River diversion facilities and delivered to SSWD's service area. These developed water supplies derived from the treatment activities of Aerojet and discharged into the American River are available for diversion so long as Aerojet's other water supply contracts are satisfied.⁴⁵

The City of Sacramento's water supplies could be used in the portion of CWD contained in Area D, approximately 320 acres. Although the City of Sacramento has declined previously, the four Permit supplies derived from the American River watershed could be made available by adding a point of diversion to these rights to include CWD's Bajamont facilities and by coordinating an agreement with the City to divert, treat, and deliver those supplies to CWD's customers within Area D. It is probable that this process may be less

⁴⁴ https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/State-Water-Project/Management/Water-Transfers/Files/Draft_WTWhitePaper_20191203.pdf

⁴⁵ SCWA and GSWC hold supply contracts for 8,900 AF and 5,000 AF respectively derived from Aerojet's GET water. The SCWA and GSWC contracts are settlement contracts from litigation related to groundwater contamination.

scrutinized by the SWRCB because the water supplies were contemplated for use in Area D in previous water rights proceedings and the lands within CWD's service area are already part of the Permits. As such, there is no unanticipated additional uses associated with the change in point of diversion. In the alternative, SSWD could deliver these surface water supplies to CWD's service area in Area D through its existing 2004 Agreement with the City of Sacramento with an amendment recognizing the delivery to CWD's service area. This action is wholly within the current confines of the City's water rights and would not require any SWRCB approvals. Last, SSWD could deliver the City's Permit 992 and Pre-1914 appropriative water right into CWD's service area that lies within "the City of Sacramento" Area D boundaries. It may also be possible to deliver conserved water supplies derived from the City's pre-1914 appropriative water right (as SJWD does for SSWD) through SSWD's system. The City's availability to deliver Area D water is limited to the Hodge Decision and may not be available during the drier years. The engineering complexities of delivering water assets from the City's Sacramento diversion facilities to CWD's service area is beyond the scope of this memorandum. While the City has indicated that it will not open its permit to add new point of diversion, the State will automatically open the permit in 2030 or 2036, and at that point a temporary annual diversion could be explored.

As an alternative to a permanent change petition, the City could add a temporary additional point of diversion through the temporary change petition process that may make the City's four American River Permits easily available to CWD's service area in Area D on an annual basis with the SWRCB. Moreover, this action would allow CWD to divert and treat water that could then be delivered into SSWD's service area through the CWD and SSWD interties. This action may provide a litmus test as to the viability of adding a point of diversion for longer-term water diversions at CWD's Bajamont facility (or at least provide a precedent for future emergency transfers should they be necessary). The temporary change petition process is relatively straightforward, is exempt from the California Environmental Quality Act, and provides a streamlined approach to accomplishing the proposed objective. Accordingly, adding a temporary point of diversion for some of the City's American River water rights and diverting those waters at that location may provide a foundational piece for better water asset integration.

Last, SJWD's pre-1914 appropriative water right (S000656) is available for use in CWD's service area. This water right had historically been delivered to CWD and CWD has recently taken delivery of this supply for use in its service area by contract. The distinguishing characteristic of CWD's use of this supply is that the supply is not subject to any transfer provisions that are applicable to SSWD's use of the water. Specifically, whether or not the water had historically been conserved is irrelevant to the availability for use in CWD's service area. Accordingly, the SJWD water supply may be more valuable for use in CWD's service area than SSWD's service area, as it would allow for greater use under the water right that could support larger conservation-based transfers in the future.

CWD's groundwater supplies are derived from the same groundwater basin as SSWD's groundwater supplies. As such, there is no real limitation on the two agencies sharing supplies derived from their respective groundwater extraction systems.

4.3.3. SSWD's Water Contracts

The water supplies delivered to SSWD under the 2004 Agreement could not be used outside SSWD's service area without the concurrence of the City and a modification to the 2004 Agreement. Although the potential to deliver these supplies to CWD's service area exists, moving water from the City's Fairbairn Treatment Plant

or its Sacramento River diversion facility up into CWD would require additional engineering analysis beyond the scope of this report.

SSWD's water contract with PCWA also has limited utility for CWD. PCWA's water right permits 13856 and 13858 do not include CWD in their places of use. As such, any delivery of these water supplies would require a temporary change petition at the State Board and a modification to the PCWA contract.

It is viable that CVP Section 215 water could be diverted at CWD's Bajamont facility and delivered to the combined entity. This action may require further consultation with the Bureau of Reclamation to determine whether an existing Warren Act Contract could cover these forms of diversion and use or whether an additional contract or an amendment would be needed to deliver these supplies. CVP 215 water is rarely available for delivery and under those conditions spare capacity at the Bajamont Water Treatment Plant may be sufficient to serve CWD's and SSWD's needs. The delivery of CVP 215 water into SSWD's service area through CWD's Bajamont system may be worth pursuing if SSWD's alternative surface water opportunities in wet conditions become problematic.

4.3.4. Conjunctive Management

CWD and SSWD have significant surface water and groundwater facilities available for conjunctive management actions. Developing options that allow additional surface water supplies to be directed through CWD's Bajamont facility for use in CWD's and SSWD's service area would be worthwhile to maximize groundwater storage and prepare for reduced reliability conditions. Finding opportunities to use more surface water supplies in both CWD and SSWD would allow both Districts to reduce their uses of groundwater and store that groundwater for alternative future uses. These in lieu recharge activities would further both Districts' groundwater management objectives.

In addition, actions that would allow CWD to inject its surface water supplies into a groundwater bank or for SSWD to inject the City's, PCWA's, or SJWD's supplies into a groundwater bank would also support the long-term conjunctive management objectives. Actions related to Aquifer Storage and Recovery (ASR) that have been successfully developed in both the City of Roseville and the City of Woodland would be positive additions for a combined conjunctive management. Injecting and storing surface water in groundwater basins would require some additional modifications to CWD's, the City's, and PCWA's surface water rights. SJWD's pre-1914 water, Aerojet water, and other conserved water may not require any additional actions from the State Board in order to inject those supplies into the groundwater system.

4.4. Recommended Options for Water Asset Combination

CWD and SSWD may and have already been considering opportunities to combine water resources to best meet the short-term and long-term needs of their customers. The primary objectives of both Districts should be to maintain the same level of reliable water service in light of future climatological and regulatory conditions. The predicted conditions indicate that surface water supplies will be less available (in dry years, which are becoming more frequent, and summer months) based upon changed hydrological conditions in the American River Watershed and increased regulatory demand to meet the Bay-Delta Water Quality Control Plan requirements. Accordingly, developing opportunities to diversify the surface water asset portfolio and improve water storage opportunities would likely insulate CWD and SSWD against future surface water deficits.

CWD and SSWD have ample groundwater wells to extract native groundwater supplies and banked groundwater supplies to meet their combined needs. Although CWD may have less groundwater extraction wells, its connections to SSWD and their recent joint facility development efforts should alleviate any groundwater extraction restrictions. Maintaining and improving access to groundwater basins is a critical component of long-term water supply reliability for both Districts. However, it is equally important that CWD and SSWD capture and use as much surface water as possible in order to (a) improve banked groundwater supplies to meet long-term supply reliability; and (b) monetize surface supplies through future groundwater substitution water transfers.

CWD and SSWD should primarily focus the surface water combination actions on surface supply reliability under dry conditions in the American River watershed. There are four primary water assets that can improve surface water reliability:

- City of Sacramento's Permits 11359 and 11360 on the American River that are tied to storage in SMUD's Upper American River Project.
- SJWD's pre-1914 appropriative right that is available for use in a portion of CWD's service area and can be easily transferred to SSWD under conservation-based transfers.
- CWD's License 1387 use in SSWD's service area through a conservation-based temporary transfer through the State Board.
- GSWC's Aerojet Supply diversion and delivery in CWD's and SSWD's service areas.

4.4.1. City of Sacramento American River Water Rights

The City of Sacramento's Permits 11359 and 11360 have storage components that insulate them against drought conditions and are already available for use in CWD's service area that are contained in Area D. The storage components of these two rights allow them to be delivered for diversion to both SSWD and CWD even if natural flow conditions in the American River are low and if Hodge Conditions are met at the City's Fairbairn intake facility. An appropriate starting point for this diversion would be to coordinate with the City of Sacramento to temporarily add a point of diversion to include CWD's Bajamont Treatment facility for delivery to CWD's portion of Area D. This initial step would set precedent for this type of action, especially under critically dry future conditions. Though, to date the City has been unwilling to add a permanent point of diversion when the permits are opened for review, a temporary annual petition might garner more traction.

4.4.2. SJWD Pre-1914 Appropriative Right Deliveries

SSWD and CWD have taken delivery of SJWD's pre-1914 appropriative water right (S000656). CWD took delivery because of its inclusion in SJWD's place of use and SSWD took delivery through a conservation-based transfer. Both entities may use this source of water and finding an opportunity to deliver the supplies in dry years – either through Bajamont or the Cooperative Transmission Pipeline (CTP) – would add redundancy to both Districts' supply portfolios. SJWD's supply is based upon its priority date and its contract with Reclamation, which includes storage and delivery from Folsom Reservoir. The right's priority date and storage component make it highly valuable in dry hydrological conditions.

4.4.3. CWD's License 1387 Conservation Transfer

CWD and SSWD should pursue a temporary conservation-based transfer of License 1387 through the State Board process to deliver water under License 1387 to SSWD. CWD and SSWD should target a normal water year to execute this transfer so as to lessen the perceived injury of this transfer to other legal water users and

the environment. The conservation-based transfer would require quantifying that amount of water that CWD has conserved specifically under License 1387 (a portion of its 4,000 acre-feet of conserved water noted elsewhere in this memo) and delivering that water through its system intertie with SSWD into SSWD's service area. This precedent-setting transaction would provide a baseline from which to potentially include SSWD in CWD's water rights place of use for permanent conserved water deliveries.

4.4.4. GSWC Aerojet Supplies

GSWC's Aerojet water supplies are derived from Aerojet's GET facilities that discharge water into the American River watershed. These facilities produce 5,000 acre-feet of water that CWD diverts and delivers to GSWC at Bajamont. CWD and SSWD could secure temporary delivery of these supplies in dry years from GSWC by enabling GSWC to meet its dry year demands with groundwater extractions in its service area. The GSWC Aerojet supplies can be delivered to any location in CWD's and SSWD's service area without any formal approvals from any regulatory body and are impervious to dry year extraction restrictions.

If all opportunities are pursued and successful costs for these efforts could be as high as \$5.25 million in total and annual increases in water sales would produce an additional \$8 million in combined revenue annually based on staff's rough estimates.

5. Finances

In this section we review each agencies' finances and explore the implications of a potential combination of the two Districts. In each section, we discuss the current situation for CWD, SSWD, and the projected result should the two be consolidated.

5.1. Bookkeeping

Each District currently operates as a single enterprise fund. An enterprise fund is defined by the Governmental Finance Officers Association (GFOA) and the Governmental Accounting Standard Board (GASB), who set the guidelines for governmental accounting standards, as a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services (akin to a business). Because utilities charge rates to ratepayers for their services, utilities operate as enterprise funds.

Consolidating the CWD and SSWD financials would necessitate a single enterprise fund for water operations. In essence, the current accounting structures could continue as-is, but would be brought together in a single set of books with a combined enterprise fund rather than one for each entity. All recovered revenue would be applied to cover the costs of water service provision and the combined District would continue to comply with all accounting standards and California laws. As is the case now, municipal governments cannot not funnel water revenues away from the agency except where they provide any specific services to the District, and no property tax revenues would be routed to the agency.

The most difficult aspect of combining finances would be merging into a single chart of accounts to govern coding of financial transactions. The consolidated utility would require one enterprise fund, and a full chart of accounts with codes for all necessary transactions would be required. At first, the two charts of accounts could be merged, and duplicative entries removed. The financial staff in the two utilities would need to meet and agree upon a new chart of accounts for implementation over time and make the associated changes to the setup in their respective financial software systems. Ideally, the chart of accounts would be fully merged and streamlined. The effort to create a unified chart of accounts and implement it into the systems is estimated to take six to twelve months.

Financial staff would also need to examine and determine which software systems, account codes, and procedures are most beneficial for use in the combined utility, though one primary software system, Microsoft Dynamics GP, is already used by each. While in the short-term the likelihood is that both systems would be run concurrently, in the longer-term a determination would need to be made about which setup and procedures best accomplishes the needs of the District. A review of the pros and cons of current and other potential systems and account structures would occur, a selection would be made, data transferred, and staff trained as needed. This could be a two-to-three-year process from start to finish, which is why having concurrent systems running in the meantime is likely necessary.

5.2. Revenues

Revenues for each agency are unlikely to be greatly affected by a combination and, in our view, would remain largely unchanged from current projections in the near to mid-term.

CWD has FY2022 budgeted revenues of just over \$17 million. Revenue sources are summarized as water sales (~90% of revenues), non-rate revenues (~9%), and interest income (~1%). Non-rate revenues include capacity sales, delivery charges, and connection fees. The following table shows a five-year breakdown of CWD revenues beginning FY18. CWD operates on a July 1st to June 30th fiscal year.

Table 5: CWD Revenues FY2018 to FY2022⁴⁶

CWD Revenues	FY2018 Actuals	FY2019 Actuals	FY2020 Actuals	FY2021 Actuals	FY2022 Budget	Percent Change FY2018 to FY2022
Water Sales	\$10,859,913	\$11,392,509	\$12,279,163	\$13,331,681	\$14,525,600	34%
Interest Income	\$47,719	\$138,012	\$155,748	\$48,458	\$23,000	-52%
Non-Rate Revenue	\$871,618	\$932,257	\$947,881	\$1,028,855	\$2,565,000	194%
TOTAL CWD REVENUES	\$11,779,250	\$12,462,778	\$13,382,792	\$14,408,994	\$17,136,600	45%

Reported rate revenue for CWD grew steadily by ~11% annually from FY2018 through FY2022, including projected FY2022 budgets. CWD received non-rate revenues from Aerojet through the Bajamont Water Treatment capacity sale to GSWC in 2016. During the study period of FY 2018 through FY2022, Aerojet's annual payment to CWD is \$1,400,000 per year. Beginning Calendar Year 2021, CWD also implemented a water rate increase of 9.5% per year with a majority portion of the rate increase revenue funding a reserve for the eventual replacement of Bajamont Water Treatment Plant's microfiltration system.

SSWD has FY2022 budgeted revenues of over \$51 million. Revenue sources were summarized as water sales (~93% of revenues), non-rate revenues (5%), and interest income (~2%). Non-rate revenues include facility development charges, delivery charges, and service fees. The following table shows a five-year breakdown of SSWD revenues since FY18. SSWD operates on a calendar year fiscal timeline.

Table 6: SSWD Revenues FY2018 to FY2022⁴⁷

SSWD Revenues	FY2018 Actuals	FY2019 Actuals	FY2020 Actuals	FY2021 Actuals	FY2022 Budget	Percent Change FY2018 to FY2022
Water Sales	\$44,092,000	\$43,902,000	\$47,643,000	\$48,559,000	\$49,957,000	13%
Interest Income	\$767,000	\$1,076,000	\$1,077,000	\$649,000	\$574,000	-25%
Non-Rate Revenue	\$3,932,000	\$3,171,000	\$2,430,000	\$2,731,000	\$830,000	-79%
TOTAL SSWD REVENUES	\$48,791,000	\$48,149,000	\$51,150,000	\$51,939,000	\$51,361,000	5%

FY2018 to FY2022 SSWD revenue generation was somewhat up and down depending on the year, in total growing by just 5% across the period. SSWD's revenue growth from FY2018-FY2022 lagged that of CWD's, though this is likely to the benefit of customers, as long as costs are recovered, and service levels are

⁴⁶ CWD CAFR 2021/CWD Budget 2022: pages 73/29

⁴⁷ SSWD 2021 Annual Report Page 78/2022 Annual Budget

maintained. This lower rate of growth reflects healthy support from reserves to minimize rate impacts. Higher rate increases for CWD have been recently required to ensure plant reserves are in place for the membrane replacement project, but over time may also be reflective of the smaller ratepayer base, which concentrates cost recovery among fewer customers.

Based on FY2022 budgeted revenues, the combined entity would have total revenues of approximately \$68.5 million. Table 7 summarizes the projected combined agency revenues. If combined, the resulting utility District would, at a surface level, have experienced 13% revenue growth from FY2018 to FY2022. However, this is not reflective of efficiencies that could be achieved through a combination, where it is expected that over time revenue trends would look more like that of SSWD than that of CWD.

Table 7: Combined CWD and SSWD Revenues FY2018 to FY2022

Total Revenues	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Budget	Percent Change FY2018 to FY2022
Water Sales	\$54,951,913	\$55,294,509	\$59,922,163	\$61,890,681	\$64,505,600	17%
Interest Income	\$814,719	\$1,214,012	\$1,232,748	\$697,458	\$597,000	-27%
Non-Rate Revenue	\$4,803,618	\$4,103,257	\$43,377,881	\$3,759,855	\$3,395,000	-29%
COMBINED REVENUES	\$60,570,250	\$60,611,778	\$64,532,792	\$66,347,994	\$68,497,600	13%

5.3. Operating Expenditures

Expenditures for each agency would initially be expected to remain near current forecasts if combined, depending on the desired pace of efforts to come together.

CWD had the following operating expenditures for FY2018 to FY2021 on an accrual basis as reported in available audited financial statements. Note the increase over time but also the fluctuations and variability by function. Such variability can be driven by high cash funding of capital, which both agencies practice, and the variability of capital needs. Cash balances and reserves can be used to smooth rate impacts during such periods of variability. It is also noteworthy that the ongoing but slowing Covid-19 pandemic occurred over this period, which had significant operational impacts on utilities and further drove trend breaks and variability in many communities.

Table 8: CWD Expenses FY2018 to FY2021⁴⁸

Category	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	Percent Change FY2018 to FY2022
Total Administrative Costs	\$3,185,882	\$3,057,560	\$3,543,045	\$3,685,101	16%
Total Production Costs	\$2,306,629	\$2,239,287	\$2,825,493	\$2,490,090	8%
Total Distribution Costs	\$3,987,102	\$4,149,381	\$4,405,074	\$3,789,747	-5%
Cash Funded Capital	\$1,891,322	\$2,307,762	\$6,123,364	\$4,154,579	120%
Total Debt Service	\$2,183,575	\$2,186,350	\$2,311,530	\$2,539,828	16%
Total Revenue Requirement	\$13,554,510	\$13,940,340	\$19,208,506	\$16,659,345	23%

⁴⁸ CWD 2021 Annual Report Page 73, Accrual Basis

SSWD had the following operating expenditures for FY2018 to FY2021 on an accrual basis as reported in available audited financial statements. SSWD has experienced declines in expenditures over this period as well as variability driven by cash funding of capital and the pandemic.

Table 9: SSWD Expenses FY2018 to FY2021⁴⁹

Category	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	Percent Change FY2018 to FY2022
Total Administrative Costs	\$9,533,000	\$9,983,000	\$10,374,000	\$9,981,000	5%
Total Production Costs	\$8,735,000	\$8,720,000	\$7,165,000	\$7,006,000	-20%
Total Distribution Costs	\$4,193,000	\$6,721,000	\$4,548,000	\$5,100,000	22%
Cash Funded Capital	\$17,800,000	\$17,200,000	\$15,600,000	\$15,400,000	-13%
Total Debt Service	\$7,462,000	\$7,150,000	\$7,238,000	\$7,121,000	-5%
Total Revenue Requirement	\$47,723,000	\$49,774,000	\$44,925,000	\$44,608,000	-7%

Most expenditures for both utilities are for essentials such as salaries and benefits, purchases of supplies and materials such as chemicals, and utilities. We assume for the purpose of this review that capital project expenditures going forward will also remain similar to those already in their respective capital improvement plans.

Variable expenditures include administrative costs like office supplies, some staffing, and other areas where a combined utility will result in overlaps of existing resources. In the short-term (2-5 years), there will likely be an increase in expenditures as the combined utility implements unified financial software and other support systems, contracts for various studies such as account classification and compensation reviews, and other costs of combination. Over time, it is expected that these costs of combination will cede as the newly combined entity moves forward and begins to benefit from efficiencies. Table 10 shows combined historical expenses from FY2018 to FY2021 as nearly flat over time as one agency increased spending and the other reduced spending, ultimately cancelling each other out. It is important to note that the rate impacts for customers would not have reflected these trends given the reserves and cash balances that were deployed in each year. Over longer periods of time, inflation will drive any organization's costs higher as operational costs like salaries and capital investment costs escalate, which is why often even organizations with available cash and reserves to buffer rate impacts tend to gradually escalate rates at least in line with inflation.

Table 10: Combined Expenses FY2018 to FY2021

Category	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	Percent Change FY2018 to FY2022
Total Administrative Costs	\$12,718,882	\$13,040,560	\$13,917,045	\$13,666,101	7%
Total Production Costs	\$11,041,629	\$10,959,287	\$9,990,493	\$9,496,090	-14%
Total Distribution Costs	\$8,180,102	\$10,870,381	\$8,953,074	\$8,889,747	9%
Cash Funded Capital	\$19,691,322	\$19,507,762	\$21,723,364	\$19,554,579	-1%
Total Debt Service	\$9,645,575	\$9,336,350	\$9,549,530	\$9,660,828	0%
Total Revenue Requirement	\$61,277,510	\$63,714,340	\$64,133,506	\$61,267,345	-0%

⁴⁹ SSWD 2021 Annual Report Page 78

5.4. Normalized Expenditures

This section is an analysis of cost per function comparing the financials for CWD and SSWD from 2018-2021. Average total costs were compiled and compared with the following functions: per connection, millions/gallons of water production (MG), per MG w/o Aerojet, per mile of pipe, per population served, and per acre. The following Figures 10 and 11 have been used to determine the efficiency of past costs per category.

Figure 10: 2018 to 2021 Normalized Costs per Connection

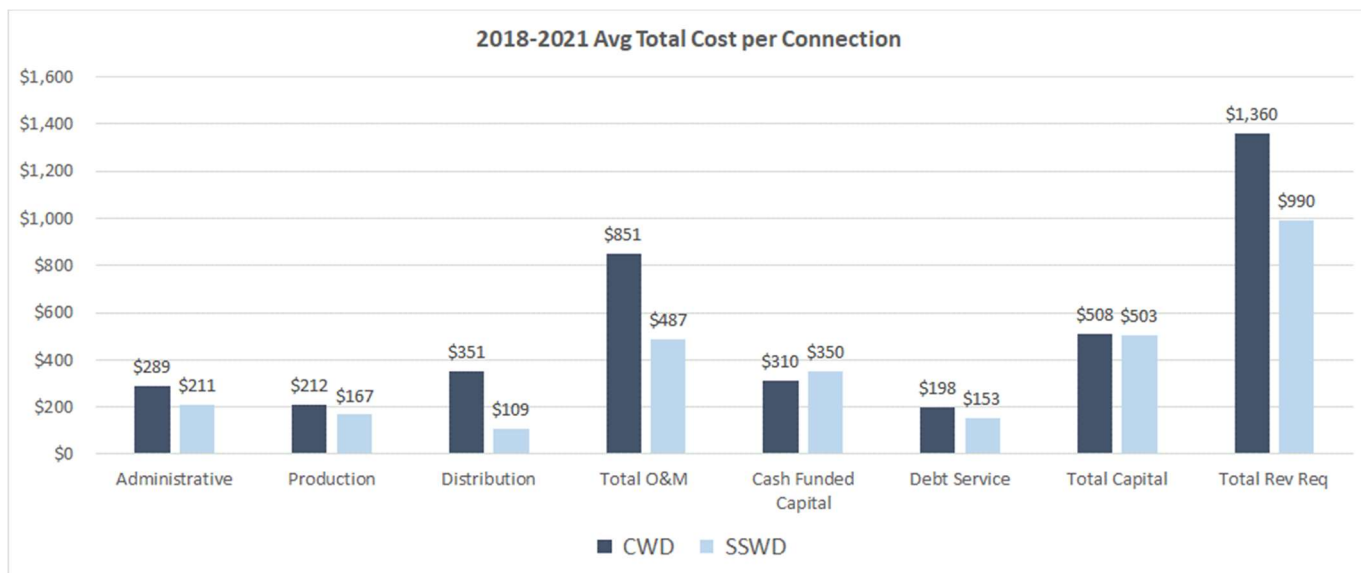


Figure 10 suggests that there is potential for scale efficiencies. There is a generally similar allocation of resources, for example SSWD’s total revenue requirement costs per connection are 73% of CWD’s (\$990 vs \$1,360).

Figure 11: 2018 to 2021 Normalized Cost per Million Gallons (MG) Produced

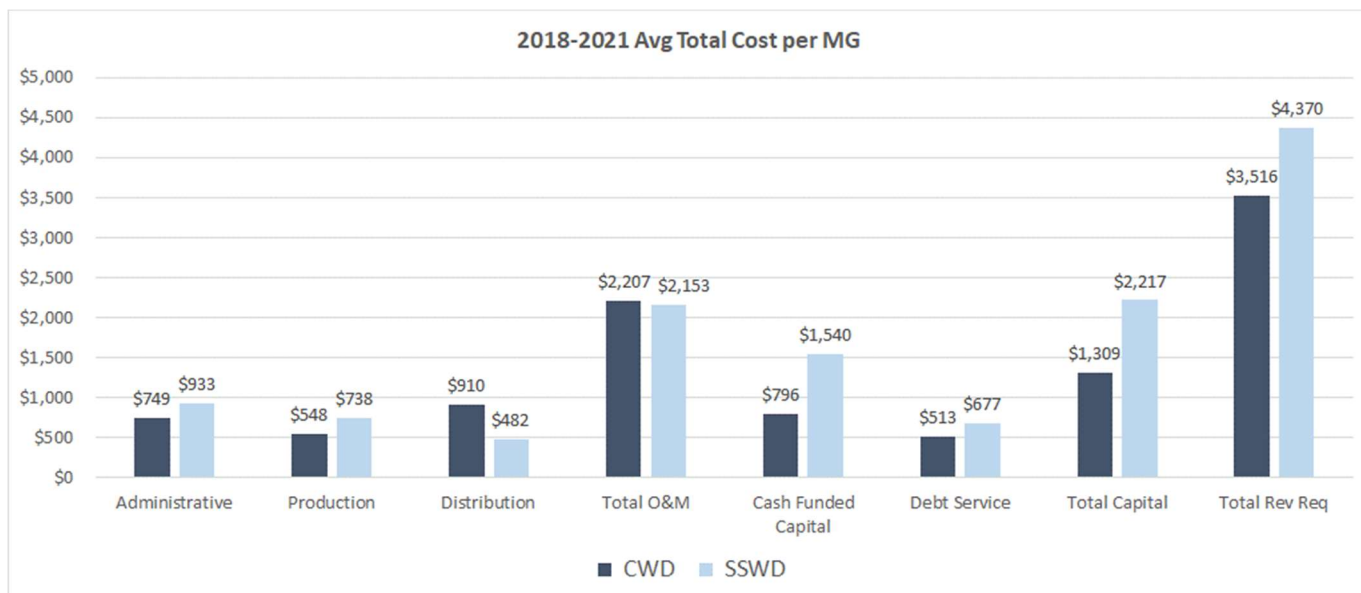


Figure 11 reveals that CWD’s revenue requirement costs per MG produced are 80% of SSWD’s (\$3,516 vs \$4,370). The significant difference in cost between these two utilities is driven by the GSWC/Aerojet contract which accounts for a single high volume CWD account.

Figure 12: 2018 to 2021 Normalized Cost per MG w/o GSWC + Aerojet

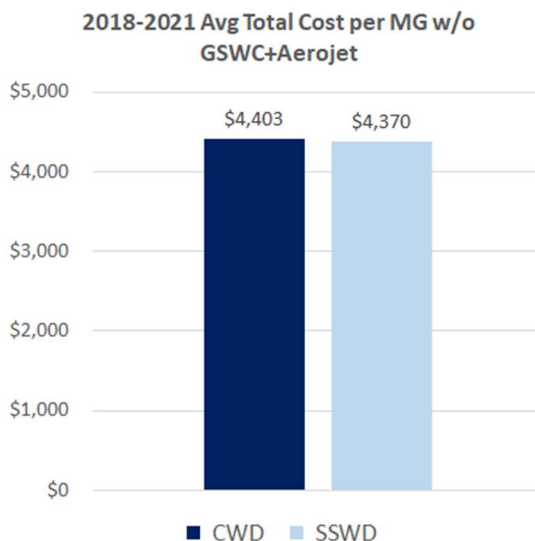


Figure 12 shows that SSWD’s revenue requirement costs on a per MG basis without Aerojet are similar to that of CWD, in fact, they are 99% of CWD’s (\$4,370 vs \$4,403). This is noteworthy because it highlights that costs per unit of production among retail customers (excluding the GSWC+Aerojet water) are similar. This is partly a result of higher consumption volumes per account across fewer accounts in the CWD service area relative to the SSWD service area.

However, other operational analytics outside of water production costs per unit, such as costs per connection, per mile of pipe, per acreage show greater differences. Those other metrics speak less to water production, and avoid the skew in the data produced by the higher consumption per account in CWD, and speak more to functions such as distribution, overhead, administration, customer service, conservation activities, finance, accounting, billing etc. It is in those other areas where relative efficiency appears to be concentrated at SSWD and can be realized through the combination. This is demonstrated in the other figures in this section where clear differences in costs are observed and tend to be lower at SSWD.

Figure 13: 2018 to 2021 Normalized Cost per Mile of Pipe

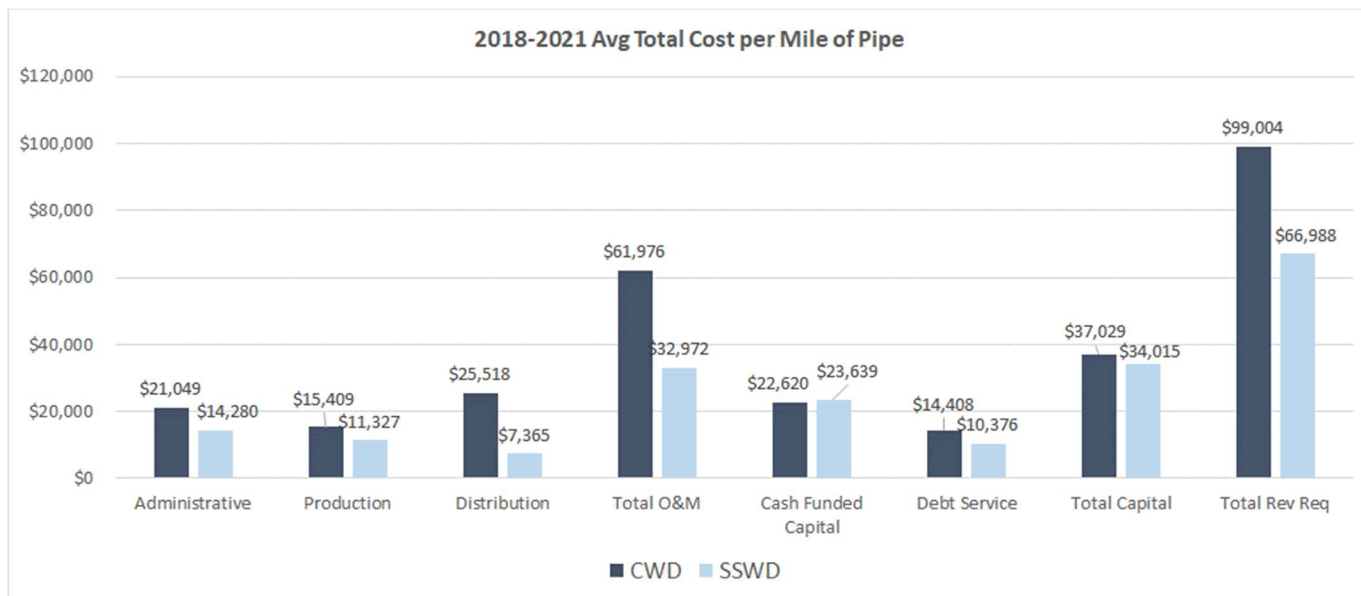


Figure 13 demonstrates that SSWD’s revenue requirement costs per mile of pipe are 68% of CWD’s (\$66,988 vs \$99,004). Most functions exhibit the same trend for this function, meaning that SSWD has greater efficiency. This data suggests that there is significant potential for combined efficiencies.

Figure 14: 2018 to 2021 Normalized Cost per Population Served

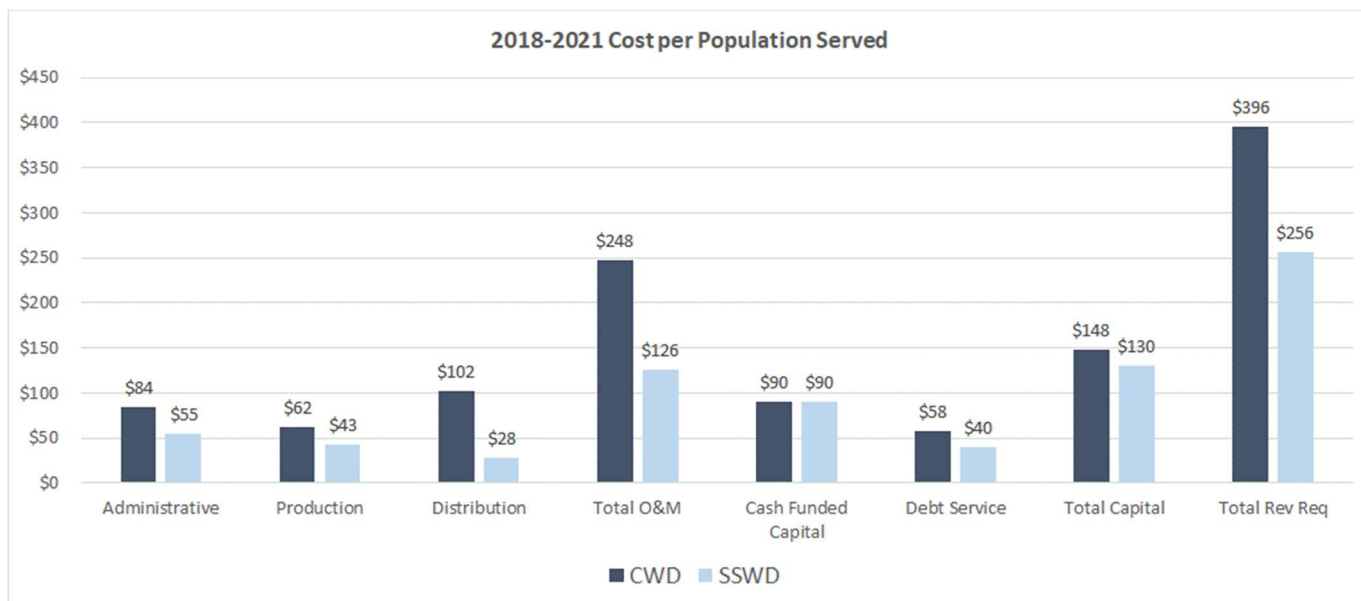


Figure 14 indicates that SSWD’s revenue requirement costs per population served is 65% of CWD’s (\$256 vs \$396). This data suggests that there is significant potential for combined efficiencies.

Figure 15: 2018 to 2021 Normalized Cost per Acre

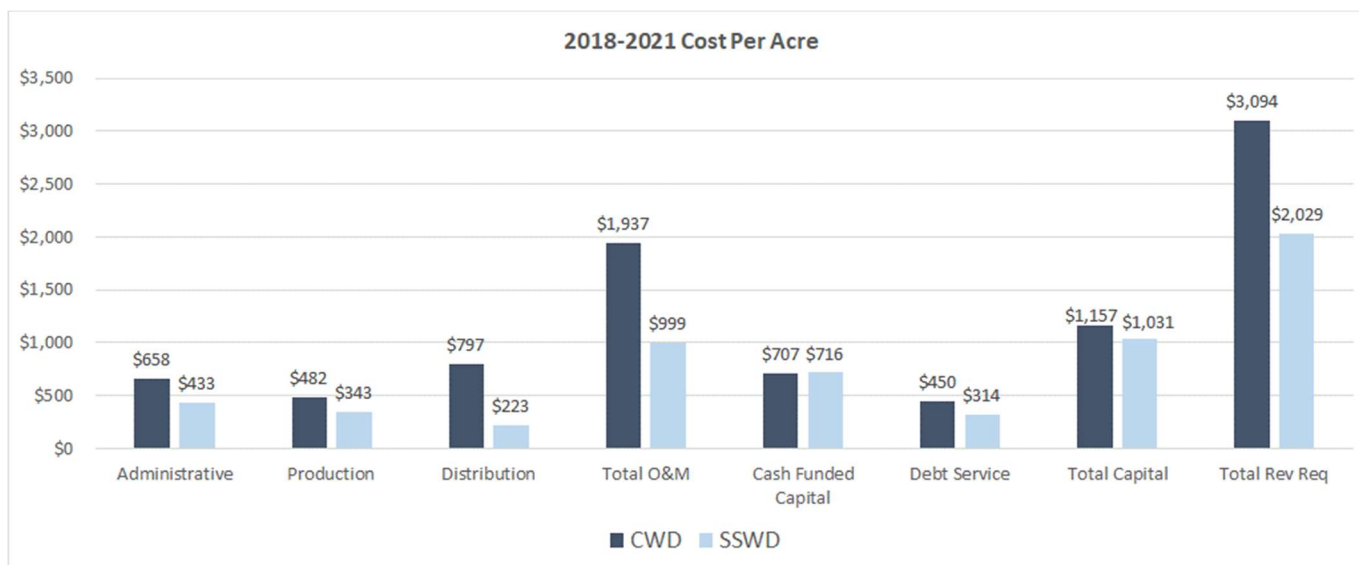


Figure 15 shows that SSWD's revenue requirement costs per acre served is 66% of CWD's (\$2,029 vs \$3,094). This data suggests that there is significant potential for combined efficiencies.

The normalized cost figures above display the differences in regional scale efficiencies between CWD and SSWD. In Figures 13, 14, and 15 CWD has consistently greater costs for the following categories: administrative, production, distribution, total O&M, debt service, and revenue requirement. This frequent trend demonstrates SSWD greater financial economies of scale in all graphs except for Figure 11 (where CWD normalized costs are lower) and Figure 12 (where normalized true retail costs are about the same). The GSWC/Aerojet contract, which accounts for a single high volume CWD account, enables CWD to show greater overall scale efficiency in Figure 11, while the parity observed in Figure 12 is attributable to a high denominator of volumes due to do greater consumption per account behaviors. While the GSWC + Aerojet and consumption behavior dynamics may appear to muddy the waters of financial analytics as a combination is considered, broadly the hypothesized scale efficiency of larger organizations (in this case SSWD) is borne out by the breadth of financial analytics in the Report.

5.5. Capital Improvement Plans

The capital improvement plans (CIP) of CWD and SSWD lay out each utility's investments in the water system typically over five- and ten-year forecasts. It is important to note the distinction between cash funded capital and debt service payments included in the operating expenditure review in Section 5.3 and the CIP, which includes all system investments in a given year including cash funding and cash flows from bond proceeds.

As for operating expenditures, CIP investments were normalized using a range of units to assess the intensity of investment levels at each utility. This analysis was conducted across historical data on actual investment levels as well as the available forecasts for each utility. While operating costs generally increase in a modestly upward fashion over time, CIP programs can be more variable and include spikes where major system components come due for replacement or there is significant growth and new facilities. For example, when the membranes at the CWD treatment plant are due for replacement, CIP levels are higher than in most other years. As a result of this variability, relatively higher normalized investment levels can be due to where a

given utility finds itself in time relative to its initial construction or other major infrastructure replacement milestones. Further, while higher normalized CIP investments can often drive rate impacts, this also depends heavily on how investments are ultimately financed and what available reserve levels are at the time of investment. Based on available data, a backward and forward looking capital investment trend covering the period from 2018 to 2031 is presented in Figure 16, we observe a steady upward trend in investment levels for SSWD and brief peak for CWD attributable to a period of more intensive investment in the system that includes the aforementioned membrane replacement project.

Figure 16: 2018 to 2031 CIP Spend

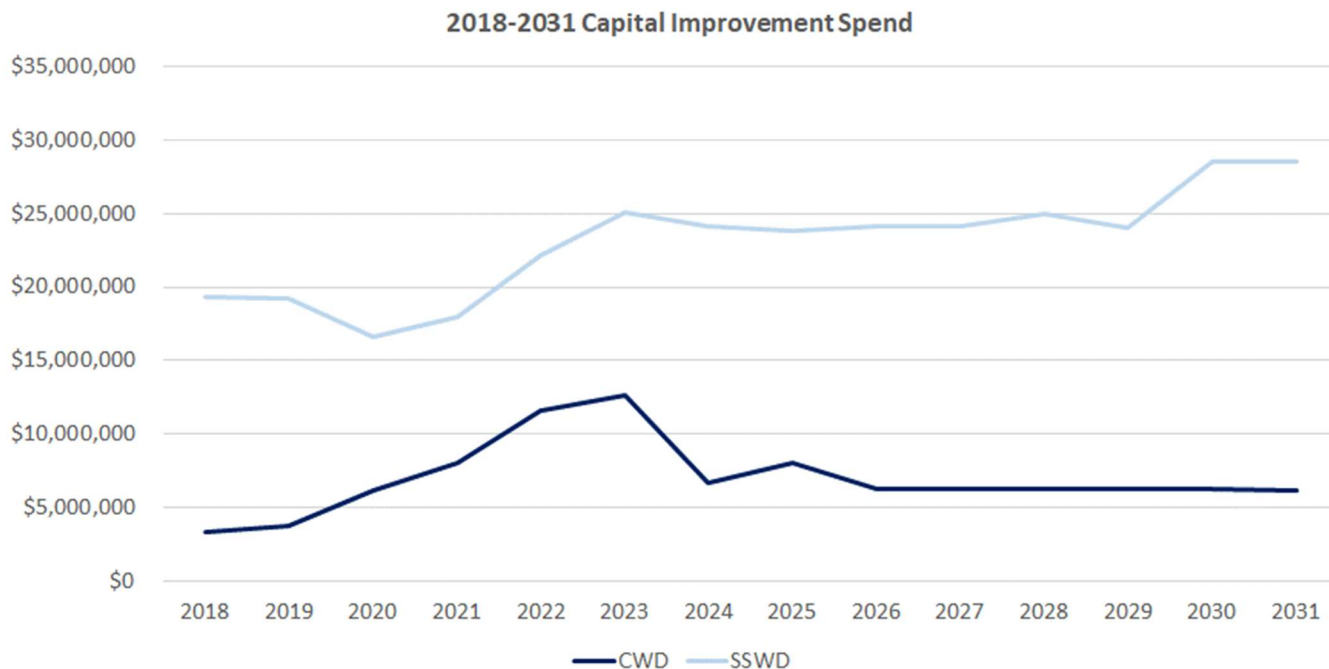


Figure 17 shows normalized (per connection) CIP cost comparisons to account for the different scales of the two utilities and to smooth investment over this same period (2018 to 2031) for comparative purposes. Generally, the observations from this data are consistent with the normalized operating expenditure analysis, as they again suggest that there is a degree of scale efficiency and savings in larger retail systems for most metrics (~20-30% range). However, again we see the impact of the award-winning GSWC and Aerojet agreement where we note that CWD on a normalized basis is able to produce water at a lower cost per MG (~32%). Further, again we observe that when we look at the retail water production of CWD, only a somewhat smaller advantage in CIP investment per MG produced is observed (~16%). Across the industry, groundwater is generally a cheaper source of supply than surface water; however, many individual retail accounts are also more expensive to serve than one large wholesale customer who consumes a significant percentage of a given utilities’ supply. In part the larger properties in CWD, which consume 56%⁵⁰ more water per account, also drive this normalized CIP per MG produced advantage.

⁵⁰ Based on California Water Board Reporting on residential gallons per capita per day (R-GPCD) for CWD and SSWD.

Figure 17: 2018 to 2031 CIP Per Connection

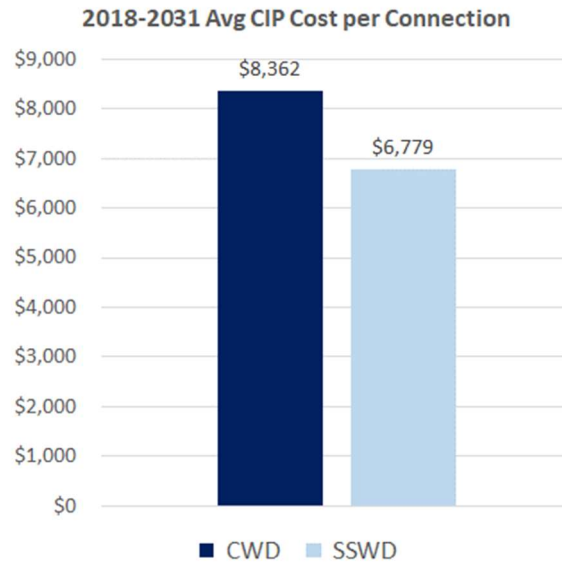


Figure 18: 2018 to 2031 CIP per Population Served

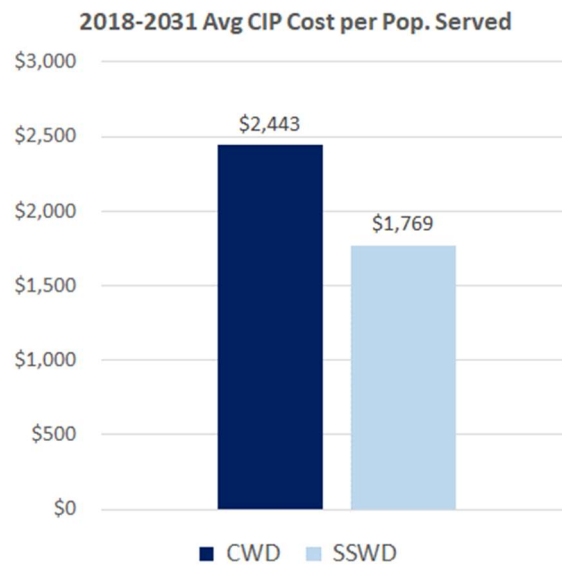


Figure 19: 2018 to 2031 CIP per Mile of Pipe

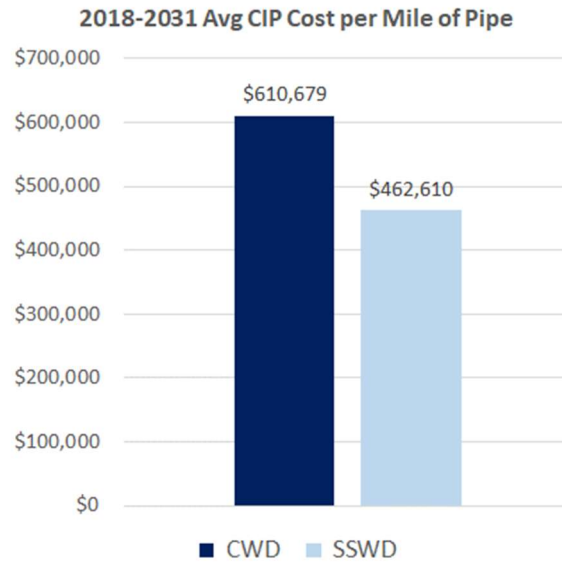


Figure 20: 2018 to 2031 CIP per Acre Area

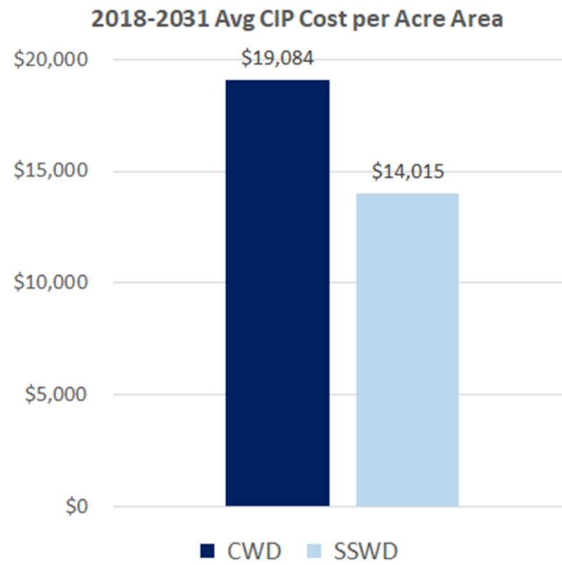


Figure 21: 2018 to 2031 CIP per MG Produced

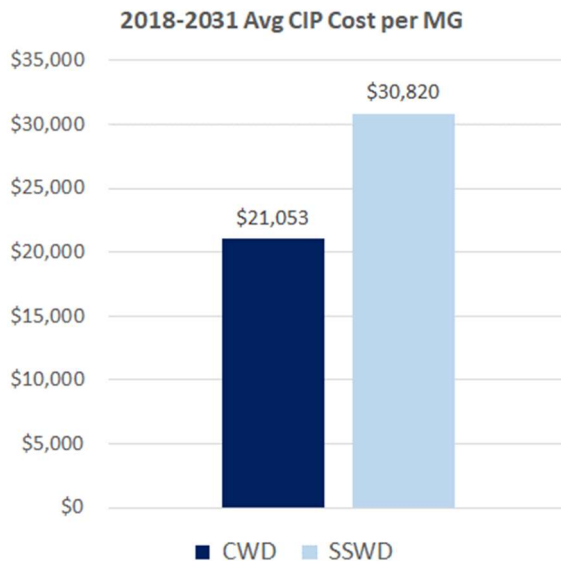
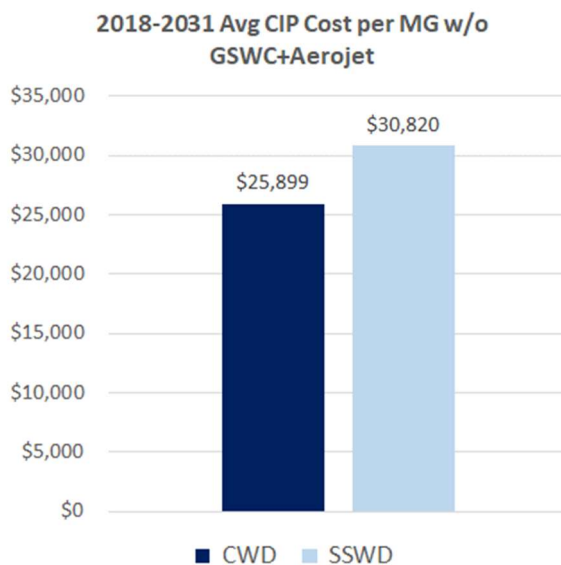


Figure 22: 2018 to 2031 CIP per MG Produced w/o GSWC + Aerojet



5.6. Debt Considerations

At the time of this review, CWD had two outstanding debts. The largest is the 2019 Certificates of Participation Series A, followed by 2019 Certificates of Participation Series B. The 2019 Certificates of Participation Series A was issued in 2019 to finance the acquisition and construction of certain water storage, pumping, treatment, transmission, and appurtenant facilities for the water supply, treatment, and distribution system. The Series A debt has an original issue premium which is being amortized over the life of the certificate, and an interest rate ranging from 4-5% with maturity dates from November 2030 through November 2037. The Certificates of Participation Series B was issued to refund the 2010 Water Revenue Refunding Certificates of Participation, and to pay certain costs incurred in connection with the execution and delivery of the Series B Certificates. The Series B debt has interest rates ranging from 1.834-2.739% with

maturity dates from November 2020 through November 2029. Both Certificates of Participation are jointly secured on a parity basis by the pledge of the revenues of the CWD’s water system and certain funds and accounts created under the installment sale agreement and will be paid from said revenues and said funds and accounts without preference or priority with respect to one another. The obligation of the CWD to make such installment payments is a special obligation of the CWD payable solely from net revenues of the CWD’s water system and said funds and accounts. The Installment Sale Agreement will require the CWD to fix, prescribe and collect rates fees and charges and manage the operation of the water system for each fiscal year to yield net revenues during such fiscal year ended of at least 120% of the annual debt service in such fiscal year. In the tables below are the yearly debt service payments along with the remaining balance on each certificate and premium.

Table 11: CWD Debt Obligations⁵¹

CWD Debt Balance	2018	2019	2020	2021
2010 Certificate of Participation	\$20,964,732	\$18,620,000	\$0	\$0
2019 Certificate of Participation Series A	\$0	\$0	\$16,510,000	\$16,510,000
2019 Certificate of Participation Series B	\$0	\$0	\$15,775,000	\$14,300,000
Unamortized Premium	\$0	\$951,557	\$3,566,080	\$3,362,304
Total Debt	\$20,964,732	\$19,517,557	\$35,851,080	\$34,172,304

Table 12: CWD Debt Service⁵²

CWD Debt Service	2018	2019	2020	2021
Debt Service	\$2,183,575	\$2,186,350	\$2,311,530	\$2,539,828
Total Debt Service	\$2,183,575	\$2,186,350	\$2,311,530	\$2,539,828

In general, SSWD funds new capital with mostly cash; many of the bonds SSWD takes on are to refund previous obligations. At the time of this review, SSWD had four active debts, Series 2009A, Series 2009B, Series 2012A, and Series 2018A. The Series 2009A was issued in June 2009 for \$42,000,000 to refund the balance on the current Series 2004. The maturity of the Series 2009A is November 1, 2034. On April 19, 2012, the District issued \$29,200,000 of Refunding Revenue Bonds Series 2012A (bonds) at a true interest cost of 3.66%, to current refund the Series 2008A-2 COP obligation with an outstanding balance of \$33,300,000. This serial bond’s maturity extends to November 1, 2027, and is subject to optional and extraordinary redemption provisions, without premium. On May 2, 2018, the SSWD issued \$19,615,000 of Refunding Revenue Bonds Series 2018A (Series 2018A Bond) with an average coupon rate of 3.40%, to advance refund \$22,065,000 of outstanding Series 2009B COP Obligations with an average coupon rate of 5.27%. The net proceeds of \$19,403,895 (after payment of \$211,105 in underwriting fees and other cost of issuance expenses) plus an additional \$3,533,324 of Series 2009B restricted debt service reserve funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent and the Series 2009B COP has been repaid in full.

⁵¹ CWD CAFR FY 2020-2021: Page 80

⁵² CWD CAFR FY 2020-2021: Page 81

Table 13: SSWD Debt Obligations⁵³

SSWD Debt	2018	2019	2020	2021
Series 2009A	\$46,632,000	\$46,288,000	\$45,937,000	\$45,578,000
Series 2009B	\$0	\$0	\$0	\$0
Series 2012A	\$17,502,000	\$15,102,000	\$12,628,000	\$10,068,000
Series 2018A	\$0	\$14,830,000	\$12,275,000	\$9,630,000
Total Debt	\$81,429,000	\$76,220,000	\$70,840,000	\$65,276,000

Table 14: SSWD Debt Service⁵⁴

SSWD Debt Service	2018	2019	2020	2021
Debt Service	\$7,462,000	\$7,150,000	\$7,238,000	\$7,121,000
Total Debt Service	\$7,462,000	\$7,150,000	\$7,238,000	\$7,121,000

Not included above, but relevant to this review are new bonds taken on by SSWD in 2022. On March 16, 2022, SSWD issued \$6,585,000 of Refunding Revenue Bonds Series 2022B (Series 2022B Bonds) with an average coupon rate of 1.86% to advance refund \$6,265,000 of outstanding Series 2012A Revenue Refunding Bonds (2012A Bonds) with an average coupon rate of 4.67%. The net proceeds of \$6,532,398 (after payment of \$52,327 in underwriting fees and other cost of issuance expense) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to be used to satisfy the outstanding 2012A Bonds.

A consolidated debt service for both CWD and SSWD is provided in the following Table 15. As can be seen, debt service totals just over \$9 million per year, with the total combined debt around \$100 million in FY 2021 as shown in Table 16.

Table 15: Combined Debt Service^{55, 56}

SSWD + CWD Debt Service	2018	2019	2020	2021
Combined Debt Service	\$9,645,575	\$9,336,350	\$9,549,530	\$9,660,828
Total Debt Service	\$9,645,575	\$9,336,350	\$9,549,530	\$9,660,828

⁵³ 2021 SWD Annual Financial Report: Page: 77

⁵⁴ 2021 SWD Annual Financial Report: Page 78

⁵⁵ CWD CAFR FY 2020-2021: Page 81

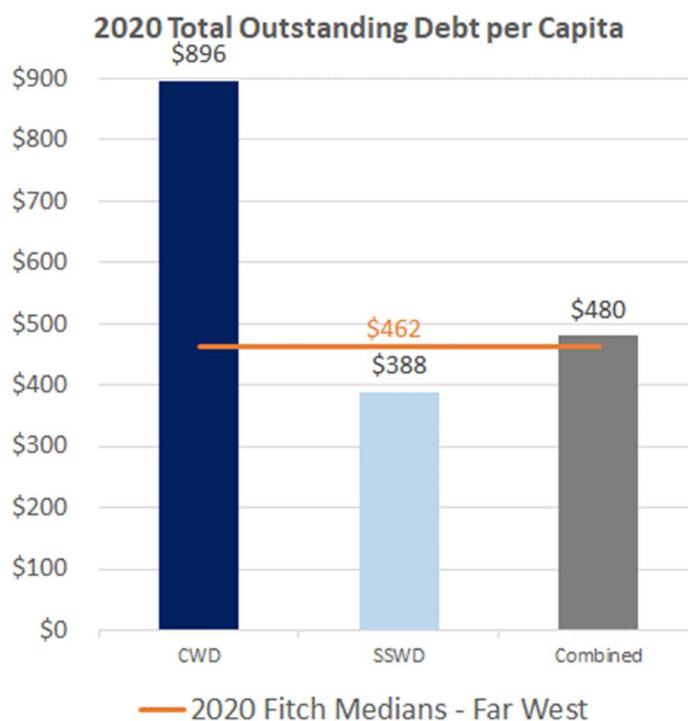
⁵⁶ 2021 SWD Annual Financial Report: Page 78

Table 16: Combined Debt Obligations^{57, 58}

CWD Debt	2018	2019	2020	2021
2010 Certificate of Participation	\$20,964,732	\$18,620,000	\$0	\$0
2019 Certificate of Participation Series A	\$0	\$0	\$16,510,000	\$16,510,000
2019 Certificate of Participation Series B	\$0	\$0	\$15,775,000	\$14,300,000
Unamortized Premium	\$0	\$951,557	\$3,566,080	\$3,362,304
Series 2009A	\$46,632,000	\$46,288,000	\$45,937,000	\$45,578,000
Series 2009B	\$0	\$0	\$0	\$0
Series 2012A	\$17,502,000	\$15,102,000	\$12,628,000	\$10,068,000
Series 2018A	\$0	\$14,830,000	\$12,275,000	\$9,630,000
Total Debt	\$85,098,732	\$95,791,557	\$106,691,080	\$99,448,304

Figure 23 compares the most recent (2020) Fitch Water & Sewer Medians for Total Outstanding Debt per Capita to CWD, SSWD, and a combined organization. Note that the higher ratio in CWD may reflect financing obligations for investments in assets serving non-retail (GSWC & Aerojet) customers. Debt per capita for SSWD and the combined organization are nearer to Fitch Medians for the Far West region. Additional debt benchmarking should be conducted in future phases to ensure differences in obligations can be compared and understood more comprehensively.

Figure 23: Total Outstanding Debt per Capita



⁵⁷ CWD CAFR FY 2020-2021: Page 80

⁵⁸ 2021 SWD Annual Financial Report: Page: 77

5.6.1. Working Capital and Reserves

Working capital (reserves) for utilities are the accumulated difference over time between revenues and expenditures. When a utility's revenues exceed its expenditures, the difference is added to its working capital which will build over time with a goal of having funds available to help manage risk. Conversely, should a utility expend more than its revenues, this overspend in a single year will be drawn from the accumulations of working capital from prior positive years. Having funds available to mitigate risk is critical for utilities due to the uncertainty that can impact them, such as unforeseen breaks in very high-cost capital assets, lower than budgeted usage, extreme weather events, and source supply and energy costs that are not in the utility's control, among other factors. The level of working capital can be measured as the available buffer or margin for an enterprise fund.

According to its financial statements, CWD has established three different types of reserves: Unrestricted/Undesignated Cash, Designated Cash, and Restricted Cash, as summarized in Tables 17 through 19. Unrestricted/Undesignated Cash reserves are made up of the operating cash, and expenditures from this account are Board approved through the annual budget process. Designated Cash is kept to anticipate and prepare for significant financial obligations; this reserve is funded through the annual budget process and only may be withdrawn in the case of its specific purpose. Restricted Cash reserves are accounts held by the trustee or held by the District that are constrained through external requirements. Construction or acquisitions of capital assets and payments for long term debt are paid for from the restricted cash reserve.

Table 17: CWD FY2021 Unrestricted/Undesignated Reserves

Reserve Category	June 30, 2021 Balance
Operating Cash	\$11,239,033
Cash on Hand	\$1,000
Total	\$11,240,033

2020-2021 CWD CAFR pdf. Page 26

Table 18: CWD FY2021 Designated Reserves

Reserve Category	June 30, 2021 Balance
Membrane Replacement Fund	\$689,704
Operating Reserve Fund	\$3,568,489
Rate Stabilization Fund	\$500,000
Total	\$4,758,193

2020-2021 CWD CAFR pdf. Page 26

Table 19: CWD FY2021 Restricted Reserves

Reserve Category	June 30, 2021 Balance
Capital Assets	\$14,642,255
Debt Service	\$14
Facility Fees	\$599,331
Total	\$15,241,600

2020-2021 CWD CAFR pdf. Page 26

Per Table 20 SSWD, conversely, has no significant restricted or designated reserve funds at this time but does have two different cash reserves as shown in the following table.

Table 20: SSWD FY2021 Reserves

Reserve Category	Description	June 30, 2021 Balance
Restricted for Debt Service Reserve Fund	This component consists of external legal constraints placed on District assets by long-term debt holders.	\$16
Unrestricted Cash	This component of net position consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "net investment in capital assets" or "restricted for debt service reserve fund." Amounts included as unrestricted are available for designation for specific purposes as established by the District's Board of Directors. When an expense is incurred for which both restricted and unrestricted net position are available for use, it is the District's policy to use restricted resources first then unrestricted resources as they are needed.	\$35,873,664
Total		\$35,873,680

SSWD 2021 Annual Filing pdf. Pages 15,23

In summary, CWD reserve funds have been set aside from more specific uses by the organization, while SSWD reserves are also not available to be repurposed without Board action, but are committed to more general categories of use. In both cases, reserves can ultimately be changed by action of the respective Board.

5.7. Rates

Agency combinations can ultimately involve tradeoffs for customer bills should participating agencies seek to normalize rates over time with the goal of simplifying rate setting and financial management. The tradeoff may lead to rate increases for some or possibly even reduced rates for others, and as a result, how this transition is managed is critical to a successful combination. This section details the current rate structures and levels of each organization and discusses potential future states.

5.7.1. Sacramento Suburban Water District

SSWD rates include two customer account types. Both Non-Metered Flat Rate Accounts and Meter Rate Accounts pay user charges determined based on specified units, and fixed charge amounts that vary by either connection or meter sizes respectively. SSWD customers with Non-Metered Flat Rate Accounts must pay a usage charge at a predetermined dollar rate per thousand square feet of built area, as well as a fixed charge that varies by the size of their connection. Usage charges for Meter Rate Accounts are determined by two tiers of rates applied to different volumes of consumption (Single Family Residential) or by the customer class an account may fall in (Multi-Family Residential, or Non-Residential). Although usage is charged (\$/100 cubic feet) for all Meter Rate Accounts, different residential categories are charged at varying rates for their anticipated water usage to potentially incentivize water savings.⁵⁹

As mandated by California State law, all SSWD customers will be metered by 2025. Only a small portion of Non-Metered Flat Rate accounts remain, making this task achievable. Once the Water Meter Retrofit Plan has been fulfilled, the Flat Rate charge structure will become obsolete.⁶⁰

5.7.2. Carmichael Water District

All customers within the Carmichael Water District pay the same water usage rate in addition to their monthly flat service charge that is determined by the size of their water meter.⁶¹ All CWD customers are metered.

5.7.3. Rate Structure and Bill Comparison

Typical Monthly Bills using the latest *Meter Rate Charge Structures* for CWD and SSWD (2022) are detailed in Table 21. Although the volumetric rate per CCF is higher for CWD, meter charges at CWD are consistently lower than SSWD. A range of decisions made in rate design studies and cost of service allocations can dictate these levels. Often utilities will allocate a portion of fixed costs (often 40% or less or capital costs) as well as meter service and billing charges into fixed charges, and the remaining portion of the revenue requirement from fixed and operational costs into volumetric rates.

⁵⁹ [Microsoft Word - SacSuburban Water COS Draft Report - 6-3-2018 \(sswd.org\)](#)

⁶⁰ [Water Meters | Sacramento Suburban Water District \(sswd.org\)](#)

⁶¹ [2021-Water-Rates.pdf \(carmichaelwd.org\)](#)

Table 21: Summary of Current Rate Structures

Rate Component	CWD	SSWD
Volumetric rate per ccf:		
Tier 1 (0-15 ccf)	\$1.88	\$0.95
Tier 2 (16+ ccf)	\$1.88	\$1.24
Multifamily	N/A	\$1.35
Non-Residential	N/A	\$1.42
Meter Charge:		
Multifamily	\$32.01	N/A
5/8"	N/A	\$34.29
3/4"	\$32.01	\$47.56
1"	\$50.14	\$74.12
1.5"	\$94.46	\$140.51
2"	\$149.84	\$220.16
3"	\$276.73	\$432.60
4"	\$458.00	\$671.59
6"	\$911.18	\$1,335.44
8"	\$1,455.00	\$2,397.61
10"	N/A	\$3,194.24
12"	N/A	\$4,488.76

Figure 24 shows a typical bill using each agency's rates as applied to an annual average of the two service areas consumption (14.92 ccf per household per month) based on State reporting on the residential gallons of water consumption per capita per day (R-GPCD), an average household size of 2.6 people (US average), and a 3/4" meter size. Please note that CWD households more frequently have 1" meters, however this chart purposefully uses 3/4" meters to show an apples-to-apples bill comparison. The trend in Figure 24 (percent change over period CWD = +62%, SSWD = +27%) suggests that CWD will charge more than SSWD into the future if the trend continues, having recently eclipsed the typical SSWD monthly bill for the same meter size and water consumption. If we compared a 3/4" meter in SSWD to a 1" meter in CWD, that trend would likely be even more severe due to larger properties with larger meters using more water and with a higher unit rate for water would have higher bills. State reporting indicates that CWD accounts use 56% more water than SSWD accounts per capita on average.

Figure 24: 2017 to 2024 Bill Comparison for 3/4” Meters

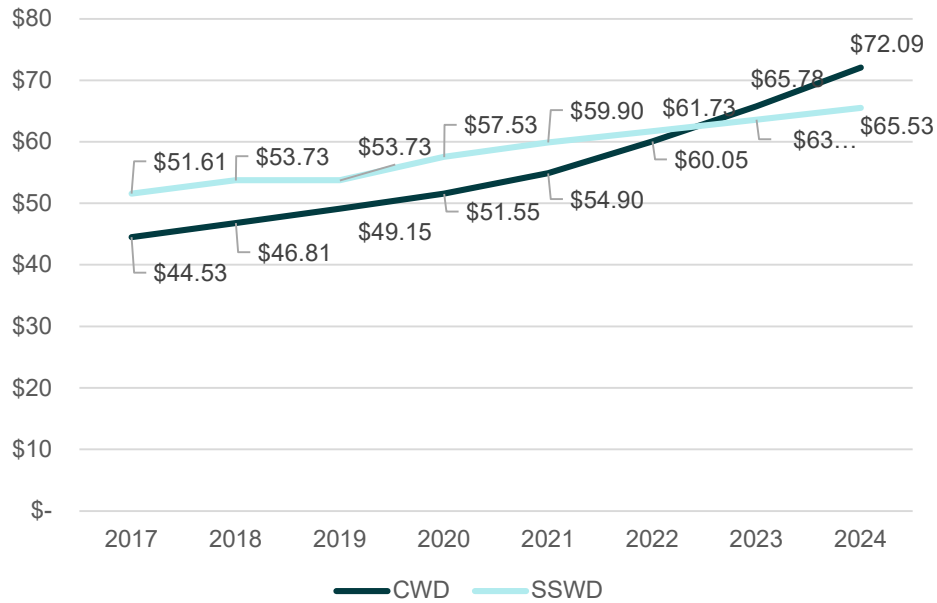
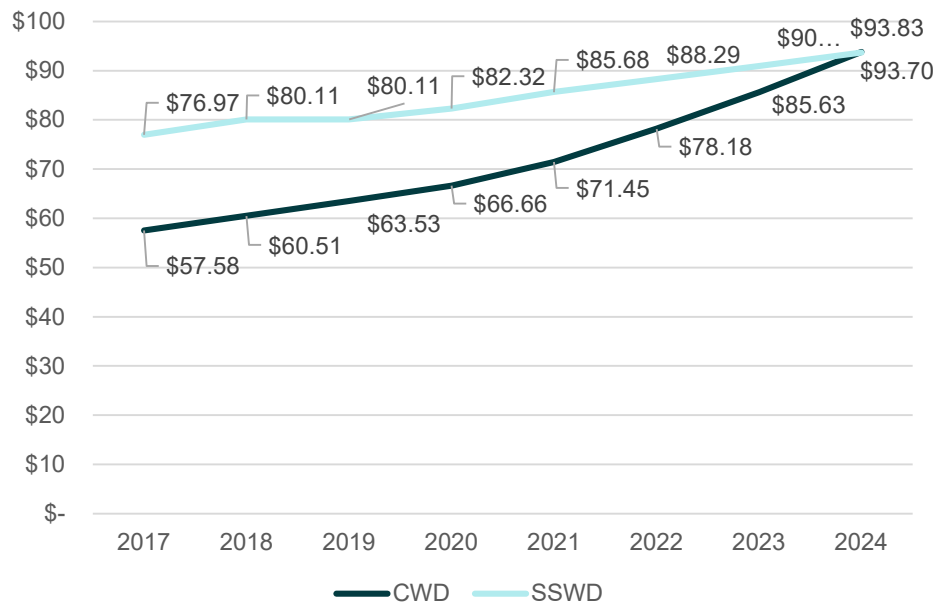


Figure 25 shows the same analysis for 1” meters. While historically the bills for 1” meters were more expensive in SSWD compared to CWD, as would be expected as the second and less common step in the meter charge scaling that would typically be done in rate design, the faster growth in CWD shows 1” meter bills eclipsing those in SSWD for the same unit of consumption. Had we used a higher consumption level (rather than combined average), the higher bills in CWD on this curve would likely occur earlier due to the higher volumetric rate in CWD at any SSWD tier.

Figure 25: 2017 to 2024 Bill Comparison for 1” Meters



Despite the observations being made about these curves, the key takeaway of this rate review is that CWD and SSWD actually have remarkably similar rate structures and bill levels. The impact of combination on

rates alone would be expected to have minimal impact on the bottom lines of a typical household's water billing in either District.

While the exercise of combining organizations will involve additional costs at first, it is expected that over time the rate of growth in rates would be less than otherwise expected given the scale efficiencies of a larger and more efficient combined organization. Since customers' bills are currently quite close, it is likely that the savings of combination would benefit customers and overcome any impact of rate alignment efforts to either party.

It is important to memorialize the concept of inflation, particularly in the water sector where costs are rising faster than in other parts of the economy due to climate change, drought, aging infrastructure, and supply chain issues. That is, where we use the term "savings" for customers, such savings would often be experienced as slower rate increases rather than rate reductions. This is because achieving the full benefits of combination will take several years to be realized depending on a number of factors such as required democratic processes, the level of aggressiveness of any Board and management cost cutting measures, water supply actions, system changes, and policy changes, all occurring as the rate of inflation of infrastructure proceeds along its current trend.

It is important for the Boards and management of each organization to focus not only on cost optimization for customers but also on service levels, water supply reliability, management simplicity, and the overall business case for combination rather than rates alone. In general, in this particular case rates do not appear to be a major factor in the business case in any way that would be obvious for customers, though over time benefits are expected due to greater scale efficiencies that are observable in normalized costs.

5.8. Financial Business Case Summary

In the prior regional study of collaboration opportunities in the Sacramento area conducted with CWD, SSWD and others, repeatable avoided cost ranges on the order of 8-20% relative to uncombined organizations were noted for utility consolidations. Such levels again appear achievable in this case based on the aforementioned 20-30% lesser costs at SSWD across normalized retail services. A key unknown variable is the monetization of water supplies, which could further drive economic benefits in this case.

Table 22 details a rough financial estimate of the expected impact of combination activities based on industry costs estimated as part of similar studies by Raftelis and based on analyses of CWD and SSWD's current normalized cost spreads. For this exercise we have not included any facilities costs such as a combined distribution facility and warehousing, as those would be subject to future Board and operational discretion as well as heavily dependent on market conditions, but these are currently not believed to be necessary. Further, any costs attributable to combining facilities could ultimately be mitigated by the reductions in costs through combination realized over time as well as any equipment, land, or property proceedings from jettisoned facilities.

A major unknown is the degree of potential surplus water supply monetization that could be achieved, as it is highly dependent on the degree of investments that the agencies make towards those efforts, market conditions, and regulatory actions outside of the control of the organizations. While based on current water rights and successful transfers there appear to be surpluses available, it is unclear to what degree exactly all of these opportunities can be subject to inter-basin transfers and how much might be curtailed by surface water and aquifer management decisions outside of the organization's control. Staff estimates up to an \$8 million

increase in water sales or supply monetization over a 10 year period, relative to a maximum estimated expense for legal and other efforts contemplated to pursue all water supply opportunities of \$5.25 million. This results in a net profit for the water supply line item after 10 years of \$2.75 million that would grow over time, but is admittedly a very rough estimate.

The nearly \$15 million dollars in savings (or net additional revenues) over the first 10 years of integration equates to over 2% of current combined operating expenses annually. However, this analysis is limited to the line items noted below that are immediately relevant to the combination effort, and does not account for broader worker productivity gains attributable to increased specialization, systems optimization, and the ability of the combined larger ratepayer base to bring down costs per unit and drive additional efficiencies. Together those impacts could account for additional savings of 5-15%+ annually based on the normalized cost analyses detailed previously in this Section and the range of efficiency gains seen in other utility combinations nationally.

Table 22: Business Case Summary

Description	Type	One Year		Over 10 Year Horizon ⁶²	
		Low Estimate	High Estimate	Low Estimate	High Estimate
Elimination of redundant staff salary and benefits (Implemented Years 3-10)	Ongoing	\$0	\$1,250,000	\$0	\$12,500,000
Cost of providing salary parity⁶³	One-Time	(\$75,000)	(\$450,000)	(\$750,000)	(\$4,500,000)
Cost of providing benefits parity⁶⁴	One-Time	\$5,000	\$300,000	\$50,000	\$3,000,000
Software & Technology	One-Time	(\$25,000)	(\$1,000,000)	(\$25,000)	(\$1,000,000)
Relocation costs	One-Time	(\$10,000)	(\$40,000)	(\$10,000)	(\$40,000)
Combination-related studies and legal costs	One-Time	(\$250,000)	(\$500,000)	(\$250,000)	(\$500,000)
Existing legal services savings⁶⁵	Ongoing	\$0	\$29,000	\$580,000	\$1,280,000
Board consolidation savings⁶⁶	Ongoing	\$21,000	\$63,000	\$630,000	\$1,050,000

⁶² Dollars in the columns labeled “Over 10 Year Horizon” are in aggregate over the 10 years not per year.

⁶³ Based on differences in raw data provided by SSWD and CWD.

⁶⁴ Based on differences in raw data provided by SSWD and CWD.

⁶⁵ Based on analysis of raw data on legal costs provided by SSWD and CWD. Note 10 year costs are higher because the minimum and maximum reduction in legal services contemplated differs over different timeframes.

⁶⁶ Over the 10 year horizon both the minimum and maximum number of board seats reduced that is contemplated for the exercise is higher so the analysis is not a pure 10X.

Water supply changes	Ongoing	\$0	(\$1,050,000) ⁶⁷	\$0	\$2,750,000 ⁶⁸
NET COST IMPACTS OF COMBINATION		(\$334,000)	(\$1,148,000)	\$225,000	\$14,790,000

Finally, it is important to remember that in addition to the financial upside potential of a combination of 8-20%, it is the increased ability to manage supplies, implement best practices, and provide quality and reliable service to customers that must also be qualitatively considered in any agency combination business case exercise.

Overall, the business case evaluation did not yield any fundamental barriers to combining agencies. Financial expectations are higher to the upside than to the downside, particularly over the longer-term. While there are initial net costs to combining, these would likely be outweighed by operational benefits and service reliability improvements, particularly once the combined agency refines its operational model and matures.

⁶⁷ Derived by annualizing what is estimated to be up to \$5.25 million over 5 years.

⁶⁸ Management estimate of up to \$8 million increase in combined water sales from monetization and optimization of supplies over 10 years, less \$5.25 million legal and other expenses to pursue opportunities.

6. Communications

Please refer to Appendix F for the Communications Plan developed early in this Study. At the time of this writing, the agencies have already begun to follow the plan to ensure transparency about the process of evaluating the business case for a combination. Should the agencies move further down the path of exploring combination, this plan can be used as a guide to ensure engagement is purposeful and comprehensive. The plan should be updated periodically depending on the pace of any subsequent actions and evolutions in stakeholder dynamics and messaging needs.

7. Timelines & Implementation

If the business case is compelling for SSWD and CWD management and their Boards, it will then be important to move thoughtfully through an implementation timeline. If combination is pursued, it will likely proceed in three phases across near, intermediate, and long-term time frames. In the near-term over the next couple years, actions would need to be taken internally and then through the LAFCo and associated democratic processes. An intermediate transition period would then likely take three to five years before the combination reaches its full operating potential. Finally, within five years the combination of systems, staff, and operational optimizations should be in full swing.

7.1. Current State

If approved, by mid-2024 CWD and SSWD can likely move to combine through either of LAFCo's reorganization or consolidation procedures. The timeline below details key milestones along that path.

1. Conduct public outreach to educate CWD and SSWD stakeholders about reasons to consider combination (Sept-Dec 2022)
2. Boards review study and vote to move forward with combination next steps including any further studies required to confidently initiate LAFCo process (Oct-Dec 2022)
3. Prepare reorganization/consolidation application for LAFCo (Jan-March 2023)
4. Continue public outreach during LAFCo application process and respond to LAFCo comments and questions (March-Sept 2023)
5. Establish staff teams to work on key issue areas of HR, IT, facilities, operations, capital delivery, and finance (Sept 2023 to Feb 2024)
6. LAFCo process activities (Sept 2023 to Feb 2024)
7. Implement work team recommendations (Feb-June 2024)
8. Utilities formalize interim combined structure at start of new fiscal year on July 1, 2024
9. Begin interim phase

Throughout this suggested timeline the Board may direct staff to engage in further study of key areas of inquiry. These areas include those that emerged as this effort was reviewed by staff and the Board as well as desired next levels of detail for consideration as the potential combination is evaluated and further defined. Table 23 was developed based on feedback from staff and the Board and identifies many of these key areas as possible next steps:

Table 23: Possible Areas for Further Study

ITEMS	Phase/Activity 2	Phase/Activity 3
<u>Governance</u>		
Consolidation vs. Reorganization	x	
<u>Water Supply Assurances</u>		
CWD GW/Surface water rights	x	
SSWD GW/Surface water contract rights	x	
<u>Board</u>		
Transition in size	x	
Election district boundaries		x
<u>Administration</u>		
District Transition	x	x
General Manager		x
Legal Counsel		x
<u>Human Resources</u>		
Medical/Retirement Benefits	x	x
Salaries/Compensation	x	x
Staffing	x	
Organizational Chart		x
Office Locations		x
Fleet/Equipment	x	
<u>Financial</u>		
Timing of transition to one billing CI system	x	
Timing of transition to one financial system	x	
Rate Structures	x	x
Transfer of Assets	x	x
Capital Investments	x	x
Debt Service	x	x
<u>Operations</u>		
Integration of staffing	x	
Continuity of service	x	
DDW Permit Amendment		x
<u>Other</u>		
“No harm” to existing customers	x	
Lessons Learned – AWD/NWD	x	
<u>Cost Savings or Reduction in Increases</u>		
Reduction in future additional staffing	x	
Water Transfers	x	
Lost access to surface water	x	
<u>LAFCO Items</u>		
Infrastructure needs and deficiencies	x	

ITEMS	Phase/Activity 2	Phase/Activity 3
Growth and population projections for the affected areas		x
Financial constraints and opportunities	x	
Cost avoidance opportunities	x	x
Opportunities for rate restructuring	x	x
Opportunities for shared facilities	x	
Government structure options including advantages and disadvantages of consolidation or reorganization of service providers	x	
Evaluation of management efficiencies	x	
Local accountability and governance	x	
MSR/Sphere of Influence	x	x

7.2. Transition Period

If combination is approved, the full synergies of the larger entity will take time to realize. During a transition period estimated at three to five years, staffing and Boards can be optimized through role change or attrition at the discretion of the Boards and utility leadership and management. Current vacancies across the organization suggest that staffing impacts can be minimal. During this period, systems integration will also proceed with decisions about preferred financial, billing, CIS, CMMS, GIS, and other critical supporting software taking shape. Beyond the cost avoidance that is expected to result from scale efficiencies, role specialization, and systems integration, large financial decisions about water supply optimization and any facilities modifications can also be explored during this period. By the end of this period, staffing levels should take essentially their “final” form given that CWD and SSWD are largely built out communities where staffing is not expanding through growth.

The transition period will allow a newly created Strategic Advisor/Business Operations Executive role to manage the combination as gradually as desired to make it beneficial for staff rather than stressful. This is a period where each organization’s staff will find opportunities in each activity and function to make a larger impact in regional water management and service delivery for their communities, while also presenting opportunities for staff to specialize more fully in the tasks and functions that they most enjoy and excel at. If the combined staff is not engaged in a collective bargaining contract at the time of the combination, this is also a period for staff to gel and determine if that approach is desirable under the combined entity. The Strategic Advisor/Business Operations Executive role would go away once the transition is complete, with the Director of Finance and Administration role taking over leadership of that branch of the organizational chart at that time.

7.3. Future State

After the transition period, the goal is to have a combined organization that is firing on all cylinders with a lean but well supported staff of specialized experts and focused divisional and organizational leadership, management, and governance. It is during this period where the benefits of the combined organization will begin to significantly compound year over year as service levels are optimized based on the best practices and thinking from both current Districts. It is expected that annual cost avoidance of 8% to 20% will be realized relative to a current path where the organizations remain separate. Importantly, given the changing climate of California it is also expected that during this period the water supplies of these two areas will be more secure

than they could otherwise have been for its citizens given the combined capabilities and water rights of CWD and SSWD. An even longer-term goal might be to consider additional integration with surrounding utilities that do not benefit from the resources of an agency as capable and efficient as CWD and SSWD can become together.

8. Conclusion

There are both pros and cons to considering a combination of CWD and SSWD. This Report represents a preliminary assessment but did not identify any fatal flaws of a potential combination.

Prominent pros include the following:

- Ability to achieve greater scale efficiencies through a larger organization: the two entities each have areas of strength, as well as under and over-utilized staff; combining the two entities could provide efficiencies if resources are used strategically
- Greater water resource sharing and utilization: maximizing the use of water resources is a complex process filled with regulatory and political hurdles, but with the portfolio of groundwater, imported, remediated, and surface water assets possessed by both Districts, there are significant opportunities to maximize resources
- Greater political advocacy: a larger organization that covers a broader service area will likely be able to increase its political advocacy in the region, helping it protect resources and ensure that it is appropriately represented so customers' needs are addressed
- Higher levels of customer service are possible by combining resources, allowing more specialization of staff, greater levels of scale efficiency, and perhaps new or expanded services
- More rate and financial stability are possible with a combined organization featuring a larger and stable of water resources, a broader customer base, and an improved ability to deal with changes in operating conditions brought on by water resource challenges, staffing shortages, and inflation
- Upward mobility for staff at a bigger organization
- Transparent and well preceded process with LAFCo and SSWD history of success

While the pros to combination are significant, there are also notable cons including the following:

- A perceived loss of local control and the dilution of representation in a combined entity may be a concern; a combined entity would have Board members representing a larger number of constituents, assuming the Board is of the same size as the current Boards
- A larger organization often means more bureaucracy, and if not managed, redundancy and inefficiency; sound leadership will need to ensure scale efficiency is created while avoiding the pitfalls of a larger organization
- Adapting to changes can be challenging for staff, which requires attention and management effort to effectively navigate and thoughtfully consider as the new organization takes shape
- Challenges to water resources and/or limited ability to maximize resources: the regulatory and political environment may make it difficult to use water resources with maximum efficiency and could even invite some challenges to current arrangements

Raftelis projects nearly \$15 million dollars in savings (or net revenues) over the first 10 years of integration, which equates to over 2% of current combined operating expenses. This does not account for broader worker productivity gains attributable to increased specialization, systems optimization, and the ability of the combined larger ratepayer base to bring down costs per unit and drive additional efficiencies. It also does not account for any improvements in the use of water resources which are possible, but may be too complex to realize. Together, those impacts could account for additional savings of 5-15%+ annually or more based on the normalized cost analyses.

Given that some of the pros and cons of combination are subjective, a decision to combine cannot be based solely on a quantitative cost-benefit analysis. However, Raftelis estimates that a combined entity could over time at least achieve the same level of cost per customer as SSWD currently achieves. This would provide value to current CWD customers and is highly likely to provide some savings to current SSWD customers. Nevertheless, the biggest potential benefits carry the biggest number of unknowns. Integrating water resources could buttress existing water supplies and has the possibility of substantial monetization, but there are regulatory and political challenges. Integrating the staff and operations of the two entities could provide a host of benefits, but if not managed well could result in new inefficiencies and a host of staffing problems. Fundamentally, this Study concludes that there are no fatal flaws to combining the districts. Still, the districts will need to work together to get to the end point of analyses and proceed to next steps with confidence. A more detailed assessment of the operational, funding, and financing considerations of a combination will be addressed in future phases of analysis. From there a careful and deliberate process is recommended for integration.

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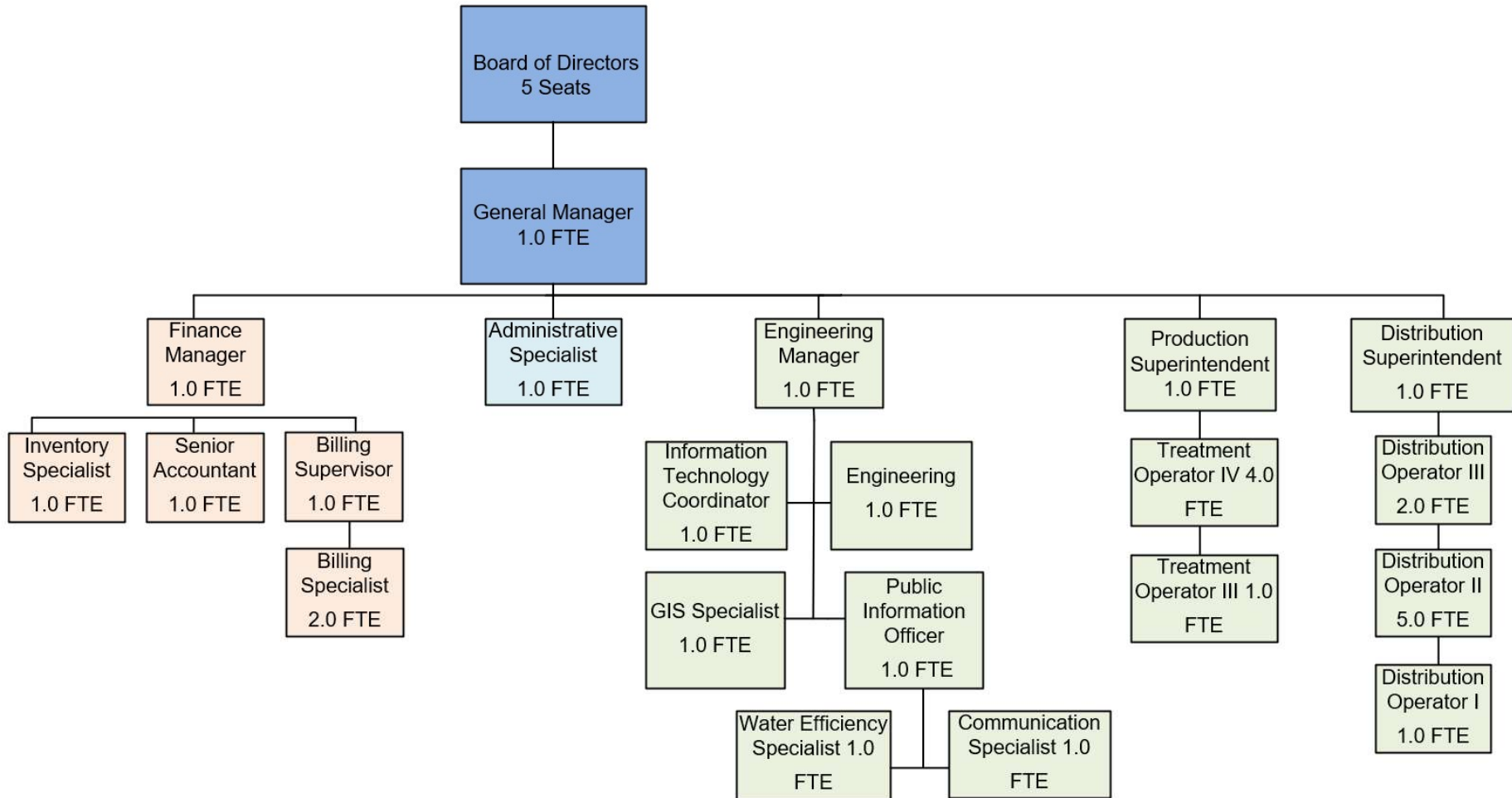
APPENDIX:

Appendix A: CWD Organizational Chart



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CWD Organizational Chart



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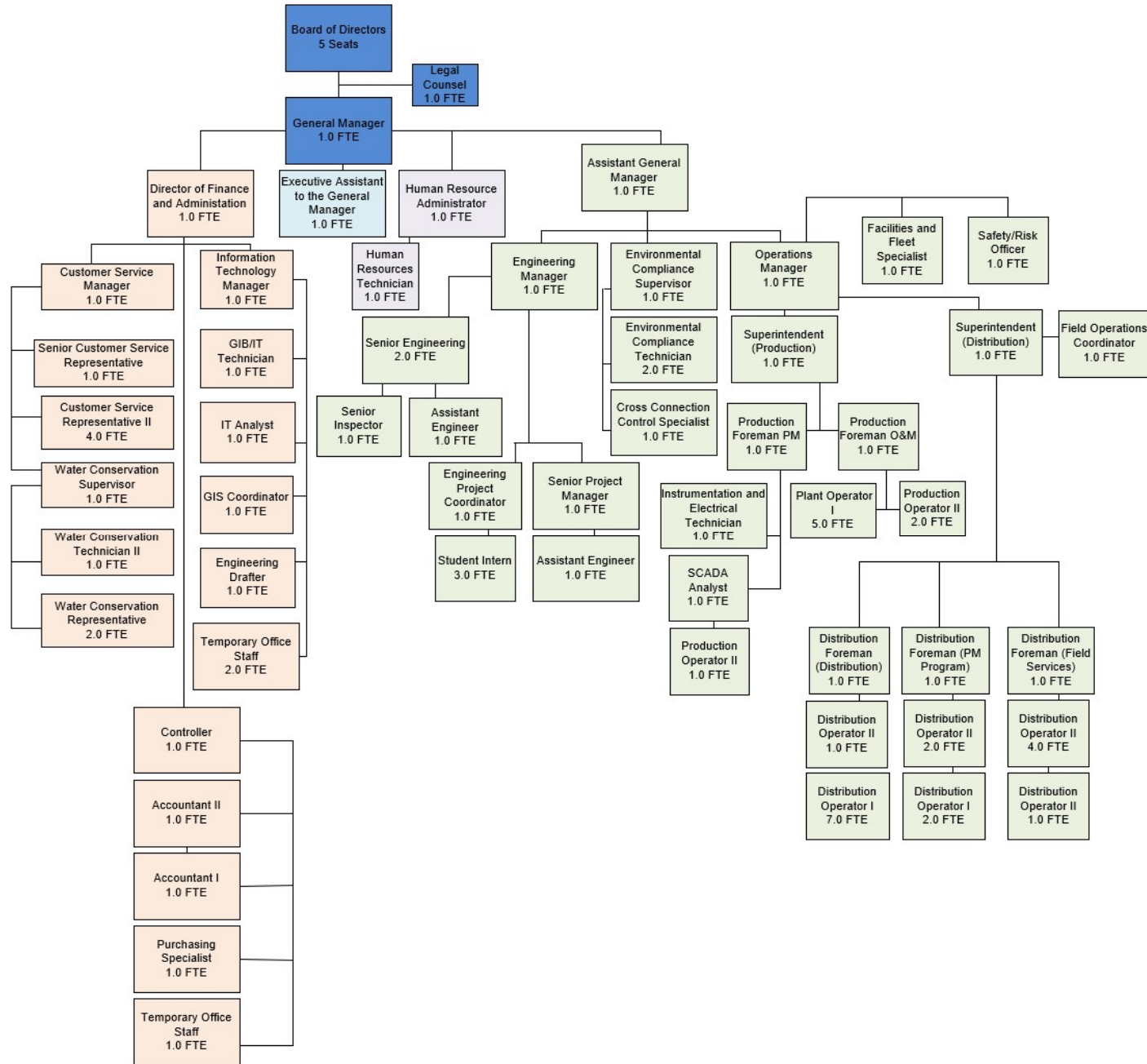
APPENDIX:

Appendix B: SSWD Organizational Chart



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SSWD Organizational Chart



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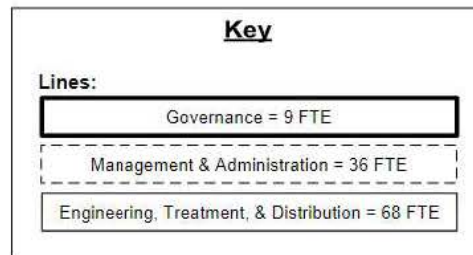
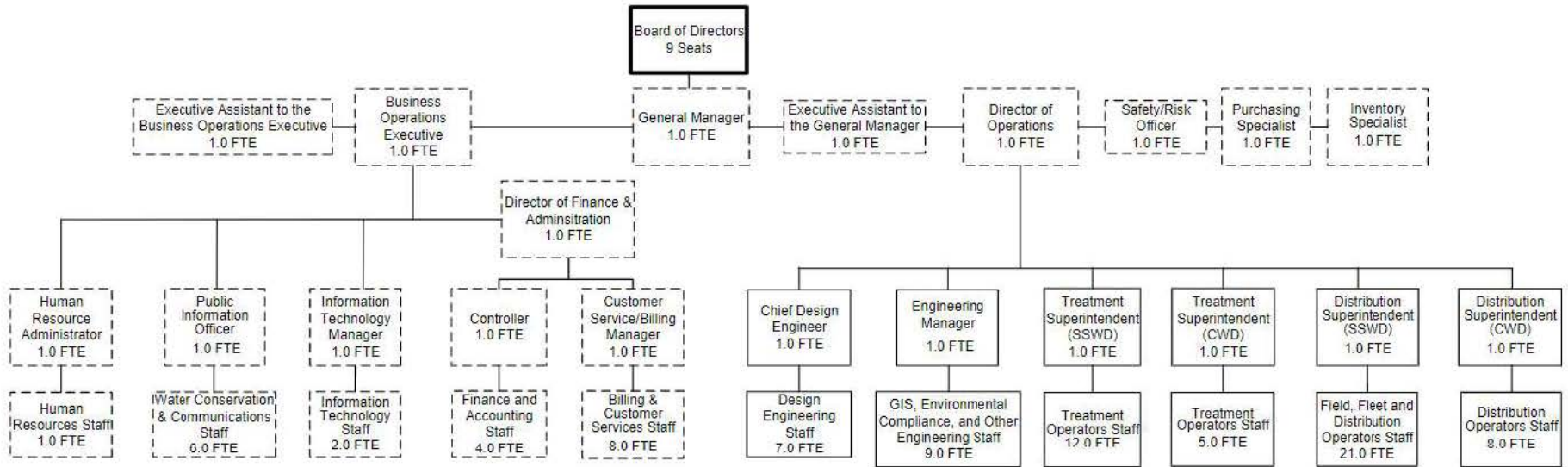
APPENDIX:

Appendix C: Example Interim Combined Organizational Chart



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Example Interim Combined CWD+SSWD Organizational Chart



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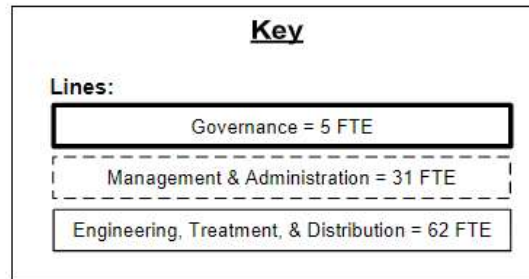
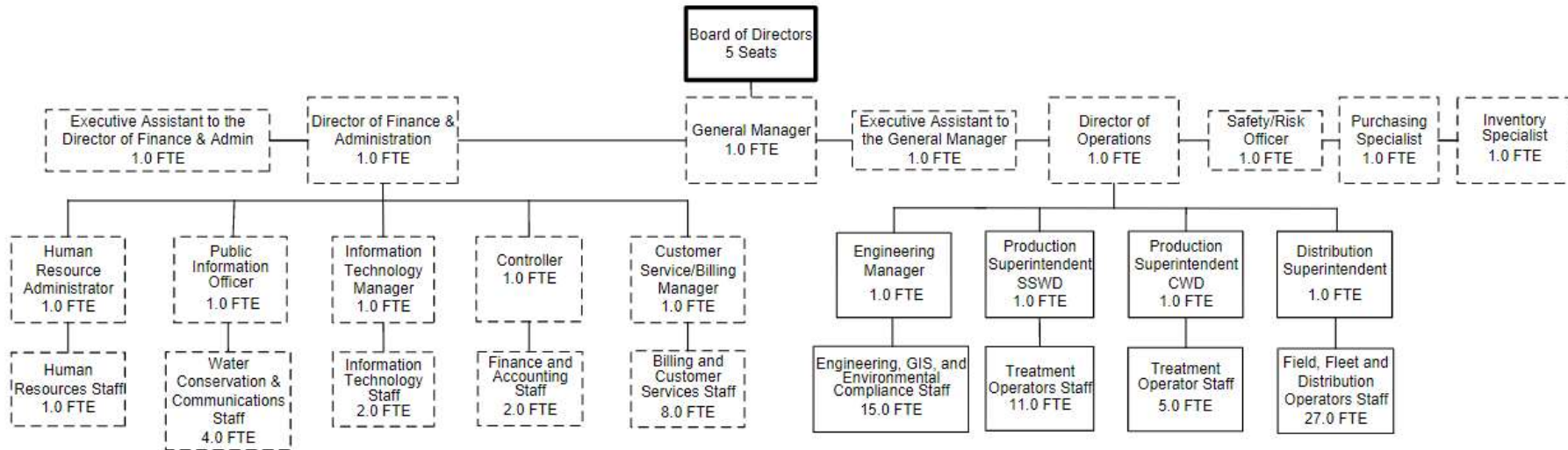
APPENDIX:

Appendix D: Example Long-Term Combined Organizational Chart



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Example Long-Term Combined CWD+SSWD Organizational Chart



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APPENDIX:

Appendix E: Position Compensation Comparison



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Position & Compensation Comparison

Position Title	Agency	Starting Salary Range	Midpoint Salary Range	High Salary Range
General Office Clerk	CWD	Min. Wage	N/A	N/A
Billing Support Trainee	CWD	Min. Wage	N/A	N/A
Billing Support 1	CWD	\$29,823	\$33,037	\$36,250
Billing Support 2	CWD	\$34,607	\$38,336	\$42,065
Public Information Assistant 1	CWD	\$34,818	\$38,570	\$42,322
Water Efficiency Specialist 1	CWD	\$36,829	\$40,797	\$44,766
Billing Specialist 1	CWD	\$40,940	\$45,351	\$49,763
Distribution Operator 1*	CWD	\$43,179	\$45,875	\$48,570
Treatment Operator 1*	CWD	\$43,179	\$45,875	\$48,570
Inventory Specialist 1	CWD	\$44,322	\$49,097	\$53,873
Public Information Assistant 2	CWD	\$44,618	\$49,426	\$54,234
Water Efficiency Specialist 2	CWD	\$47,010	\$52,075	\$57,141
Customer Service Representative I	SSWD	\$47,802	\$53,778	\$59,753
Billing Specialist 2	CWD	\$48,957	\$54,233	\$59,508
Treatment Operator 2*	CWD	\$52,534	\$55,814	\$59,094
Customer Service Representative II	SSWD	\$52,584	\$59,157	\$65,730
Distribution Operator 2*	CWD	\$51,603	\$59,755	\$67,906
Administrative Assistant I	SSWD	\$54,477	\$61,287	\$68,096
Water Conservation Technician I	SSWD	\$55,366	\$62,286	\$69,207
Inventory Specialist 2	CWD	\$56,576	\$62,672	\$68,769
Communications Specialist 1	CWD	\$57,064	\$63,212	\$69,361
Administrative Specialist 1**	CWD	\$57,589	\$63,795	\$70,000
GIS Specialist	CWD	\$58,334	\$64,620	\$70,905
Senior Customer Service Representative	SSWD	\$57,842	\$65,072	\$72,302
Distribution Operator I	SSWD	\$58,306	\$65,595	\$72,883
Production Operator I	SSWD	\$58,306	\$65,595	\$72,883
Administrative Assistant II	SSWD	\$59,925	\$67,415	\$74,906
Engineering Drafter	SSWD	\$60,221	\$67,749	\$75,276
Distribution Operator 3*	CWD	\$58,672	\$67,941	\$77,209
Water Conservation Technician II	SSWD	\$60,898	\$68,510	\$76,123
Treatment Operator 3*	CWD	\$59,695	\$69,125	\$78,555
Engineer in Training	CWD	\$65,297	\$70,444	\$75,590
Environmental Compliance Technician	SSWD	\$63,606	\$71,557	\$79,507
Distribution Operator II	SSWD	\$64,135	\$72,152	\$80,169
Facilities & Fleet Specialist	SSWD	\$64,135	\$72,152	\$80,169
Production Operator II	SSWD	\$64,135	\$72,152	\$80,169
Purchasing Specialist	SSWD	\$64,135	\$72,152	\$80,169
Information Technology Technician I	SSWD	\$64,238	\$72,268	\$80,297
Human Resources Technician	SSWD	\$65,258	\$73,415	\$81,573
Executive Assistant to the General Manager**	SSWD	\$60,616	\$73,606	\$86,595

Position Title	Agency	Starting Salary Range	Midpoint Salary Range	High Salary Range
Accountant	CWD	\$67,131	\$74,364	\$81,598
Billing Supervisor	CWD	\$62,508	\$75,232	\$87,955
Administrative Specialist 2**	CWD	\$68,284	\$75,642	\$83,000
Cross Connection Control Specialist	SSWD	\$67,340	\$75,758	\$84,175
Field Operations Coordinator	SSWD	\$67,340	\$75,758	\$84,175
Accountant I	SSWD	\$68,297	\$76,834	\$85,371
Communications Specialist 2	CWD	\$69,382	\$76,858	\$84,334
Engineering Project Coordinator	SSWD	\$70,662	\$79,494	\$88,327
Information Technology Technician II	SSWD	\$70,662	\$79,494	\$88,327
Accountant II**	SSWD	\$65,744	\$79,832	\$93,920
Treatment Operator 4*	CWD	\$69,518	\$80,500	\$91,481
Senior Inspector	SSWD	\$73,306	\$82,469	\$91,633
Senior Accountant	CWD	\$74,866	\$82,933	\$91,000
Information Technology Analyst**	SSWD	\$71,825	\$87,216	\$102,607
Instrumentation Technician	SSWD	\$77,992	\$87,741	\$97,490
Engineer, Associate	CWD	\$79,383	\$87,937	\$96,490
Foreman (Production, Distribution)	SSWD	\$82,446	\$92,751	\$103,057
Scada Analyst	SSWD	\$82,446	\$92,751	\$103,057
GIS Coordinator	SSWD	\$83,186	\$93,584	\$103,983
Water Conservation Supervisor**	SSWD	\$77,212	\$93,757	\$110,303
Information Technology Coordinator**	CWD	\$85,587	\$94,809	\$104,031
Human Resources Administrator**	SSWD	\$78,302	\$95,081	\$111,860
Assistant Engineer	SSWD	\$86,211	\$96,988	\$107,764
Public Information Officer**	CWD	\$88,059	\$97,548	\$107,037
Project Manager**	SSWD	\$82,617	\$100,321	\$118,025
Safety/Risk Officer**	SSWD	\$85,653	\$104,008	\$122,362
Distribution Superintendent**	CWD	\$94,886	\$105,110	\$115,334
Superintendent (Production, Distribution)**	SSWD	\$86,570	\$105,120	\$123,671
Associate Engineer**	SSWD	\$86,746	\$105,334	\$123,922
Environmental Compliance Supervisor**	SSWD	\$88,273	\$107,188	\$126,104
Production Superintendent**	CWD	\$97,480	\$107,984	\$118,488
Customer Services Manager**	SSWD	\$89,976	\$109,256	\$128,537
Information Technology Manager**	SSWD	\$90,707	\$110,144	\$129,581
Senior Project Manager**	SSWD	\$95,011	\$115,370	\$135,730
Controller**	SSWD	\$97,254	\$118,094	\$138,934
Engineer, Senior**	CWD	\$107,088	\$118,627	\$130,166
Senior Engineer**	SSWD	\$99,759	\$121,136	\$142,513
Operations Manager**	SSWD	\$111,135	\$134,949	\$158,764
Finance Manager**	CWD	\$122,504	\$135,704	\$148,905
Engineering Manager**	SSWD	\$113,069	\$137,298	\$161,527
Director of Finance and Administration**	SSWD	\$119,058	\$144,570	\$170,082
Engineer, Manager**	CWD	\$137,984	\$152,852	\$167,720

Position Title	Agency	Starting Salary Range	Midpoint Salary Range	High Salary Range
Assistant General Manager**	SSWD	\$133,848	\$162,530	\$191,212
General Manager**	CWD	Contract	\$187,000	Contract
General Manager**	SSWD	Contract	\$191,717	Contract

*Union employee

**Overtime exempt employee

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APPENDIX:

Appendix F: Communications Plan

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Carmichael Water District and Sacramento Suburban Water District

Combination Study Communications Plan



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Background

Sacramento Suburban Water District and Carmichael Water District Strategic Business Case Analysis for a Potential Combination

In early 2020, Sacramento Suburban Water District (SSWD) and Carmichael Water District (CWD), along with five other regional water agencies, participated in the Sacramento Regional Water Utility Collaboration Study to identify opportunities for increased collaboration. The goal of the Study was to identify opportunities for additional operational and financial efficiency, and to improve service provision to customers.

On June 21, 2021, the SSWD Board of Directors accepted the Regional Study and directed its General Manager to continue identifying collaboration opportunities with the Carmichael Water District. Both Districts desire to become more efficient in working together to minimize costs to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, and enhance their impact on state and federal policies.

A study of how the two agencies could combine began in April 2022. A comprehensive report is expected by fall 2022, which will include recommendations of how consolidation or shared services for the Districts might proceed and presents a business case analysis for combining services. If conditions appear favorable, a timeline for combination will be proposed.

This analysis of the Districts provides an opportunity to reinforce customer service and benefits, as well as mission, vision, and values of the organizations to key stakeholders—both internal and external. Getting buy-in from stakeholders will be a critical success factor during and beyond this Study if consolidation is pursued. This strategic communications strategy is intended to ensure that the right messages about the Combination Study are communicated to keep every stakeholder informed and reduce employee anxiety.

Currently, internal stakeholders have been informed along the way since 2020 with opportunities for employees to ask questions. The most frequently asked question is about impacts on the workforce. Community-wide communication about the Combination Study to external stakeholders has primarily only been through each Districts' Board meetings and the public 2x2 Ad Hoc Committee. Members of the public who tend to be more engaged and follow board agendas and meetings will have a higher awareness, but they represent a small percentage of customers and the public. The SSWD website includes an overview of the two studies, but it does not appear on the CWD website.

The release of the Combination Study Report will ignite interest in the potential merger, job security topics, workforce issues, and benefits to customers. The goal is to inform constituencies about the feasibility study process and set expectations of next steps. With state water and environment regulators and policy makers based in Sacramento, placing a story in area news outlets can reach key local, regional, and state stakeholders. Proactively informing stakeholders will help ensure that the right messages are communicated. Internally, keeping employees “in the know” and reducing employee anxiety may boost morale and help retain talent. These efforts can also help mitigate potential issues with labor. Externally, this is an opportunity to reinforce customer messaging about services and benefits, as well as restate the mission, vision, and values of both organizations to key stakeholders—both internal and external.

Planning

The enclosed strategic communications plan and messaging framework places a high priority on communicating internally and outlines a path to communicating with external audiences. Representatives at each agency are a great asset and serve as front line ambassadors—their interactions with customers build trust in their water provider every day. Engaged and informed employees perform better, experience less burnout, and stay in organizations longer.

Overarching Plan Goals

- Raise awareness and manage expectations that a feasibility study is being conducted to examine shared resources and efficiencies.
- Clearly communicate to stakeholders how and what frequency they will be kept informed about the study.
- Strengthen and formalize internal and external communications to build and improve relationships with stakeholders.
- Expand and diversify communication delivery and provide a framework for communications and outreach that enables staff from both Districts to communicate and engage effectively and efficiently.
- Position both water districts as responsible and reliable clean water service providers and caring community partners.

Success Measures

- The Districts are not receiving many inquiries now, but the true test is when the Study Report is published and released through the Boards and 2x2 Committee and added to the websites. More inquiries to customer service could be an indication of more awareness.
- Seen as a positive that an increased number of inquiries from the media is an opportunity to tell the right story and position the Districts as thought leaders in the region.
- Local community recognition and support for the value of service provided by the Districts.
- Signs of trust -- internally and externally.

Stakeholder Identification

Both water districts identified stakeholders for the purposes of this Plan as individuals, groups, organizations or political entities that have an interest in the Study and are assumed to be directly or indirectly affected by the outcome of decisions related to the Study.

- Employees of each District
- Parks Departments are a shared and interested stakeholder
- Governing bodies for each District
- Customers of each District
- Water Forum Environmental Caucus
- Regional Water Authority
- Other water and environmental advocacy organizations
- City of Sacramento
- City of Carmichael
- County Board of Supervisors
- Other local elected officials
- Regulators
- Vendors
- News Media
- LAFCO
- Business community, incl. Chamber of Commerce and Taxpayer Advocacy Groups
- HOAs
- Civic organizations

Stakeholder Mapping

On one end of the spectrum are those who are most interested and who wield the most influence over your success. At the other end are those who are not heavily engaged and have the least influence.



Communication Channels

Each District has its own outreach and communications program, generally relying on some combination of websites, bill inserts, bill messaging, conservation education, and outreach events to reach customers. The key is to communicate early and often. Each District also has internal communication channels to reach employees, governing boards and policymakers.

For this Plan, the focus is on using existing channels while supplementing with active outreach to key stakeholder audiences to inform stakeholders and engage them in attaining the goals of the Study. What follows is an inventory of available communication channels and resources for each of the participating agencies.

Carmichael Water District	Channel	Frequency/Notes
Internal	Staff, tailgate, road show meetings	Reach field and administrative staff
	Employee email & newsletters	Reach administrative staff
	Employee Bulletin Boards and Gathering Areas (break/lunch rooms)	Posters, fliers
	Employee Intranet	Official location of employee news
	New employee orientations	Transparency with staff just joining the organization
	Board & Committee meetings	Monthly
External	Active in community organizations and signature events	Neighborhood associations, civic associations, Speaker's Bureau, community events
	Newsletter	Establish a regular cadence
	Bill inserts	Monthly, limited character space, could be missed or overlooked
	Customer service counter and kiosks	Location to place fact sheets, newsletters, brochures, current events
	Direct mail	If the Study proceeds
	Social media	Nextdoor
	Website	Mirror landing page for the Study as on SSWD website;
	Business & civic groups (Carmichael Chamber, Kiwanis, etc.)	Information distribution to members and speaking engagements
	Establish e-news proactive distribution	As needed to release news and notifications
	Facility tours	Opportunity to share news of the District

Sacramento Suburban Water District	Channel	Frequency/Notes
Internal	Staff, tailgate, road show meetings	Reach field and administrative staff
	Board and Committee meetings	Monthly
	Employee bulletin boards and gathering areas (break/lunch rooms)	Posters, fliers
	Employee email	Reach administrative staff
	Employee intranet	Official location of employee news
External	New employee orientation	Transparency with staff just joining the organization
	Customer service counters, kiosks	Location to place fact sheets, newsletters, brochures, current events
	Community and industry events and forums	Tabling/exhibiting opportunity to distribute information; prep staff to answer basic questions
	Speaker's Bureau	Expand to offer presentations to civic, nonprofits, and faith based
	Newsletter	Establish a regular cadence
	Bill inserts	Monthly, limited character space and often not read or overlooked
	Direct mail	As needed, not as likely to be overlooked
	Social media	Establish 1-2 leading platforms followed by key stakeholders
	Website	Update name of the Study on "About" menu
		Business & civic groups (Carmichael Chamber, Kiwanis, etc.)
	E-news	As needed to release news and notifications
	Facility tours	Opportunity to share news of the District

Key Message Platform

A message platform provides consistency to Study communications. Simple, informative and clear messages have been developed and tailored to internal and external stakeholder audiences based on relevancy.

Spokespersons

The 2x2 Ad Hoc Committee is meeting regularly to evaluate collaboration opportunities, up to and including a potential combination of the two districts. Each District General Manager will serve as the lead spokesperson for their agency and/or an informed Board will speak as body and not individually.

Each agency understands the importance of not speaking for the other. For inquiries or speaking opportunities where one spokesperson should represent the Study there is consensus that Dan York, General Manager of Sacramento Suburban, should be the spokesperson because he is the contract administrator for the Study.

Guidelines for message development

Each agency representative will determine the most effective communication method(s) to reach specific audiences based on their respective needs and feedback provided, and tailor communication delivery appropriately.

Messages should be consistent across every communication channel (website, newsletters, presentations, meetings, etc.) When communicating changes or decisions, clearly explain the “why.”

The Study goals should be the leading focus for each District and the 2x2 Ad Hoc Committee members when communicating about the Study. Customers are a top priority and central to the strategic direction of the Study. The connection to customer service is top of mind in message development.

Message themes

The following themes help guide message development and maintain consistency as the Study moves through various phases:

1. We are experts and provide a valued service.

- A. Employees from each District work hard every day to deliver high quality, reliable water service to about 240,000 people in north Sacramento County.
- B. As water providers we work 24/7/365 to run complex water systems. With significant infrastructure improvement plans, we’re staying on top of maintenance, upgrades, and new projects needed to keep these systems running effectively and efficiently.
- C. The foresight and legacy of those who created and lead our agencies allows us to provide high quality, reliable drinking water for our customers today.

2. The CWD/SSWD Combination Study will examine the feasibility, benefits and risks of a shared path to a secure water future.

- A. The Study builds on our history and each water provider's core responsibility and mission of providing and delivering a high-quality, reliable supply of drinking water—we'll continue to focus on the importance of providing excellent water quality and maintaining our infrastructure.
- B. Our utility environment is changing, so we must find new ways to serve our region efficiently by expanding partnerships and embracing technology to improve our customers' experience.
- C. The Study considers trends in our industry and communities that affect each of our water agencies and guides us to address opportunities and challenges; like water supplies and demand, drought, pressure to keep rates affordable, and regulatory changes.

3. The CWD/SSWD Combination Study is being developed with input from employees and governing boards.

- A. The Study's 2x2 Ad Hoc Committee includes leadership and management from both participating water districts.
- B. Because the Study is designed to serve our customers, employees, and stakeholders, we intend to include their perspectives where possible through surveys, focus groups, tours, community meetings, and/or open houses.
- C. The governing boards of each water district has reviewed and formally approved our efforts to develop the Study.

4. This Study is focused on providing a sustainable approach to a secure water future for our customers.

- A. We all have something at stake when it comes to water, so we are continuing to build partnerships to ensure we have safe and reliable water to support residents, businesses, and other public agencies, such as schools and parks, in our communities.
- B. The Study partners will collaborate to find solutions for modernizing our water systems and the policies and processes that help reduce costs and encourage efficiency.
- C. Together, we have a valuable contribution to make. We know you care about your water, so we'll help you learn more about the essential service we provide.

5. Every employee plays a role in achieving our vision.

- A. Employees are our most important asset.
- B. The Study is tied directly to the success of our region and relies heavily on our employees.
- C. Every role, from field crews, operators, and engineers to customer service representatives and accountants is connected to the Study goals of efficiency, improved services, and cost savings.

6. Employee feedback and input will continue to be important as we enter into different phases of the study.

- A. Your manager and supervisor will work with you to show how your work connects to the Study.
- B. We'll connect our employees to our successes and report on how we are doing on achieving our goals.
- C. We expect you to tell your supervisor and manager how things are going and to make suggestions for improvement.

Implementation Plan

INTERNAL

Communicating to raise awareness and understanding about the Study with employees and governing bodies.

Gaining awareness, interest, and ultimately engagement among the Districts' employees and governing bodies is critical for the Combination Study to be successful. Telling the story of why the partner agencies have initiated the Study and how employees will influence and be affected by the Study is at the heart of enhancing employee engagement. Employees who understand how their work impacts the overall success of the Study are more likely to take actions to align with the Study's goals and will help move it forward.

Core principles that connect employees to the Study:

Communicate from the top down and share progress

While most employees prefer to hear job-specific tactical information from their immediate supervisor, they expect to hear organizational strategy from leadership, and especially not from a local news story. Although employee input is used to develop the Study, the strategy behind the Study comes from the senior levels of their organizations. Leadership is responsible for communicating the priorities, listening and responding to feedback, setting the tone and energizing people behind common goals.

Recognize and celebrate employee contributions

Employees will want to be recognized for their contributions to the success of the Study. Recognition can take many forms from a simple shout-out to elaborate programs with rewards and prizes. But the most important aspect is to create opportunities to acknowledge employee contributions, and opportunities for recognition among peers and a way to share examples of success as inspiration to other employees.

Internal Communication Strategies for Employees

As the Study moves forward and identify opportunities to share services, change management will become very important. In fact, the Study could risk failure if leadership is not maintaining a cadence of information sharing that keeps employees engaged, even when they are working on their day-to-day duties.

The following strategies are meant to work together to enhance internal communication efforts that may already be in place and bolster efforts to successfully anticipate and manage change by infusing additional internal communication opportunities into future phases of the Study.

Meet employees where they are

Employees are out in the community, driving vehicles, working both in teams and independently, and being responsive to the needs of customers. That means traditional communication methods like emails and handouts can get lost while prioritizing daily work. Inboxes are often flooded with email, so newsletters can get set aside for any available "me time" that comes along, which may mean they are forgotten.

To reach employees, messages should be brought to where employees spend their time. Using visual management boards in work areas or break rooms can be better for employees who are rarely on email. These boards should be specific to the people who work in this area—they can include team updates, progress toward team goals, recognition of team members and show areas that need attention.

Know your audiences

Information clutter happens when the quantity of information being sent overwhelms the employee. This can happen when there is not a single hierarchy that determines what messages go to all employees and what information is “need to know” vs. “nice to know.” For the “need to know” groups, can the message be tailored so it feels most pertinent? For the “nice to know” groups can the message be sent in a way that doesn’t clog up communication channels and distract from more important information?

Additionally, general meetings with employees about the Study should be very short. Employees need to hear about strategy from leadership, but their managers and supervisors should connect their role to the Study as needed. Develop a way to share updates on the Study at in-person/virtual meetings that is highly pertinent.

Optimize huddles

Huddles are brief touchpoints that occur for an entire team frequently—even daily. Tailgate talks or stand-up virtual meetings are examples. They are effective because they are frequent, brief, in-person (or over the phone) and to the point. They can also be used to gain quick feedback on employee understanding.

Prepare managers as messengers

Trust is important in conveying messages. Those who work most closely with teams are naturally the most trusted sources of information. Managers are often the first line of feedback and can be highly useful for leadership to hear from. Managers should be equipped with the knowledge they need and the tools and structures to communicate effectively with their team. Preparing managers does not replace the need for employees to hear directly from leadership, but it is mutually beneficial.

Communication flow – vertically and horizontally

For the Study to be successful, employees must be engaged across organizations, disciplines and departments. Information typically flows vertically, but in practice, silos prevent information from flowing horizontally.

Think beyond the written word

Use of graphics, charts, photos and video can help draw employees’ attention and make the information easier to digest. Low-cost, simple videos can engage employees in a way that will be difficult for print materials to match, and they are perfect for time-pressed employees.

Establish consistent messaging cadence

To break through information clutter, establish a consistent way that information is presented about the Study. Setting patterns for information-sharing can help keep messages clear and direct.

Communications Materials

Communications materials provide a home for messages, both overarching themes and tailored, and are delivered via the communication channels described on page 7 in this plan. For example, a brief fact sheet for the Study with visuals and infographics could simplify the narrative, separate fact from fiction, address general audience questions, and manage expectations and hearsay. Elements from the fact sheets can be repurposed for other channels to drive people to the websites to learn more.

Similar to visuals and infographics for printed documents, short videos are eye-catching and the most viewed digital content. Creating short informative videos does not require heavy production and expensive videographers. An informative, interesting 90-second video can be created with free or inexpensive software using some images and text and posted to the website and social media and linked in e-news and shared through e-mail. Smartphone video quality continues to improve and is sufficient for quick, timely video content.

The following is an outline of communication materials that would be appropriate to support the goals of the Study:

Material	Description	Stakeholders	Channels
FAQ's	Q&A that describes what the Study is, why it was initiated, and answers questions employees may have	Employees	Meetings Employee Communication
One-Page Handout	Single page that describes what the Study is and why it was initiated	All	Websites Bulletin Boards Employee Communication Employee Orientation Customer Service Counters
Monthly Study Update	Template for a one-page highlight of recent and upcoming activity	Employees Elected Governing Boards Regulators	Websites Presentations Board Updates Employee Communication
Video	Short, 3-4-minute video to recap both studies with status update. Video is more engaging; 80-95% retention rate for video messaging vs written messages.	All Employees Elected Governing Boards Regulators	Employee Communication Websites Presentations Board Updates

Material	Description	Stakeholders	Channels
Case Studies	As the Study moves into future phases and projects are developed case studies showing successes can be shared, video would be a preferred method	All	Web Site Presentations Board Updates Employee Communication
Presentation	Short, 10-15-minute presentation showing the highlights of the Study as it evolves and pulling several case studies in	Business Community Customers Elected Speaker's Bureau Regulators Water Industry Organizations	Presentation Deck PDF on the Website Video Presentation on website, social media, e-news
Infographics	Graphic representation of the process and timeline for the Study and demonstrating case studies of successes as they become available	All	Web Site Presentations E-news Employee Communications

Tactics and Timeline

The following tactics are designed help with acceptance of the Combination Study Communications Plan to achieve the goal of engaging and informing stakeholders and employees giving them the knowledge and inspiration they need to help realize the Study’s next steps.

Tactic	When	Who	Detail
Determine messaging; ensure consistency	August '22	District Staff	Archive references to the previous regional study. Consistent use of “Combination Study.” Determine look and feel for materials (design scheme, how to use logos, etc.), ensure all materials are branded consistently.
FAQs	August '22	District Staff	FAQ to describe what the Study is, purpose, goals, and timeline. Attempts to proactively answer employee, customer, and governing body questions. Committee to brainstorm initial questions, add additional questions as they’re posed. For more interest and engagement, produce a video QA using staff and GMs from both agencies.
One-page handout	August '22	District Staff	Streamlined version of the FAQ. Highlight messaging themes described in this Plan. Include high-level messaging about the Study. Use infographics, images, and color to add interest and readability.
Presentation	August '22	District Staff	Use FAQs and messaging themes to develop an introductory presentation that can be tailored/tweaked for specific audiences. Presentation should be accessible and editable by spokesperson – can be tailored to address any audience.
Presentation Schedule	Ongoing	District Staff	Use stakeholder list to start prioritizing and scheduling presentations to stakeholder groups. Prioritize elected officials, water organizations, business/civic leaders.
Regular communications check-in via 2x2 Committee and Study update template	Every Committee meeting	2x2 Committee	<p>During 2x2 Ad Hoc Committee meetings develop an agenda item that focuses on what messages should be communicated to which audiences and check-in on how communication is progressing.</p> <p>Develop a document template that can be used to share information coming from the Committee on a regular basis for key stakeholders like governing boards and employees.</p>
Employee Road Show	Sept. '22	Both Districts	<p>Tweak standard presentation to include message themes related to employees. Present same presentation at all staff meetings within each agency – if there isn’t a staff meeting for a particular group, set up a specific time to present to them.</p> <p>Include information on current/future communication channels where they can find info and ask questions.</p>
Employee Information Hub	August '22	Both Districts	Put the information somewhere where all employees can access it – preferably an intranet site but if that isn’t available – in a shared file somewhere. Establish a communication channel for employees to ask questions.

Evaluation

Success for this plan will be measured in two ways, outputs and outcomes.

Measurable Output Targets

- ✓ 2x2 Committee to read, reviewed, discuss and approve the Study communication plan.
- ✓ The strategies, tactics, and messages have been shared with all internal staff who may have responsibility to execute or use them.
- ✓ All messages and materials, including the websites and printed materials have been reviewed and updated to ensure they are applying the messages in this plan consistently.

Measurable Outcome Targets

Measuring outcome, or changed behaviors, attitudes, and level of awareness of stakeholders requires having baseline understanding of these items. While a stakeholder survey conducted before the Combination Study could have provided insights and baseline data, it's never too late to gather information and feedback. Once the Study is completed and next steps are known, a stakeholder survey is a valid tool to gain feedback and insights for communications planning moving forward. Other ways to measure change is through focus groups or informal panels, or simple but more frequent polling on social media on specific topics. In absence of a social media presence, electronic news and newsletters can be used.

Google Alerts

In addition to the customer survey, the Districts can track customer knowledge and awareness by monitoring their named and certain key words in social and traditional media. This means listening to what's being said and any other topic that's important.

Website

For website outcomes, each District can set up analytics and look for increases in the monthly web page visits and visits from key sources.

Directors Comment and Questions on Draft Raftelis Business Case for a Potential Combination

General Comments/Questions:

The following comments/questions were submitted to staff from Carmichael Water District and Sacramento Suburban Water District Directors:

1. I'm not sure that references to 'The Great Resignation' are germane to the purpose of the study. If the inference is that there is a dwindling labor supply, then that should be stated.
2. The phrase 'largely voluntary requests for customer usage reductions and penalties for repeat offenders' is repeated twice verbatim. I'm not sure that I ever voted for penalties, nor do I think that I support 'increasingly strict enforcement and penalties'
3. Did the State stop all CWD withdrawals from the American River in the summers of 2014, 2015, 2021, and 2022?
4. Probably ought to explain what the 'take or pay caveat in the agreement' means. Take or pay may not be a known term to our constituents.
5. Why is a County water district a higher level of organizational constitution than an irrigation district?
6. In terms of representation, it might be worth noting that SSWD directors are elected by divisions while CWD directors are elected by the district at large.
7. The meaning of this phrase '(note we are using the word "reorganized" very definitionally here)' is not clear to me, and is repeated in the following sentence.
8. Include acknowledgement page and staff reference/credit page with Directors, GM's, and give credit to other staff that supported the effort.
9. Add something more about better staff retention, compare with other larger agencies. We just lost 2 more people.
10. Add better bond rating/credit rating to report as a benefit of combination.
11. Explain/ add likely more opportunities to diversity, more staff redundancy and better succession planning, diversity, equity, and including (DEI).
12. LAFCO will want to know the level of service (LOS) will not go down and we will increase reliability.
13. What about fluoridation? I thought SSWD was going to stop fluoridation when the condition of their grant was up? Should be addressed in report.
14. How often does SSWD get water from City of Sacramento, American River?
15. Add an acknowledgment page with consultant and agency staff identified.
16. I am glad to see a transmittal letter.
17. All figures and tables need to be called out in the text. Check entire document.
18. Double space between some sentences and not others. Be consistent.

The following comments/questions were provided in the draft report by Carmichael Water District and Sacramento Suburban Water District Directors:

Contents

1. Add an acknowledgement page with consultant and agency staff identified. (**Addressed by consultant**)
2. Add an abbreviations list. (**Funding not available to make suggested changes**)
3. Add a reference list. (**Funding not available to make suggested changes**)

Tables

1. I don't agree with skipping Table 1. (**Addressed by consultant**)

Figures

1. I don't agree with skipping Figure 1. (**Addressed by consultant**)

Executive Summary

1. What evidence is there to suggest that “The Great Resignation” has had an effect upon the reduction of resources, presumably in the labor market? (**Intended to be addressed in future analysis**)
2. What has been the sustained overall financial benefit seen by the Northridge/Arden-Arcade merger? (**Intended to be addressed in future analysis**)
3. On the “Pro” side of combining organizations, are there other scale efficiencies besides the most apparent ones of operations and management that may be realized? (**Intended to be addressed in future analysis**)
4. In combining just essential operational systems, such as CMMS, GIS, CIS and others, what are the benefits, including cost potential cost reductions, due to scale efficiencies to be realized? (**Intended to be addressed in future analysis**)
5. Executive summary should be shorter. Remove some unnecessary language. (**Addressed by consultant**)
6. I don't know if I would say that the PCWA and City water is imported. It comes from the same river and watershed. Imported water typically is understood to be from another watershed. I would call it purchased water. (**Addressed by consultant**)
7. The section that reads, “Higher levels of customer service are possible by combining resources, allowing more specialization of staff, greater levels of scale efficiency, and

perhaps new or expanded services.” Comment: Explain how this benefits the customers.
(Intended to be addressed in future analysis)

8. The section that reads, “The end results are essentially the same: one agency assumes the rights, responsibilities, assets, and liabilities from others.” Comment: Or a new agency also, right? **(Intended to be addressed in future analysis)**
9. Delete: There are several quirks to this process. Comment: Not needed as an ES
(Addressed by consultant)
10. The section that reads: “This approach is least disruptive for both internal and external stakeholders. It allows the leadership of the combined entity to integrate operations carefully and deliberately. Conceptual (only) organizational charts are provided to show a theoretical view of how the organizations may be integrated in the interim and long term periods.” Comment: Should mention that there are other options including:
 1. contract operations for part of the operations.
 2. selling the systems to a private water utility.**(Intended to be addressed in future analysis)**
11. The section that reads, “There would be costs and a considerable amount of staff time involved in the interim period.” Comment: Why? More than current staffing level at both entities? **(Intended to be addressed in future analysis)**
13. The section that reads, “Raftelis estimated that a combined entity could at least achieve the same level of cost per cost as SSWD currently achieves, which is nearly double that of CWD currently.” Comment: Explain what is nearly double. Confusing, explain better. (Could Raftelis briefly expand on this sentence? **(Addressed by consultant)**)
14. The section that reads, “In the prior regional study of collaboration opportunities in the Sacramento area conducted with CWD, SSWD, and others, repeatable avoided cost ranges on the order of 8-20% relative to uncombined organizations were noted for utility consolidations. Such levels again appear achievable between CWD and SSWD if the aforementioned 20-30% lower costs at SSWD are spread across normalized retail services. A key unknown variable is the monetization of water supplies, which could further drive economic benefits in this case.” Comments: Which one is this? Show clear reference. What are these? need (better) explanation. **(Intended to be addressed in future analysis)**
15. In the section that reads, “In the prior regional study of collaboration...” Comment: Which one is this? Show clear reference. **(Addressed by consultant)**
16. The section that reads, “However, this analysis is limited to the line items noted below that are immediately relevant to the combination effort, but does not account for worker productivity gains attributable to increased specialization, systems optimization, and the ability of the combined larger ratepayer base to bring down costs per unit and drive additional efficiencies.” Comment: will there be a master plan/guide to follow or management key to optimization? **(Intended to be addressed in future analysis)**
17. Table ES 1: Some of these 10-year values look wrong. See comments in the report.
(Addressed by consultant)

18. The section that reads, “Customer communication will be a key consideration and should be initiated early in the process. Communication considerations are referenced.”

Comment: Verify that this ES adequately summarizes every section of the report. I typically write a summary paragraph for each section of the report. Seems out of place in ES. **(Addressed by consultant)**

1. Introduction

1. Would like a bigger picture of how many water districts there are in region + the varying sizes. Add text in section 1.1 to explain on this. **(Intend to address in future analysis)**
2. 1.1 I find it redundant to say the final report of the study. It is the Study, period. **(Addressed by consultant)**
3. 1. Figure 2. I suggest highlighting the two districts. Call out in text. Skipped Figure 1 in the numbering. **(Funding not available to make suggested changes)**
4. 1.1 The potential effects, however, are more severe, and include but are not limited to stricter mandatory source and customer restrictions on water usage along with increasingly strict enforcement and penalties... Comment: I find this part garbled. Seems odd to say "mandatory source...restrictions on water usage" as this says. There are diversion curtailments. **(Addressed by consultant)**
5. 1.1 population loss, and limitations on economic activity... Comment: I don't agree that there is or will be population loss and limitations on economic activity. **(Intended to be addressed in future analysis)**
6. 1.1 and variety of CWD's water rights... Comment: Only CWD has water rights. Not SSWD. **(Addressed by consultant)**
7. 1.3 Define LAFCo **(Addressed by consultant)**
8. 1.3 As neutral evaluators and advisors, our goal is to identify solutions for the agencies that help achieve their objectives of providing high quality and reliable water service that balances sustainability and affordability for customers, and is in-line with applicable laws. Comment: I don't typically write about the consultant's goal. (Can be addressed in future analysis) Comment: Be careful about describing the agencies' objectives in addition to the Section 1.2 Purpose of Study. I suggest keeping the objectives consolidated in Section 1.2. **(Intended to be addressed in future analysis)**
9. 1.3 Raftelis worked to follow the data wherever it took us. Comment: Did it take you out of scope?
10. 1.3 We recognize that there are staff, Board, and community members at each agency that are likely to be initially either in favor of or against the idea of a potential combination, and as such we have taken great care to be objective in this analysis. Comment: I don't agree with this explanation why care has been taken to be objective. Would you not be objective if all members were all in favor or not? **(Intended to be addressed in future analysis)**

11. 1.3 We have attempted to highlight the opportunities and challenges of a potential combination, while acknowledging that such an endeavor is a complex exercise, and particularly so in a water stressed region governed by western water laws and in an era of political polarization. Comments: There are also CA laws such as SGMA, Delta, water use objectives. **(Addressed by consultant)** Comment: I think that locally the reverse is true. The local politics have never been better to explore collaboration. **(Intended to be addressed in future analysis)**

2. Utility Overviews

1. Overviews (See 2.1 & 2.2) are not consistent. **(The overviews were developed by each agency for the Regional Collaboration Study)**
2. 2.1.1 The two system descriptions are not consistently written. **(The overviews were developed by each agency for the Regional Collaboration Study)**
3. 2.1.1 American River water is treated at a micro filtration plant that CWD invested significantly in recently. Comment: What is meant by recently? **(Addressed by consultant)**
4. 2.1.1 CWD is fortunate to have access to supply from groundwater wells... Comment: But CWD does not have max day demand well capacity. **(Addressed by consultant)**
5. 2.1.1 CWD maintains nearly 160 miles of pipe and supplies an average of just under 3,000 million gallons of water annually to its customers... Comment: Odd units for annual demand. I use acre feet. Is this value water sales or production. **(Addressed by consultant)**
6. 2.1.1 while producing over 4,600 million gallons in total in 2021... Comment: Explain the 1,600 MG gaps. Looks like a large system loss. **(Addressed by consultant)**
7. 2.1.1 . CWD is 100% metered with a mix of mechanical and digital Neptune AMR (truck-read) flow meters. Comment: Why is it relevant to describe meter status and type? **(Addressed by consultant)**
8. 2.1.2 What is the evidence that customers are “reportedly happy” with CWD [water] quality and services? **(The comments were developed by CWD for the Regional Collaboration Study)**
9. 2.1.2 What are the indicators that CWD staff will want assurances in implementation of combination, and what would be those assurances? **(Intended to be addressed in future analysis)**
10. 2.1.2 Despite the predominantly residential customer base in CWD’s service area, they have benefitted from revenue provided by an award-winning collaborative supply agreement involving remediated groundwater from an industrial site (Aerojet Rocketdyne) and a private water supplier (Golden State Water Company). Comment: Who is they? I don't understand why you say they have benefitted "despite". What if they were not predominate? Wouldn't they still benefit? **(Addressed by consultant)**

11. 2.1.2 As a result of their dual surface and groundwater supply, award-winning public-private-partnership supply agreement, and their position relative to peers, CWD has the potential to be an important voice for the benefits of collaboration, while maintaining appropriate independence. Comment: Who said this? Seems like not a general view by CWD. **(The comments were developed by CWD for the Regional Collaboration Study)**
12. 2.2.1 System Description. Comment: Describe the fluoridation in the SSA. **(Intended to be addressed in future analysis)**
13. 2.2.1 SSWD continues to make investments in several areas including infrastructure replacement and a conjunctive use program. Comment: This is odd to start a system description with a description of the current investment. **(The comments were developed by SSWD for the Regional Collaboration Study)**
14. 2.2.1 SSWD is reliant on groundwater, but has contractual surface water rights to 26,064 acre-feet per year of surface water from the City of Sacramento water entitlement; and a contract to purchase up to 29,000 acre-feet of surface water per year from Placer County Water Authority (PCWA), with a 8,000 acre-feet take or pay caveat in the agreement. Comments: Is there such a water right term? Main point is that SSWD has no surface water rights. Might want to point out that the City water is rarely available and the full contract amount may never be delivered. **(Addressed by consultant)**
15. 2.2.1 Since 2005, SSWD has replaced approximately 100 miles of its distribution system at a cost of approximately \$110 million. Comment: Why is this main replacement relevant to the system description? Why are the investments in replacing and rehabbing their wells not important? **(The comments were developed by SSWD for the Regional Collaboration Study)**
16. 2.2.1 SSWD works to invest in technologies that enhance operational efficiency. The District is approximately 99.6% metered; and is on schedule to be 100% metered by the end of 2022. SSWD has installed Advanced Metering Infrastructure (AMI) meters that can be read remotely for all customers. SSWD's Computerized Maintenance Management System (CMMS) is CityWorks. In 2007, SSWD chose to fully implement the CMMS system by placing a computer in each District vehicle. Comment: I don't understand why this is metering information is important enough to describe in a section that is supposed to describe the water system. Explain to the reader. **(The comments were developed by SSWD for the Regional Collaboration Study)**
17. 2.2.2 Define "For example, SSWD is interested in exploring opportunities for new shared FTE" **(Addressed by consultant)**
18. 2.2.2 Engaged in an effort and Multi-agency study. Comment: Add both to reference list.
19. Overviews (See 2.1 & 2.2) are not consistent. **(The comments were developed individually by both CWD and SSWD for the Regional Collaboration Study)**

3. Organizational Assessment

1. Why future tense? **(Addressed by consultant)**
2. **3.1.1** This Study will be constructive to further building regional momentum for collaboration, as it provides an opportunity to carefully consider the practical realities of an integration between two agencies that may serve as an example to the complex regional web of stakeholders. Comment: Seems out of place under the history subsection. Shouldn't this be under the purpose section? **(Addressed by consultant)**
3. **3.1.1** Regional collaboration, including combination, is more challenging to examine deeply all at once than it is between just two agencies. Comment: This makes it seem that someone mentioned looking at regional collaboration. Why have this under history? **(Addressed by consultant)**
4. **3.1.2** Comment: I thought it is definite that the Board be restructured **(Addressed by consultant)**. I don't see the link between Board actions to combine and the need to restructure the Board. I see them as independent activities, not linked. **(Intended to be addressed in future analysis)**
5. **3.1.2** The local LAFCo agency can help with this transition, as it has the power to create a transition plan... Comment: Will LAFCO create this plan? **(Intended to be addressed in future analysis)**
6. **3.1.2** Map does not show CWD directors. **(Funding not available to make suggested changes. Will be addressed in future analysis)**
7. **3.1.2** Figure 3 comment: Could show the directors like the SSWD map. **(Funding not available to make suggested changes. Will be addressed in future analysis)**
8. **3.1.3** The State Water Resources Control Board, Division of Drinking Water... Comment: Seems odd to start talking about SWRCB to start a section about LAFCO. **(Addressed by consultant)**
9. **3.1.3** In a consolidation, all agencies are dissolved and a new one is created in their place with a service area that encompasses the previous districts' service areas. The new agency is the successor entity. This was the approach taken when SSWD was created following the dissolution of the Arcade and Northridge Water Districts. The process initiates when both agencies file for consolidation. In a reorganization, one or more districts are dissolved and one agency annexes all or a portion of their former service areas. An existing agency is the successor entity. The process initiates when one or more districts applies to dissolve, and the remaining district applies to annex the service area of the dissolved district(s). Comment: This paragraph is somewhat redundant to Section 3.1.3.1. I suggest consolidating. **(Intended to be addressed in future analysis)**
10. **3.1.3** In addition, this section says that the reorganization could be ordered without an election unless the conditions under GC §57081(b) are met. Comments: What happens with a reorganization? Who can order it? **(Intended to be addressed in future analysis)**

11. 3.1.3 There are some nuances. General elections are not automatic under this process; however, landowners and registered voters can potentially force one. Comment: But what if ordered without an election? **(Intended to be addressed in future analysis)**
12. 3.1.3 As part of this study, Raftelis developed customer engagement guidance for CWD and SSWD, which is included as Appendix F and touched on briefly in Section 6. It will be important for both organizations to communicate regularly about the combination process and potential options being considered. Developing resources like a fact sheet, infographics, or short videos, which can be used in different communications channels can help proactively address potential questions and drive people to learn more. Holding in-person or virtual open houses can be a good method to humanize the agencies and provide an opportunity for stakeholders to learn more about the process in a relaxed setting. Comment: This paragraph seems out of place in LAFCO section. Please explain to reader how it fits. **(Addressed by consultant)**
13. Section 3.7 – combination will result in a more diversified water supply. Add this to section 4.3 as well.
14. Table 23 has many errors or is confusing at best.
15. 3.1.3.1 Reorg – Is the scenario different if SSWD were to be dissolved and CWD to annex SSWD? I suggest giving the specific section numbers. What about reorganization? **(Addressed by consultant)** Are you sure this should be under the LAFCO section? No election required, right? **(Intended to be addressed in future analysis)**
16. 3.1.3.1 To initiate the process, the Districts will need to submit resolutions of application to LAFCo which should include: the actions requests from LAFCo. Comment: When would this be provided? **(Intended to be addressed in future analysis)**
17. 3.1.3.1 An election to approve consolidation would be necessary if between 25-50% of registered voters or owners by land value object to the change. Comment: But no election for reorganization, right? **(Intended to be addressed in future analysis)**
18. 3.1.3.1 Under either Reorganization or Consolidation CWD and SSWD may wish to work with LAFCo to create a temporary, larger Board with the desired number of members. This option allows all but one of the current CWD and SSWD Board of Directors members to remain involved and roll off of the governance body as terms expire. Comment: Already stated earlier. **(Addressed by consultant)**
19. Very unusual to have only one subsection. It indicates that there is no need to break a part 3.1.3, or you need to add a second subsection with the earlier material. **(Addressed by consultant)**
20. 3.1.4 regular coordination of conservation actions through Sacramento Groundwater Authority... Comment: SGA does not coordinate conservation actions. **(Addressed by consultant)**
21. Consolidation – Does SSWD currently receive and special tax or benefit assessment? **(Intended to be addressed in future analysis)**
22. Figures 5 & 6 – Could these figures be presented as a stacked bar graph by general employee grouping: administrative, management, production, distribution? **(Funding not available to make the suggested changes)**

23. 3.3.1 Labor - How many current SSWD Classic members hired before 1/1/2003 are there? **(Intended to be addressed in future analysis)**
24. Does CWD offer any “personal holidays” and how many? **(Intended to be addressed in future analysis)**
25. 3.3.1 SSWD employees are not represented by a union, and this presents a wrinkle that must be carefully considered. Comment: How big of a hurdle is the labor union? Could that lead to a grievance or block? **(Intended to be addressed in future analysis)**
26. 3.3.2 CWD employees also benefit from the advocacy of their Union in salary negotiations. Comment: Is this definitely true? **(Addressed by consultant)**
27. 3.3.3 Table 2 comment: Should admin time benefit be included in table? **(Funding not available to make the suggested changes. Can be addressed in future analysis)**
28. 3.4.1 SSWD does not have any staff that employ collective bargaining. Comment: Already described.
29. 3.4.3 Challenges, 4th bullet. Comment: This does not seem to be a challenge. **(Intended to be addressed in future analysis)**
30. 3.5.2 What is the basis to state that employees responsible for more roles are not able to focus work effort resulting in possible less proficiency? **(Intended to be addressed in future analysis)**
31. 3.5.2 At the end of the day, staff at utilities are always busy since there is more work than staff. Comment: This seems like a bold conclusion. How do you know the Districts are understaffed? **(Addressed by consultant)**
32. 3.5.3 Comment: Need to add into text before starting bullets. **(Addressed by consultant)**
33. 3.5.3 Challenges - How can the difficulty on the integration of CMMS and GIS procedures be best characterized? **(Intended to be addressed in future analysis)**
34. 3.6.2 Opportunities comment: A new Role? Need intro text before starting bullets. Add benefit of increased staff retention in larger organization. **(Addressed by consultant)**
35. 3.6.3 Challenges Comment: Add into text before starting bullets. **(Addressed by consultant)**
36. 3.6.3 Differences in infrastructure between the systems may also limit opportunities for joint purchasing of materials and supplies or equipment where it is not practical to align them over time based assets lifecycles and the needs of each service area. Comment: who and how to determine? **(Intended to be addressed in future analysis)**
37. 3.6.3 CWD collective bargaining will be challenging to navigate under any combined organization. Under a reorganization where CWD merged into SSWD, the union contract may be voided as it would through a consolidation where both Districts initially dissolve. However, under any scenario field operations staff would have the opportunity to organize as is the case at any District currently. Comment: Explain how difficult **(This is intended to be addressed in future analysis)**
38. 3.7 Water Production Operations. Comment: combination will result in a more diversified water supply. Add this to section 4.3 as well.
39. 3.7.1 Define MGD **(Addressed by consultant)**
40. 3.7.2 Comment: Need to add into text before starting bullets. **(Addressed by consultant)**

41. 3.7.2 First bullet: Comment: I do not agree with this reason for not having these roles filled. We could have these positions. **(Intended to be addressed in future analysis)**
42. 3.7.2 First Bullet Comment: I am not clear on what this opportunity is. **(Intended to be addressed in future analysis)**
43. 3.7.2 Last Bullet Comment: Why is this a bullet under opportunities? **(Addressed by consultant)**
44. 3.7.3 Challenges Comment: Add intro text. **(Addressed by consultant)**
45. 3.7.3 Third Bullet Comment: What other divisions are you talking about? **(Addressed by consultant)**
46. 3.7.3 Challenges – What are the primary challenges found between CWD and SSWD distribution infrastructures that limit opportunities for joint purchasing? **(Intended to be addressed in future analysis)**
47. Was there any key impediment found in review of the Union MOU that would prohibit a “functional” integration of distribution operations as a single combined service area? **(Intended to be addressed in future analysis)**
48. 3.7.1 Utility Comparison - Should “[environmental] compliance and cross-contamination” be discussed as a distribution activity rather than a production activity, or should they be split? **(Intended to be addressed in future analysis)**
49. What is the characterization, including costs, of SSWD production activities and staffing? Could it include the operation and maintenance of wells performed by the sole contractor? **(Intended to be addressed in future analysis)**
50. 3.7.2 Opportunities – Is there anything that would prevent cross training and cross-operations of SSWD and CWD staffs in production roles? **(Intended to be addressed in future analysis)**

4. Water Resources

1. 4. Water Resources Comment: This section provides information on the surface water rights that is also in the UWMP and master plans. While this is useful background information, it would be helpful to provide more guidance on how this pertains to combination or the no action alternatives. Not much is said about groundwater. Are there issues with SGA, SGMA, and safe yield of the aquifer, plus groundwater quality issues? **(Intended to be addressed in future analysis)**
2. 4.1.1 First sentence comment: Would changing the ownership of these water rights to a new entity present any challenges? **(Intended to be addressed in future analysis)**
3. 4.1.1 define cfs and AFA. **(Funding not available to make suggested changes)**
4. 4.1.1 The availability of CWD’s water rights also have place of use... Comment: Can the POU’s follow the District boundaries automatically if they expand? **(Intended to be addressed in future analysis)**
5. 4.1.1 License 1387: “4,500 acres comprising the service area of Carmichael Irrigation District as shown on map filed with the State Water Rights Board on December 21

,1964.” License 8731 and Permit 7356: “...a net area of 4,500 acres within an area of 4,950 acres comprising the service area of Carmichael Irrigation District as shown on map filed with State Water Resources Control Board on January 19, 1968.” Comment: How does the merge protect or effect Carmichael’s water rights? **(Intended to be addressed in future analysis)**

6. 4.1.1.1 The denied petition for extension for Permit 7356 renders the total water available under the Permit uncertain. Despite the 2009 Order, CWD continues to use and file reports demonstrating water use under Permit 7356, but the Order denying the Permit extension indicates that water under this Permit was not used at the time the Order was issued. Comment: Is this accurate? **(Addressed by consultant)**
7. 4.1.1.1 CWD has access, via a short term annual purchase agreement, to 300 ac-ft. Comment: What is the basis of this amount? **(Addressed by consultant)**
8. 4.1.1.2 Aerojet Water Comment: Note that this supply is temporary and will cease someday. **(Addressed by consultant)**
9. 4.1.1.2 CWD’s existing intake facilities have captured excess discharge from upstream Aerojet treatment facilities and CWD has attempted exchanges with other GET water diverters like Sacramento County Water Agency (SCWA) and Golden State Water Company (GSWC). Comment: State if they were successful or not. **(Addressed by consultant)**
10. 4.1.1.2 Specifically, under Process Memo 97-005, CWD may use an “extremely impaired water source” for direct potable uses so long as the water asset is treated to specific levels per the State Board’s requirements. Comment: Is this the same as the SWRCB? **(Addressed by consultant)**
11. 4.1.1.3 First Sentence Comment: State is successful or not. And GSWC has pre-1914 and groundwater. Was the attempt to access all of these sources? **(Addressed by consultant)**
12. 4.1.1.4 The City of Sacramento has several water assets that can be used within Area D comment: How many AF? **(Addressed by consultant)**
13. 4.1.1.4 These water assets include the City’s surface water rights, including water rights linked to the Sacramento Municipal Utility District system operations in the upper American River watershed, and the City’s water assets derived from the Sacramento River. Comment: Not the American River? Note that the City does not have the infrastructure to convey water from the Sacramento River to Area D in SSWD and CWD. **(The City of Sacramento has the infrastructure to convey water from the Sacramento River to SSWD)**
14. 4.1.2 Table 4 comment: Do we need a table of the wells? It is not provided in the system description section and not provided for CWD. **(Funding not available to make suggested changes)**
15. 4.1.3 Would changing the ownership of these water contracts to a new entity present any challenges? Can the POU of these contracts be extended to CWD territory? **(Intended to be addressed in future analysis)**
16. 4.1.3.1 The availability of the City’s water supplies have been re-examined since SSWD developed its 2020 Urban Water Management Plan and SSWD has additional

opportunities to derive surface water supplies from both the American River and Sacramento River systems from the City's water asset portfolio that were not contemplated at that time. Comments: Reexamined in this study or another study? How would it be conveyed? No infrastructure unless the pump back alternative is built.

(Intended to be addressed in future analysis)

17. 4.1.3.1 The 2004 Agreement also anticipates the City delivering water to SSWD derived from its Sacramento River diversion facilities. Comments: I don't think there is infrastructure to do this. **(Intended to be addressed in future analysis)**
18. 4.1.3.1 City of Sacramento Contract – What, if any other than the Hodge Flow decision, restrictions exist for the procurement and delivery of the 26K AF? **(Intended to be addressed in future analysis)**
19. 4.1.3.3 PCWA Contract – Is SSWD obligated to pay under this contract even if there is no delivery due to circumstance other than normal and above-normal water years? **(Intended to be addressed in future analysis)**
20. 4.1.3.4 SJWD and SSWD – could CWD divert SSWD water under this contract and deliver it to SSWD? **(Intended to be addressed in future analysis)**
21. 4.1.3.4 Define AF
22. 4.1.3.5 CVP Section 215 Water – is CWD in within the Bureau of Reclamation's place of use? **(Intended to be addressed in future analysis)**
23. 4.2.1 Reference "Raftelis report in 2021". **(Addressed by consultant)**
24. Section 4.2.2 – So what is the implication for this combination? **(Intended to be addressed in future analysis)**
25. 4.3.1 CWD does not have any reservoirs and only captures the natural flow of the American River in delivering water supplies into its service area. Thus, capturing additional natural flows that CWD otherwise does not already divert may be construed as injury to other legal users and the environment. Comment: Shouldn't this be in another section about conservation savings? **(Intended to be addressed in future analysis)**
26. 4.3.1 PCWA undertook this place of use expansion in order to include portions of SSWD's service area under their Permits 13856 and 13858. The State Board's petition and hearing process took over five years and was considerably expensive, approximating \$5 million in transaction costs. Nevertheless, PCWA was able to secure an expanded place of use to include SSWD's service area. This expanded use of water was not deemed injurious to other legal users because PCWA would only deliver supplies that it had already captured in its American River reservoirs. CWD does not have any reservoirs and only captures the natural flow of the American River in delivering water supplies into its service area. Thus, capturing additional natural flows that CWD otherwise does not already divert may be construed as injury to other legal users and the environment. Nevertheless, in a successful place of use change petition, both CWD and SSWD would be able to divert and treat water in wetter periods to optimize Bajamont Water Treatment Plant's spare capacity and store the water via ASR operations. Comment: This paragraph is confusing. Need to tell the reader why and how this PCWA effort needs to be

explained and how it pertains to CWD's water rights opportunities. **(This section should remain, it is SSWD's North Service Area water that could benefit CWD)**

27. 4.3.1 However, a change petition that affirmatively demonstrated that CWD had historically been diverting and using the water that is the subject of the petition may have a better chance of success. Comment: Why "however"? To what? Not clear to me which water this is. **(Addressed by consultant)**
28. 4.3.1 As such, there may be opportunity to expand the place of use related to CWD's conserved water for use in SSWD's service area through a State Board process, but the process would be prolonged and expensive. Comment: How and what is the expense? **(Intended to be addressed in future analysis)**
29. 4.3.1 CWD could also utilize a temporary change petition process to potentially deliver conserved water or water derived from a groundwater substitution process into SSWD's service area. Comment: Change in what? The POU? **(Intended to be addressed in future analysis)**
30. 4.3.2 The four Permit supplies derived from the American River watershed could be made available by adding a point of diversion to these rights.... Comment: City declined this, right? **(Addressed by consultant)**
31. 4.3.2 Last, SSWD could deliver the City's Permit 992 and Pre-1914 appropriative water right into CWD's service area that lies within "the City of Sacramento". Comment: CWD does not lie within the City, but we are in Area D. **(Addressed by consultant)**
32. 4.3.3 Would require additional engineering analysis beyond the scope of this report. Comment: But this is not needed for this combination study, so why say this?
33. 4.3.3 SSWD' Water Contract – An "elephant in the room" is the contract SSWD has in fluoridation of it water, which may be discussed in another section but not encountered by this review. What are contract terms for the treatment and delivery of this water, and are there restrictions on any inter-agency transfer? **(Intended to be addressed in future analysis)**
34. 4.4 First sentence. Comment: Aren't we already doing this? **(Addressed by consultant)**
35. 4.4 The predicted conditions indicate that surface water supplies will be less available. Comment: Mainly in dry years and summer months, right? **(Addressed by consultant)**
36. 4.4 CWD and SSWD should primarily focus the surface water combination actions on surface supply reliability under dry conditions in the American River watershed. Comment: What are these primary actions? I suggest that they be highlighted. **(Intended to be addressed in future analysis)**
37. 4.4.1 contract is opened a temporary annual measure... Comment: Garbled text or I do not understand. **(Addressed by consultant)**
38. 4.4.4 GSWC Aerojet Supplies comment: Point out this is a temporary supply. **(Addressed by consultant)**
39. 4.4.4 Last paragraph comment: More detail needed on this assumption. **(Addressed by consultant)**
40. 4.4.4 Last paragraph comment: Other items: Describe how water supplies need to be considered for tis combination study. Are there challenges and opportunities that differ

from the no action alternative? Mention the opportunities with the Ancil Hoffman diversion. **(Intended to be addressed in future analysis)**

41. 4.4.4 GSWC Aerojet Facilities – Is there a breakdown table of water sale/transfer activities monetized to best-case, worst-case scenarios? **(Intended to be addressed in future analysis)**

5. Finances

1. 5. As is the case now, municipal governments would not funnel water revenues away from the agency except where they provide any specific services to the District, and no property tax revenues would be routed to the agency. Comment: I don't think they can. Can they? **(Addressed by consultant)**
2. 5.1 Beginning Calendar Year 2021, CWD also implemented a 9.5% rate increase per year with a majority portion of the rate increase revenue funding a reserve for the eventual replacement of Bajamont Water Treatment Plant's microfiltration system. Comment: Is this increase in annual revenue or increase in unit cost of water? **(Addressed by consultant)**
3. 5.3 Normalized Expenditures - Table 8 – Does this chart include the \$1.4M temporary Aerojet capacity sales income? Is "Total Capital" the sum of CIP projects and Debt Service? **(Addressed by consultant)**
4. 5.3 There is a generally similar allocation of resources in all categories. Comment: Don't understand. **(Addressed by consultant)**
5. 5.3 This is noteworthy because it highlights that among retail customers. Comment: Aren't all customer retail? **(Addressed by consultant)**
6. 5.3 This is noteworthy because it highlights that among retail customers, it is on other operational aspects outside of water production such as distribution, overhead, administration, customer service, conservation activities, finance, accounting, billing etc. where efficiency may be concentrated through the combination as demonstrated in the other figures. Comment: I don't follow this conclusion. Please clarify. Five figure number. **(Addressed by consultant)**
7. Figure 14 - Is this figure or should this figure be normalized to the connection density of each area? **(Funding not available to make suggested changes)**
8. Figure 15 – Should this figure not reflect the cost per connection served? **(Funding not available to make suggested changes)**
9. Why are we using the term "this data" rather than "these data"?
10. 5.4 CIP – Figure 17 – Should this figure be normalized to the number of connections served? **(Funding not available to make suggested changes)**
11. 5.4 Figure 17 shows normalized CIP comparisons to account for the different scales of the two utilities and to smooth investment over this same period (2018 to 2031) for comparative purposes. Comment: How was the CIP normalized? **(Addressed by consultant)**

12. 5.4 Figure 23 Comment: Table 23 has many errors or is confusing at best. (**Addressed by consultant**)
13. 5.4 In part the larger properties in CWD, which consume 56% more water per account, also drive this normalized CIP per MG produced advantage. Comment: Really? Not, mentioned before.
14. 5.6 Debt Considerations Comment: Comment on how debt levels compare to industry averages.
15. 5.5 Convert all “District” to “CWD” or “SSWD.” (**Addressed by consultant**)
16. Figure 18 – Could this figure be presented as a stacked bar chart reflecting the type, if there are types, of CIP project? (**Funding not available to make suggested changes**)
17. 5.6 Fiscal Policies Comment: Need intro text before going to lower order heading. (**Addressed by consultant**)
 18. 5.6.1 Working Capital and Reserves Comment: Compare reserve level to industry average. (**Can be addressed in future analysis**)
 19. 5.6.1 Table 18 comment: Call out Tables 18, 19, and 20 in the text. (**Addressed by consultant**) Also Comment: I am not clear on these reserve categories compared to what the text says are the types of restricted cash reserves, consisting of:
 1. external requirements
 2. construction or acquisitions of capital assets
 3. payments for long term debtIs facility fees another restricted category?
Is debt service really only \$14 balance? (**Addressed by consultant**)
 20. 5.6.1 SSWD, conversely, has no committed reserves but does have two different cash reserves as shown in the following table. Comment: Is this the same as restricted reserves? (**Addressed by consultant**)
 21. Table 21 comment: Call out Table 21 in the text. (**Addressed by consultant**)
 22. Table 21 first row first column \$16 comment: Only \$16? (**Addressed by consultant**)
 23. 5.7.1 Different residential categories are charged at varying rates... Comment: Seems unusual to have varying unit cost of water for different residential customer categories and that it is based on anticipated water usage. What happens if the customer's actual water use is less than anticipated, like just in Tier 1? I would like to see how that works.
Table 22 just shows MF residential. What are the other residential categories?
Explain how the non residential categories are charged.
Does the fixed charge similarly vary by customer category? (**Intended to be addressed in future analysis**)
 24. 5.7.3 Rate Structure and Bill Comparison – Is there a comparison table that lists those elements that comprise the fixed costs of a service charge for each agency? (**Intended to be addressed in future analysis**)
 25. 5.7.3 Figure 25 shows the same analysis for 1” meters. While historically the bills for 1” meters were more expensive in SSWD compared to CWD, as would be expected as the second and less common step in the meter charge scaling that would typically be done in

rate design, Comment: I do not understand what this says. Is it saying that the expensive SSWD bills for 1 inch meters are expected because of the rate design?

What does the less common step mean?

What is the first step?

What is meter charge scaling?

(Intended to be addressed in future analysis)

26. 5.7.3 it is expected that over time the rate of growth in rates would be less than otherwise expected given the scale efficiencies of a larger and more efficient combined organization... Comment: Important conclusion to emphasize. **(Intended to be addressed in future analysis)**
27. 5.7.3 That is, where we use the term “savings” for customers, such savings would often be experienced as slower rate increases rather than rate reductions. Comment: Important point to emphasize. **(Intended to be addressed in future analysis)**
28. 5.7.3 benefits are expected due to greater scale efficiencies that are observable in normalized costs Comment: Can you say that the rates would be lower in the future with a combined organization compared to the rates with status quo.? **(Intended to be addressed in future analysis)**
29. Table 22 – Is this chart, in comparing charges, normalizing CWD residential usage to $\frac{3}{4}$ ” from the 1” predominant residential meter size? Should there be a comparison of a “meter equivalence” cost in both agencies? This comparison might be able to show and substantiate further the statement “CWD and SSWD have remarkably similar rate structures and bill levels”. **(Intended to be addressed in future analysis)**
30. Table 22 comment: Are tier 1 and 2 rates for just single family res? Describe in table. The text says that different residential categories are charged at varying rates for their anticipated water usage. In this table I only see one residential category. What are the other residential categories? **(Intended to be addressed in future analysis)**
31. 5.8 any facilities costs such as a combined distribution facility and warehousing, comment: These kinds of costs would be mitigated by consolidation of these facilities. **(Intended to be addressed in future analysis)**
32. 5.8 it is unclear to what degree these can be subject to inter-basin transfers and how much might be curtailed by surface water and aquifer management decisions outside of the organization’s control. Comment: Both Districts have been transferring in-lieu water out of the American River basin successfully, so it is known that it is possible. **(Intended to be addressed in future analysis)**
33. 5.8 estimated a 10% (~\$6.5 million) Comment: Table 53, footnote 58 says \$8 million. (Please address) Also What is the basis of the \$65 million that the 10% applied to? Some of the transfers done to date have brought in \$1 million+ in one year, so this looks like a way low estimate. **(Intended to be addressed in future analysis)**
34. 5.8 maximum estimated expense for legal and other efforts contemplated to pursue all water supply opportunities of \$5.25 million. Comment: This cost looks much higher than what has been spent to date for successful transfers. How much more acre feet per year is this? How does the cost per acre foot look like to net \$1.25 million? The SSWD 2017

Water Master Plan has some estimates for water transfer revenue potential. **(Intended to be addressed in future analysis)**

35. 5.8 10 years of \$1.25 million. Comment: The question to address is whether this water sales benefit is improved or neutral with consolidation versus no action alternative. Table 23 shows an ongoing benefit of \$1.05 million per year for water supply changes. Is that something else? **(Intended to be addressed in future analysis)**

36. 5.8 A major unknown is the degree of potential surplus water supply monetization that could be achieved, as it is highly dependent on the degree of investments that the agencies make towards those efforts, market conditions, and regulatory actions outside of the control of the organizations. While based on current water rights there appear to be surpluses available, it is unclear to what degree these can be subject to inter-basin transfers and how much might be curtailed by surface water and aquifer management decisions outside of the organization's control. We have conservatively estimated a 10% (~\$6.5 million) increase in water sales or supply monetization over a 10 year period, which relative to a maximum estimated expense for legal and other efforts contemplated to pursue all water supply opportunities of \$5.25 million. This results in a net profit for the water supply line item after 10 years of \$1.25 million that would grow over time, but is admittedly a very rough and conservative estimate. Comment: This is a lot of text about the water supply monetization. But there is very little written about the other components of Table 23. Seems unbalanced. **(Intended to be addressed in future analysis)**

37. 5.8 does not account for broader worker productivity gains attributable to increased specialization, systems optimization, and the ability of the combined larger ratepayer base to bring down costs per unit and drive additional efficiencies. Comment: These unquantified benefits are important to emphasize. **(Intended to be addressed in future analysis)**

38. Table 23 comment: If this is one time cost, these values look wrong.
 (\$750,000) (\$4,500,000)
 \$50,000 \$3,000,000

(Addressed by consultant)

39. Table 23: Comment: These values look wrong. Should be \$0 and \$290,000. These values look wrong. Should be \$210,000 and \$630,000. I am not clear if this is the same thing as the potential surplus water supply monetization described in the text. This seems inconsistent with what the text says about "a net profit for the water supply line item after

Existing legal services savings	Ongoing	\$0	\$29,000	\$580,000	\$1,280,000[PS172]
Board consolidation savings	Ongoing	\$21,000	\$63,000	\$630,000	\$1,050,000[PS173]
Water supply changes[PS174]	Ongoing	\$0	(\$1,050,000) ⁵⁷ [PS175]	\$0	\$2,750,000[PS176] ⁵⁸
NET COST IMPACTS OF COMBINATION		(\$334,000)	(\$1,148,000)	\$225,000	\$14,790,000

□

10 years of \$1.25 million that would grow over time". Text says "This results in a net profit for the water supply line item after 10 years of \$1.25 million that would grow over time". Shouldn't this value be in parenthesis? (Addressed by consultant)

40. Table 23 finally, it is important to remember that in addition to the financial upside potential of a combination of 8-20%, it is the increased ability to manage supplies, implement best practices, and provide quality and reliable service customers that must also be qualitatively considered in any agency combination business case exercise. Comment: So I agree and I would like to see this study qualitatively consider these factors. **(Intended to be addressed in future analysis)**
41. 5.8 Overall, the business case evaluation did not yield any fundamental barriers to combining agencies. Financial expectations are higher to the upside than to the downside, particularly over the longer-term. While there are initial net costs to combining, these would likely be outweighed by operational benefits and service reliability improvements, particularly once the combined agency refines its operational model and matures. Comment: Isn't it more than likely? Can you give ranges of the initial net costs versus the benefits? Perhaps do a summary of Table 23 with annual projections into the future? It would be good to see if the initial costs are significant or not. **(Intended to be addressed in future analysis)**
42. 5.8 Financial Business Case Summary – From where does the 10% water sales increase in water sales over the next 10 years come? **(Addressed by consultant)**
43. Table 23 – Is there a breakdown of the assumptions taken for each of items presented in this table? **(Intended to be addressed in future analysis)**

7. Timelines & Implementations

1. 7. An intermediate transition period would then likely take three to five years before the combination reaches its full operating potential. Comment: Is this after the two year near term phase? **(Intended to be addressed in future analysis)**
2. 7. Finally, within five years the combination of systems, staff, and operational optimizations should be in full swing. Comment: Is this within 5 years from now, or five years after the near term and intermediate phases are complete? I suggest adding a graphic schedule. **(Intended to be addressed in future analysis)**
3. 7.1 Item 2 Comment: The wording of this motion will be critical. What does a yes vote mean? **(Intended to be addressed in future analysis)**

Communications

This Communications Plan is much appreciated in that there is the need to provide assurance to all stakeholders of the combination processes that includes transparency as the key component. An educated mind is one that can give constructive feedback.

As an aide to identify the decision-making points in the process, a figure or chart should be developed showing the various off-ramps that could be taken to terminate or suspend the process. Such decision points could likely include: one Board deciding to “stop” the process after a certain phase, LAFCo not approving the combination, significant protesting of combination from ratepayers, SSWD not approving combination, a change external conditions, etc., all without a prescribed optimal or expected timeline.

Conclusions

1. A great description of the pros and cons. Could a list of current projects and programs be developed that potentially be integrated without governance combination or external approval ordered by the ease by which integration could occur and a cost estimate and key obstacles for each item’s integration? **(Intended to be addressed in future analysis)**
2. I suggest that an alternatives comparison table be prepared that scores the status quo and combination alternatives for various criteria. The scoring could be a simple good, neutral, poor ratings. **(Intended to be addressed in future analysis)**
3. Will a combined organization have a greater chance of success with improvements to water resources compared to the status quo? **(Intended to be addressed in future analysis)**



Agenda Item: 6

Date: January 23, 2023

Subject: Carmichael Water District and Sacramento Suburban Water District Combination Discussion – Next Steps

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approval to continue further detailed analysis of the Combination Discussions between Carmichael Water District and Sacramento Suburban Water District.

Discussion:

As reported at the December 21, 2022 2x2 Committee meeting, the Draft Combination Study Business Case Analysis Report (Draft Report) is slated to be presented to the Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) Boards in January 2023 with a recommendation to accept the final Draft Report and provide direction moving forward in the Combination Discussions.

Typically in Combination Discussions the initial step is to determine if there are any fatal flaws. The Draft Carmichael Water District and Sacramento Suburban Water District Business Case for a Potential Combination report was intended to identify any fatal flaws/deterrents. Although that report has yet to be accepted by each agency, no fatal flaws were identified if CWD and SSWD chose to Combine. The next step is to develop a scope of work to analyze such items as governance structure, water supplies, administrative, Human Resources, financial, operations, etc. Within each of those items are specific areas that need to be analyzed/compared for both CWD and SSWD. If the second step is determined to be positive, then there can potentially be a third step, of which is typically near the end of a Combination Discussion where the Boards have enough information to make a decision to combine, or not.

Staff was directed by the 2x2 Committee to bring back a more thorough plan on what is to be conducted in the next steps of the Combination Discussions. The intent of this staff report is to have the Board provide direction to staff on what is perceived to be the next steps, and what items will be analyzed in each of the next steps.

As a reminder, an important factor is the requirements of the Sacramento Local Agency Formation Commission (LAFCo) outlined for the Municipal Services Review (MSR). LAFCo has specific requirements for considering changing, adjusting or modifying service area boundaries.

Carmichael Water District and Sacramento Suburban Water District Combination Discussion –
Next Steps
January 23, 2023
Page 2 of 2

Once the detailed analysis is completed, and support is received from the 2x2 Committee, it is recommended to conduct a joint Board meeting between CWD and SSWD to receive and accept the detailed analysis. The respective Boards will then be asked to vote to proceed to the third phase, or not.

Attachment: Draft Scope of Work Table

DRAFT
CWD AND SSWD COMBINATION DISCUSSION
SCOPE OF WORK TABLE

ITEMS	Phase/Activity 2	Phase/Activity 3
<u>Governance</u>		
Consolidation vs. Reorganization	x	
<u>Water Supply Assurances</u>		
CWD GW/Surface water rights	x	
SSWD GW/Surface water contract rights	x	
<u>Board</u>		
Transition in size	x	
Election district boundaries		x
<u>Administration</u>		
District Transition	x	x
General Manager		x
Legal Counsel		x
<u>Human Resources</u>		
Medical/Retirement Benefits	x	x
Salaries/Compensation	x	x
Staffing	x	
Organizational Chart		x
Office Locations		x
Fleet/Equipment	x	
<u>Financial</u>		
Timing of transition to one billing CI system	x	
Timing of transition to one financial system	x	
Rate Structures	x	x
Transfer of Assets	x	x
Capital Investments	x	x
Debt Service	x	x
<u>Operations</u>		
Integration of staffing	x	
Continuity of service	x	
DDW Permit Amendment		x
<u>Other</u>		
“No harm” to existing customers	x	
Lessons Learned – AWD/NWD	x	
<u>Cost Savings or Reduction in Increases</u>		
Water Transfers	x	
Lost access to surface water	x	

DRAFT
 CWD AND SSWD COMBINATION DISCUSSION
 SCOPE OF WORK TABLE

<u>LAFCO Items</u>		
Infrastructure needs and deficiencies	x	
Growth and population projections for the affected areas		x
Financial constraints and opportunities	x	
Cost avoidance opportunities	x	x
Opportunities for rate restructuring	x	x
Opportunities for shared facilities	x	
Government structure options including advantages and disadvantages of consolidation or reorganization of service providers	x	
Evaluation of management efficiencies	x	
Local accountability and governance	x	
MSR/Sphere of Influence	x	x



Agenda Item: 7

Date: January 23, 2023

Subject: Memorandum of Understanding with Carmichael Water District for a Communications Plan for Public Outreach on the Combination Discussions

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the Memorandum of Understanding with Carmichael Water District for a Communications Plan for Public Outreach on the Combination Discussions and authorize the General Manager to sign the Memorandum of Understanding, subject to final review and approval by District legal counsel.

Discussion:

At the December 21, 2022, CWD/SSWD 2x2 Committee meeting, the Committee requested staff from each agency to present to their respective Boards a Memorandum of Understanding (MOU) to develop and implement a communications plan for customer/stakeholder outreach on the Combination Discussions between the two districts. SSWD has a public relations firm already under contract for the District’s external customer outreach program. The subject contract can be amended to assist with the public outreach for the CWD/SSWD Combination Discussions.

The 2x2 Committee accepted the draft Communications Plan in general, however, directions to staff was to bring forth a more detailed plan. Staff will present a draft Communications Plan at the February 8, 2023 2x2 Committee meeting.

The estimated cost to conduct the subject outreach is estimated to not exceed \$20,000. Both CWD and SSWD will share the associated costs 50/50, with SSWD responsible for administering the agreement/invoices.

The CWD Board of Directors approved the MOU at their January 17, 2023 regular Board meeting.

Fiscal Impact:

The estimated cost for the Public Outreach is not to exceed \$20,000, which will be split 50/50 between CWD and SSWD.

Attachment: Memorandum of Understanding Regarding Communications for Combination Between Sacramento Suburban Water District and Carmichael Water District

**MEMORANDUM OF UNDERSTANDING REGARDING COMMUNICATIONS FOR
COMBINATION BETWEEN SACRAMENTO SUBURBAN WATER DISTRICT AND
CARMICHAEL WATER DISTRICT**

THIS MEMORANDUM OF UNDERSTANDING (“Agreement”) is entered into and made effective on this _____ day of _____, 2023, by and between the Sacramento Suburban Water District (SSWD) and Carmichael Water District (CWD).

T E R M S

The above parties in consideration of the mutual promises set forth in this Agreement, agree as follows:

1. Consultant. SSWD has an existing Professional Services Agreement with IN Communications. SSWD and CWD mutually desire to utilize IN Communications for public outreach and communication pertaining to combination discussions between SSWD and CWD.
2. Funding Provisions. The estimated cost to complete the Public Outreach is estimated at \$20,000. CWD and SSWD will split the cost for Public Outreach on a 50/50 allocation. Failure to timely remit share of the funding may result in excluding CWD from the Public Outreach or suspension or termination of the Combination Discussions at SSWD’s election. IN Communications fee schedule is attached as Exhibit 1.
3. Cost Accounting. In Communications shall separately track the expenses associated with the public outreach and communication pertaining to Combination Discussions between SSWD and CWD.
4. Term. This Agreement shall terminate upon completion of the Combination Discussion and no later than December 31, 2023, except by mutual agreement of CWD and SSWD.
5. Dispute Resolution. If CWD and SSWD disagree on a specific issue, CWD and SSWD shall meet and confer and negotiate in good faith to resolve the issue. If CWD and SSWD are unable to resolve the specific issue in dispute after good faith negotiations, they shall agree to engage an outside mediator to attempt to resolve the disputed issue.
6. Consultant Payment Schedule. SSWD shall pay all costs incurred according to the schedule set forth in the Professional Services Agreement. SSWD shall forward all invoices for costs attributable to CWD within fifteen (15) days of receipt. CWD shall promptly review the invoice and notify SSWD of any objections within thirty

(30) days of transmittal of the invoice by SSWD. If CWD has no objections, SSWD shall pay the invoice to IN Communications.

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

Cathy Lee
General Manager
Carmichael Water District

Dan York
General Manager
Sacramento Suburban Water District



Agenda Item: 8

Date: January 23, 2023

Subject: Policy Review – Capital Asset Policy (PL – Fin 002)

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

Recommended Board Action:

Approve the Capital Asset Policy PL – Fin 002 with changes.

Background:

The Policy was adopted by the Board on November 17, 2003, and was last reviewed by the Board on January 24, 2022. This Policy is to establish guidance in identifying, capitalizing, depreciating, and accounting for District capital assets.

Staff is bringing this update to the Board and requesting approval of changes without the usual two meeting review as staff would like to have this policy in place to utilize for 2022 well asset capitalization prior to closing the 2022 accounting period.

Discussion:

Staff is recommending a Policy change based upon review of new wells being constructed. The District’s current depreciation life for all well related assets is set at 25 years. However, discussions with engineering have revealed that portions of a well have lives significantly greater than the current 25-year life that is applied to all well assets. The well shaft and casing can last up to 60 years. Well site piping (including pump to waste and drainage piping), site electrical, (conduit, wires, enclosures, etc) and other site specific assets can last up to 50 years. These costs in new wells are material and staff believes that having a separate depreciation category for these longer-lived assets is appropriate. Staff is recommending adding a new depreciation classification for Well and Well Infrastructure and setting the depreciable life to 55 years. Staff is also recommending changing the current Pumping and Wells depreciation life from 25 years to 20 years. Staff has also added clarifying descriptions to several asset categories and removed SCADA as a separate category in Section 200.10.

The requirement in Section 200.70 for annual inventories of Capital Assets is being changed to periodic inventories of Capital Assets and “Inventory Items” is being removed from the list as inventory is covered in other District Procedures. The changes are summarized below:

1. Section 200.10 Depreciation or Amortization of Capital Assets:

- Removed landscaping from “Building Improvements” as it already exists in “Land Improvements”.
- Renamed category “Groundwater Wells” to “Well and Well Infrastructure” and added descriptions of the asset types in this category.
- Renamed “Pumps, Motors and Water Treatment Facilities” to “Well Equipment” and added descriptions of the asset types in this category.
- Removed “SCADA” as a category as it is included in the new “Well Equipment” category.

2. Section 200.60 Depreciation or Amortization of Capital Assets:

- Added clarifying descriptions to certain categories.
- Added a new category: Well and Well Infrastructure (site preparation, well shaft & casing, piping and related appurtenances)
- Renamed category “Pumping and Wells” to “Well Equipment” and added additional descriptions to be consistent with the Asset Category in Section 200.10.

3. Section 200.70 Physical Inventory of Capital Assets:

- Changed from requiring annual inventories of Capital Assets to performing periodical inventories.
- Removed “Inventory Items” as these are not Capital Assets and are addressed in District Procedure PR-Fin 007 – Inventory and Stores Process Procedure, under Part 7 of the Procedure section.

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

Approved with changes: January ~~2423~~, ~~2022~~2023**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 and Well Infrastructure, Flow Meters, Etc~~(site preparation, well shaft & casing, piping and related appurtenances).
- G. Well Equipment (Pumps, Motors, SCADA, Valves, Flow Meters, Water ~~and Treatment and Water Treatment Facilities~~other Equipment).
- 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.

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 (<u>fencing, paving, landscaping</u>)	15 Years
Buildings (<u>structure, plumbing, electrical</u>)	40 Years
Building Improvements (<u>remodeling, interior improvements, environmental</u>)	10 Years
Hydrants, PRV Stations, Valves and similar assets	30 Years
Transmission and Distribution pipelines	80 Years
Storage Facilities (reservoirs)	40 Years
<u>Well and Well Infrastructure (site preparation, well shaft & casing, piping and related appurtenances)</u>	<u>55 years</u>
<u>Pumping and Well Equipments (wells, pumps, valves, SCADA, motors, flowmeters, treatment, generator facilities and related other equipment)</u>	<u>25-20 years</u>
Water Meters and Appurtenances	10-20 Years
Machinery and Equipment (<u>portable</u> 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/periodically:

~~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 23, 2023

100.00 Purpose of the Policy

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- D. Transmission and Distribution pipelines.
- E. Water Storage Facilities.
- F. Well and Well Infrastructure, (site preparation, well shaft & casing, piping and related appurtenances).
- G. Well Equipment (Pumps, Motors, SCADA, Valves, Flow Meters, Water Treatment and other Equipment.
- H. Water Meters and Appurtenances.
- I. Machinery and Equipment, such as generators, compressors, jackhammers, tools, trimmers, etc.
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- Machinery and Equipment
- Fleet Equipment
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- 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: 9

Date: January 23, 2023

Subject: 2023 Committee and Liaison Assignments

Staff Contact: Dan York, General Manager

Recommended Board Action:

The Board President will appoint Board committees and assign 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 a draft Committee and Liaison Assignments provided by President Boatwright with his suggested appointments. (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.

Note: Director Thomas will remain the Sacramento Groundwater Authority Board Representative for the District until the City of Sacramento officially appoints the new Director assigned by the Board President.

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. Draft 2023 Committee and Liaison Assignments

DRAFT
Sacramento Suburban Water District
2023 Committee and Liaison Assignments

Committees

Audit Committee.....	Craig Locke, Chair
.....	Jay Boatwright
Facilities and Operations Committee.....	Dave Jones, Chair
.....	Craig Locke
Regulatory Compliance/Water Quality Committee.....	Robert Wichert, Chair
.....	Kevin Thomas
Carmichael Water District/SSWD 2x2 Committee	Craig Locke, Chair
.....	Dave Jones
Del Paso Manor Water District/SSWD 2x2 Committee.....	Robert Wichert, Chair
.....	Jay Boatwright
General Manager Performance Review Committee	Robert Wichert
.....	Craig Locke

Liaison Assignments

ACWA/JPIA	Jay Boatwright
.....	Staff Position: Dan York
ACWA General Election Voting Delegate	Jay Boatwright
	Dan York, Alternate
ACWA Groundwater Committee.....	Dave Jones
.....	Kevin Thomas
.....	Craig Locke
.....	Dan York
.....	Jay Boatwright
.....	Ed Winkler
.....	Jim Peifer
ACWA Water Quality Committee.....	Dave Jones
ACWA Energy Committee	Robert Wichert
ACWA Federal Affairs Committee	Jim Peifer
.....	Michelle Banonis
ACWA Board (Federal Affairs Committee Chair)	Jim Peifer
ACWA Legal Affairs Committee	Ryan Bezerra

ACWA State Legislative Committee..... Ryan Ojikian

ACWA Business Development Committee..... Edward Winkler

California Special Districts Association Dave Jones

LAFCo Special District Advisory Committee..... Jay Boatwright

Regional Water Authority (10/17/22)..... Robert Wichert
..... Dan York, Alternate

Sacramento Groundwater Authority Jay Boatwright, Board Rep.
..... Dan York, Staff Rep.
..... Robert Wichert, Alternate
..... Kevin Thomas, Alternate

Sacramento Water Forum Successor Effort..... Staff Rep: Dan York
..... Bob Wichert
..... Craig Locke, Alternate
..... Kevin Thomas, Alternate
..... Dave Jones, Alternate



Agenda Item: 10

Date: January 23, 2023

Subject: Nominate Director Jay Boatwright for the Sacramento Local Agency Formation Commission Special District Advisory Committee – Office B

Staff Contact: Dan York, General Manager

Recommended Board Action:

Direct the Secretary of the Board to nominate Director Jay Boatwright to be considered for the position of Special District Advisory Committee - Office B, per his request.

Discussion:

Sacramento Local Agency Formation Commission (LAFCo) has invited the District to nominate a member of the Board to join the Special District Advisory Committee (SDAC) (Attachment 1). Director Boatwright has expressed interest in being considered for the position, and requested that it be placed on the January 23, 2023 agenda for the Board’s consideration.

The purpose of the Committee is to provide LAFCo with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC membership of seventeen is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of Special Districts.

There will be 7 vacant seats for Office B for a full two-year term (January 2023 – December 2024) on the Committee. New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Special Districts, subject to confirmation by the Commission. SDAC meetings are held quarterly on the fifth Tuesday, or as needed. Currently the SDAC meets at 7 PM virtually; however, there will be a discussion on returning to in-person meetings at the January 31, 2023 meeting.

The nomination form (Attachment 2) is due to LAFCo by Friday, February 15, 2023.

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



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458
www.saclafco.org

DATE: December 19, 2022

TO: Independent Special Districts

SUBJECT: Nominations for Membership on SDAC

You are cordially invited to nominate a Member of your Board to join the Special District Advisory Committee (SDAC). The purpose of the Committee is to provide Sacramento LAFCo with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC membership of seventeen is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts.

SDAC members serve 2 year terms without compensation. There will be seven (7) vacant seats for **Office “B” for a full two-year terms (1/23 – 12/24)** on the Committee. There are also three (3) **Office “A” (1/22 – 12/23)** vacancies, and directors applying for those slots will serve the remainder of the two year term that expires on December 2023.

New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Special Districts, subject to confirmation by the Commission.

SDAC meetings are held quarterly on the fifth Tuesday, or as needed. Currently the SDAC meets at 7 PM virtually; however, there will be a discussion on returning to in-person meetings on the January 31, 2023 meeting.

A nomination form is attached. If you wish to nominate a member of your Board, please complete the form and return it to me no later than **Friday, February 15, 2023**.

Please feel free to contact me by email or phone if you have questions about this process.

Sincerely,

José C. Henríquez,
Executive Officer

Commissioners

Sue Frost, Rich Desmond, County Members ■ *Phil Serna, Alternate*
Linda Budge, Sean Loloee, City Members ■ *Vacant, Katie Valenzuela, Alternates*
Chris Little, Public Member ■ *Timothy Murphy, Alternate*
Lindsey Liebig, Gay Jones, Special District Members ■ *Charlea Moore, Alternate*

Staff

José C. Henríquez, Executive Officer ■ *Desirae N. Fox, Policy Analyst* ■ *Diane Thorpe, Clerk of the Commission*
Nancy Miller, DeeAnne Gillick, Commission Counsel



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
 1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458
www.saclafco.org

**SPECIAL DISTRICT ADVISORY COMMITTEE
 Nomination Form
 "OFFICE B"**

*Recommendation to the **SDAC Selection Committee***

In accordance with the bylaws of the Special District Advisory Committee, the
 Governing Board of the _____ District
 nominates _____ (Board Member)

for the following **Office "B"** position on the SDAC:

Two year term ends 12/31/24

Signature: _____
 Board Chairperson

Date: _____
Please attach resume of nominee

ATTEST:

 District Manager or District Secretary

 Please print e-mail address

Please send completed nominations to:

José C. Henríquez
 Executive Officer.
 Sacramento LAFCo
 1112 "I" Street; Suite 100
 Sacramento CA 95814

henriquezj@saclafco.org



Agenda Item: 11

Date: January 23, 2023

Subject: General Manager's Report

Staff Contact: Dan York, General Manager

a. Conjunctive Use Program

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.

Bureau of Reclamation 215 Water

Staff contacted the United States Bureau of Reclamation (Bureau) to determine if 215 Water was available due to the recent storm activities. The Bureau informed staff that surplus Central Valley Project water, under Section 215 (215 Water), was available due to flood control releases. 215 Water may be diverted by the District, pursuant to Contract No. 22-WC-20-5949, between the United States and the District for Temporary Water Service dated January 20, 2022. This contract provides for a maximum of 1,360 acre-feet between January 20, 2022, and February 28, 2023. The District took delivery of 167 acre-feet in January 2022; therefore, a balance of 1,193 acre-feet of 215 water remains available under the contract. The District began receiving 215 Water on January 9, 2023. The Bureau has indicated that 215 Water will remain available through January 22, 2023.

The Bureau contacted staff on January 11th to determine if the District would be interested in proceeding with a 215 Water contract for 2023/2024. Staff informed the Bureau that the District is interested. The current contract is March 1, 2022 – February 28, 2023. The next contract would be from March 1, 2023 – February 28, 2024. As an FYI, only one year contracts are available. The new contract would have to be signed by March 1, 2023, therefore, this item will be placed on the February 27th regular Board meeting agenda. This water was provided in the District's North Service Area.

City of Sacramento Surface Water

As part of previous agreements associated with groundwater substitution transfers, the District has a credit with the City of Sacramento (City) to receive approximately 12,000 acre-feet of surface water in the South Service Area, at no cost to the District. As the flows in the American River have drastically increased due to the recent storms, the District and City of Sacramento began communicating to determine if the City can begin providing surface water supplies that are currently owed to the District. The District began receiving surface water, at a maximum amount of 6,000 gallons per minute, from

the City on January 3, 2022. This water was provided in the District's South Service Area.

The District continues to play a significant role in stabilizing groundwater supplies to the extent feasible by taking surface water when available and continuing to coordinate with other agencies on a regional scale.

b. Storm Update

Between December 26, 2022, and January 15, 2023, the District successfully managed the operational challenges of severe winter storms. These severe storms hit the greater Sacramento area bringing with them high winds and large amounts of precipitation. These storms resulted in localized flooding, downed trees and power lines, and widespread power outages. More than 300,000 SMUD customers were without power at one point, which is nearly half of SMUD's customers.

The District activated its Emergency Operations Center (EOC) on January 9th associated with the preparation for, and response to, severe storm conditions. The EOC was inactivated on January 16th, following improved weather conditions and a favorable forecast.

District staff responded with a safe, professional attitude and with the customer's best interest in mind. Despite the inclement weather conditions, staff stayed focused on the task at hand, namely keeping system pressures as constant as possible in the face of new and recurring District-wide power outages, as well as keeping emergency generators fully fueled and operational.

During these winter storms, the District proactively worked to protect both supply reliability and staff safety.



Agenda Item: 12

Date: January 23, 2023

Subject: Financial Report

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

Summary:

This staff report contains summarized information on the District’s financial condition for the period ended November 30, 2022. More detailed information can be found in the following attached financial reports:

- Financial Statements – November 2022
- Budget to Actual Reports – November 2022

Financial Statement Highlights – November 2022

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

	Year-To-Date 11/30/2022	Year-To-Date 11/30/2021	Variance
LIQUIDITY	\$11,471,197.72	\$15,502,063.21	(4,030,865.49)
INVESTMENT	39,035,056.43	41,732,469.01	(2,697,412.58)
CAPITAL ASSETS	316,031,024.09	306,778,310.42	9,252,713.67
LIABILITIES	54,981,180.38	65,326,435.25	(10,345,254.87)
NET POSITION	296,324,561.59	288,371,209.37	7,953,352.22

Statements of Revenues, Expenses and Changes in Net Position

	Year-To-Date 11/30/2022	Year-To-Date 11/30/2021	Variance
Operating Revenue	47,050,615.01	45,307,969.18	1,742,645.83
Operating Expense	(20,227,106.90)	(17,912,892.51)	(2,314,214.39)
Other, Net	(14,200,524.36)	(11,128,510.88)	(3,072,013.48)
NET INCOME	12,622,983.75	16,266,565.79	(3,643,582.04)

Key information from this report indicates the District’s cash balance is \$4.0 million and investments are \$2.7 million less than on November 30, 2021; long-term debt has decreased by \$10.3 million; and net position has increased by \$8.0 million in the last 12 months as the District continues to invest in capital infrastructure replacements while decreasing its outstanding debt. Operating revenues increased \$1.7 million, operating expenses increased \$2.3 million and other, net expenses increased \$3.1 million, year to date compared to the same period a year ago. Operating revenues increased primarily due to the 3% rate increase occurred on January 1, 2022, an increase in number of connections from Barrett Ranch subdivision and other charges for service related to late fees and collections charges. Operating expense increase is primarily related to \$0.9 million increase in purchased water, as SJWD surface water was available from January through November, \$0.4 million increase in miscellaneous repairs, asphalt restoration, from the main line leak on Elkhorn Boulevard of last year, \$0.3 million increase in consulting services and contract services, \$0.1 in financial services (credit card fees), and \$0.1 million increase in general insurance services. Other, net expenses increased primarily related to a \$1.0 million reduction in capital contributions (capacity fees), \$0.5 million increase in interest expense and debt related costs primarily related to costs of issuance for the revenue refunding bonds series 2022A and series 2022B, and \$1.4 million decrease in the fair market value of the investment portfolio related to rising interest rates.

Budgets:

Budget Item	Actual Amount YTD	Budget Amount YTD	Variance YTD
Revenues and Sources of Funds	49,387,506	47,480,430	1,907,076
Operations and Maintenance	20,227,107	21,922,567	(1,695,460)
Capital Expenditures *	18,774,812	28,755,903	(9,981,091)
Debt Service - Swap Termination	5,642,000	5,642,000	-
Debt Service - Principal	5,390,000	5,120,000	270,000
Debt Service - Interest	1,910,624	2,176,921	(266,297)

*Capital budget includes rollover budget from previous years.

The District's revenues for first eleven months of 2022 were \$1.9 million more than budgeted amount due primarily to the net effects of: 1) water service charge was more than budget amount due to the increase in number of connections from Barrett Ranch subdivision – approximately \$0.2 million; 2) capacity fees were more than budget amount due to the completion of Barrett Ranch phase 2 – approximately \$1.2 million; 3) other charge for services were more than budget due to resuming collection activities approximately \$0.6 million; and 4) rent and other income were less than budget – approximately \$0.1 million.

The District's operating and maintenance expenditures as of November 30, 2022 came in less than the approved budget by \$1.7 million. Salaries and benefits are under budget approximately \$1.3 million due primarily to staff vacancies. Water costs expenses are under budget approximately \$0.2 million mostly related to minimal surface water availability and reduced usage through November. Outside services are under budget approximately \$0.5 million. Electrical costs are over budget mostly related to unbudgeted pumping costs for water transfers took place from July to October this year. The remainder of the variance is due primarily to timing differences.

The District's adjusted Capital Improvement Program (CIP) budget for 2022 is \$22.6 million plus \$5.3 million in rollover funds from previous year's budget for a total of \$27.9 million. For the first eleven months, \$17.3 million has been spent while an additional \$4.8 million is under commitment. CIP year-to-date expenditures came in less than the approved budget by \$8.3 million. Expenditures continue to be primarily in new well construction, distribution system replacements, well rehabilitation, and meter reading system projects.

Operating Capital Program (OCP) expenditures as of November 30, 2022 were \$1.5 million while \$1.1 million were committed. The 2022 adjusted budget for the year is \$2.2 million plus \$1.3 million in rollover funds from previous year's budget for a total of \$3.5 million. OCP year-to-date expenditures came in less than the approved budget by \$1.0 million.

Scheduled 2022 principal payments of \$5.4 million were made at the end of October. Total principal outstanding as of November 30, 2022 is \$55.0 million. The District's amended debt service budget for 2022 is \$13.1 million consisting of \$7.5 million for principal and interest payments, and \$5.6 million for swap termination.

For the first eleven months of 2022, the District has incurred interest expense of \$1.9 million versus a forecast of \$2.2 million, for a \$0.3 million positive variance due to low interest rates on the unhedged portion of the 2009A COPs from January through March 15, 2022.

Attachments:

1. Financial Statements – November 30, 2022
2. Budget to Actual Reports – November 30, 2022

**Financial Statements
November 30, 2022**

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

	As Of	Month End	Month End
		11/30/2022	11/30/2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$11,471,183.69	\$15,502,053.37
Restricted Cash and cash equivalents		14.03	9.84
Accounts receivable, net of allowance for uncollectible accounts		3,010,243.21	3,156,094.79
Interest receivable		164,723.70	153,723.59
Grants receivables		0.01	7,296.94
Other receivables		24.42	
Inventory		1,036,944.25	1,175,757.02
Prepaid expenses and other assets		1,380,844.38	1,162,534.26
TOTAL CURRENT ASSETS		\$17,063,977.69	21,157,469.81
NONCURRENT ASSETS			
Investments		39,035,056.43	41,732,469.01
TOTAL NONCURRENT ASSETS		39,035,056.43	41,732,469.01
Property, plant and equipment		540,544,812.69	518,351,221.44
Accumulated depreciation		(224,513,788.60)	(211,572,911.02)
TOTAL CAPITAL ASSETS		316,031,024.09	306,778,310.42
TOTAL ASSETS		372,130,058.21	369,668,249.24
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on long-term debt refunding		4,209,291.87	4,097,053.07
Deferred outflow of effective swaps			1,162,609.00
Pension contribution subsequent to measurement date		1,720,366.00	1,960,128.00
Other post-employment benefits		578,563.00	240,049.00
Deferred outflow of Asset Obligation		966,186.87	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		379,604,465.95	377,128,088.31
LIABILITIES			
CURRENT LIABILITIES			
Current portion of Compensated Absences		1,000,000.00	880,000.00
Accounts payable		720,587.01	250,442.31
Accrued interest		173,741.05	62,483.75
Deferred revenue and other liabilities		4,078,169.51	3,623,751.10
Accrued expenses		239,255.93	315,824.78
TOTAL CURRENT LIABILITIES		6,211,753.50	5,132,501.94
NONCURRENT LIABILITIES			
Long-term debt		54,981,180.38	65,326,435.25
Compensated absences		197,904.48	299,361.75
Net pension liability		5,806,835.00	10,600,173.00
Net other post-employment benefits liability		3,590,451.00	4,642,228.00
Asset Retirement Obligation		5,080,865.00	
Fair value of interest rate swaps			1,162,609.00
TOTAL NONCURRENT LIABILITIES		69,657,235.86	82,030,807.00
TOTAL LIABILITIES		75,868,989.36	87,163,308.94
DEFERRED INFLOWS OF RESOURCES			
Employee pensions		5,448,430.00	481,215.00
Other post-employment benefits		1,962,485.00	1,112,355.00
NET POSITION			
Invested in capital assets, net of related debt		247,827,877.16	238,711,824.11
Restricted		15.77	39.69
Unrestricted		48,496,668.66	49,659,345.57
TOTAL NET POSITION		296,324,561.59	288,371,209.37
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		379,604,465.95	377,128,088.31

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

	<u>Year-To-Date</u> <u>11/30/2022</u>	<u>Year-To-Date</u> <u>11/30/2021</u>
OPERATING REVENUES		
Water consumption sales	\$ 14,636,020.14	\$ 14,592,803.25
Water service charge	31,382,301.63	30,340,692.50
Wheeling water charge	6,524.46	5,869.00
Other charges for services	1,025,974.55	368,604.43
TOTAL OPERATING REVENUES	47,050,820.78	45,307,969.18
OPERATING EXPENSES		
Source of supply	1,776,550.69	839,379.91
Pumping	5,030,894.02	4,875,689.24
Transmission and distribution	3,945,563.93	3,568,297.80
Water conservation	505,123.57	407,375.61
Customer accounts	1,554,077.25	1,261,787.05
Administrative and general	7,414,897.44	6,960,362.90
TOTAL OPERATING EXPENSES	20,227,106.90	17,912,892.51
Operating income before depreciation	26,823,713.88	27,395,076.67
Depreciation and amortization	(12,626,202.42)	(12,455,413.02)
OPERATING INCOME	14,197,511.46	14,939,663.65
NON-OPERATING REV. (EXP.)		
Rental income	283,753.03	288,538.27
Interest and investment income	(1,683,160.34)	(227,555.67)
Interest expense and debt related costs	(2,452,610.77)	(1,958,510.00)
Other non-operating revenues	43,222.81	76,141.96
Grant revenue pass-through to sub recipients		468,000.00
Other non-operating expenses	(250.08)	5,302.37
Sub recipient grant expenses		(468,000.00)
Gain(loss) on disposal of capital assets		35,475.00
NON-OPERATING REV. (EXP.)	(3,809,045.35)	(1,780,608.07)
NET INCOME (LOSS) BEFORE CAPITAL	10,388,466.11	13,159,055.58
CAPITAL CONTRIBUTIONS		
Capacity fees	1,452,850.00	1,213,195.00
Developer contributions	781,667.64	1,894,315.21
TOTAL CAPITAL CONTRIBUTIONS	2,234,517.64	3,107,510.21
CHANGE IN NET POSITION	12,622,983.75	16,266,565.79
Net position at beginning of year	283,701,577.84	272,104,643.58
NET POSITION AT END OF PERIOD	\$ 296,324,561.59	\$ 288,371,209.37

**Budget to Actual Reports
November 30, 2022**

Sacramento Suburban Water District
 Schedule of Net Revenues
 As Of

	Actual Year-To-Date 11/30/2022	Budget Year-To-Date 11/30/2022	Variance Year-To-Date
REVENUES			
Water consumption sales	\$14,636,020.14	\$14,602,000.00	\$34,020.14
Water service charge	31,382,301.63	31,226,000.00	156,301.63
Wheeling water charge	6,524.46	10,500.00	(3,975.54)
Other charges for services	1,025,974.55	385,000.00	640,974.55
Capacity fees	1,452,850.00	275,000.00	1,177,850.00
Interest and investment income	564,722.61	526,170.00	38,552.61
Rental & other income	319,112.95	455,760.00	(136,647.05)
TOTAL REVENUES	49,387,506.34	47,480,430.00	1,907,076.34

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

Attachment 2

	11/30/2022 - YTD			2022
	Actual	Budget	Variance	Annual Budget
BUDGETED OPERATING EXPENSES				
Board of Directors	\$42,549.19	\$44,736.22	\$2,187.03	\$53,112.24
Administrative	2,571,771.68	2,438,340.22	(133,431.46)	2,653,447.24
Finance	976,283.77	1,044,039.79	67,756.02	1,138,958.68
Customer Services	1,297,739.36	1,300,495.35	2,755.99	1,417,680.20
Field Operations	372,014.01	396,448.76	24,434.75	432,758.28
Production	6,160,621.30	6,418,729.94	258,108.64	6,908,093.68
Environmental Compliance	646,823.41	757,171.27	110,347.86	826,003.84
Distribution	2,919,285.72	3,246,981.14	327,695.42	3,577,400.04
Field Services	1,026,278.21	1,354,256.20	327,977.99	1,477,374.68
Maintenance	634,511.62	688,537.22	54,025.60	751,131.56
Water Conservation	505,123.57	658,314.72	153,191.15	755,861.24
Engineering	1,289,037.64	1,536,969.61	247,931.97	1,676,690.12
GIS/CAD	354,063.97	375,724.67	21,660.70	409,883.64
Human Resources	280,978.27	333,522.29	52,544.02	363,840.88
Information Technology	893,687.29	1,119,002.83	225,315.54	1,220,730.36
Community Outreach	256,337.89	209,297.00	(47,040.89)	228,380.00
TOTAL OPERATING EXPENSES	20,227,106.90	21,922,567.23	1,695,460.33	23,891,346.68

Sacramento Suburban Water District
Capital Budget
11/30/2022

Project Name	Original Budget	Adjusted Budget	Roll-Over From Prior Year Budget	Total Budget Available	Current Month Expenditures	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
CIP-Well Rehad/Pump St Improv	\$2,105,000.00	\$1,749,642.76	\$1,279,896.00	\$3,029,538.76	\$325,013.68	\$1,670,049.58	\$973,841.50	\$385,647.68
CIP-SCADA/Com Improv	\$385,000.00	\$32,000.00	\$373,561.99	\$405,561.99	\$2,569.88	\$80,887.69	\$192,089.53	\$132,584.77
CIP-Well Destruction	\$325,000.00	-	-	-	-	-	-	-
CIP-Well New Construction	\$11,357,000.00	\$12,250,412.24	\$2,481,207.65	\$14,731,619.89	\$332,985.47	\$8,777,171.54	\$2,465,457.45	\$3,488,990.90
CIP-Trans & Dist Improvements	\$5,235,000.00	\$5,745,000.00	\$869,452.34	\$6,614,452.34	\$390,773.87	\$4,746,756.62	\$592,883.35	\$1,274,812.37
CIP-Meter Retrofit Program	\$22,000.00	\$173,180.00	-	\$173,180.00	-	\$134,522.00	\$38,658.00	-
CIP-Reservoir/Tank Improv	\$325,000.00	\$215,233.00	\$181,670.25	\$396,903.25	\$43,074.41	\$219,739.36	\$169,836.22	\$7,327.67
CIP-Corrosion Control	\$75,000.00	\$51,650.00	-	\$51,650.00	-	-	\$51,650.00	-
CIP-Valve/Hydrant/Service Repl	\$400,000.00	\$828,000.00	-	\$828,000.00	\$63,375.00	\$455,818.89	\$214,868.48	\$157,312.63
CIP-Large Meter Replacement	\$40,000.00	\$40,000.00	-	\$40,000.00	\$16,800.00	\$34,900.00	-	\$5,100.00
CIP-Meter Replacement PM	\$310,000.00	\$310,000.00	-	\$310,000.00	\$58,113.14	\$147,961.07	-	\$162,038.93
CIP-AMI Endpoints	\$1,400,000.00	\$700,000.00	-	\$700,000.00	\$38,733.76	\$662,736.64	-	\$37,263.36
CIP-Special Projects	\$15,000.00	\$33,000.00	\$928.04	\$33,928.04	\$28,769.73	\$28,769.73	\$363.57	\$4,794.74
CIP-Water Related Street Imprpv	\$200,000.00	\$459,882.00	\$96,000.00	\$555,882.00	-	\$315,498.17	\$62,665.46	\$177,718.37
CIP Subtotal	\$22,194,000.00	\$22,588,000.00	\$5,282,716.27	\$27,870,716.27	\$1,300,208.94	\$17,274,811.29	\$4,762,313.56	\$5,833,591.42
OCP - Equipment	\$20,000.00	\$12,000.00	-	\$12,000.00	-	-	-	\$12,000.00
OCP - Fleet & Facilities	\$369,000.00	\$169,000.00	\$73,613.88	\$242,613.88	-	\$10,510.96	\$154,794.00	\$77,308.92
OCP - Information Technology	\$262,000.00	\$262,000.00	\$71,850.75	\$333,850.75	\$1,733.64	\$111,451.83	\$281,165.92	\$52,997.00
OCP - Maintenance	\$501,000.00	\$424,000.00	-	\$424,000.00	-	\$210,865.00	\$26,786.00	\$186,349.00
OCP - Operations	\$506,000.00	\$397,000.00	\$197,553.90	\$594,553.90	\$34,515.01	\$253,821.35	\$231,802.99	\$108,929.56
OCP - Property Acquisition	\$900,000.00	\$900,000.00	\$992,341.25	\$1,892,341.25	\$6,080.00	\$913,351.49	\$406,112.44	\$572,877.32
OCB Subtotal	\$2,558,000.00	\$2,164,000.00	\$1,335,359.78	\$3,499,359.78	\$42,328.65	\$1,500,000.63	\$1,100,661.35	\$1,010,461.80
Total	\$24,752,000.00	\$24,752,000.00	\$6,618,076.05	\$31,370,076.05	\$1,342,537.59	\$18,774,811.92	\$5,862,974.91	\$6,844,053.22



Agenda Item: 13

Date: January 23, 2023

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:

1. Water Operations Monthly Activity and Exceptions Report

This shows the types and number of activities that are in the Field Operations Department.

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.

3. Customer Service Monthly Activity Report

This shows the total number of Customer Service phone calls received.

4. Community Outreach Report

This provides a copy of the monthly bill insert.

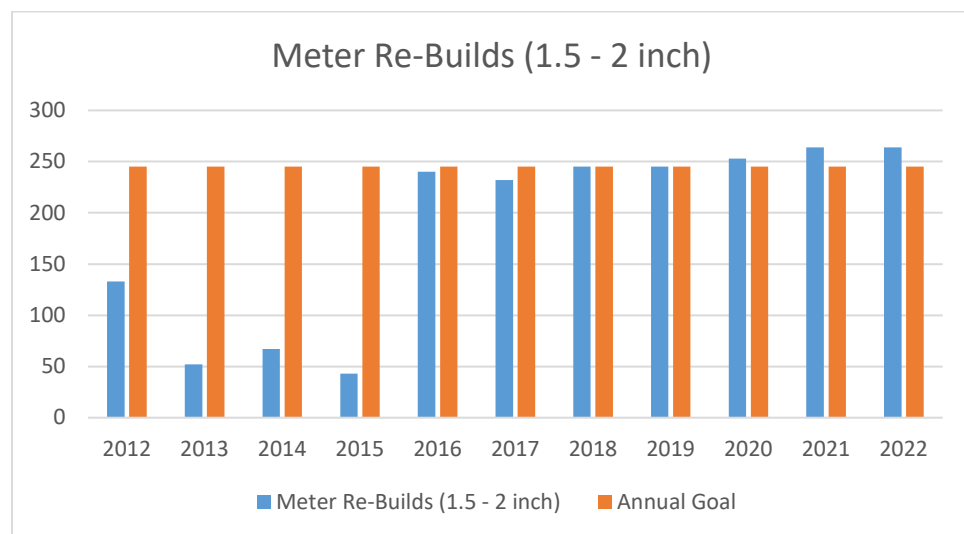
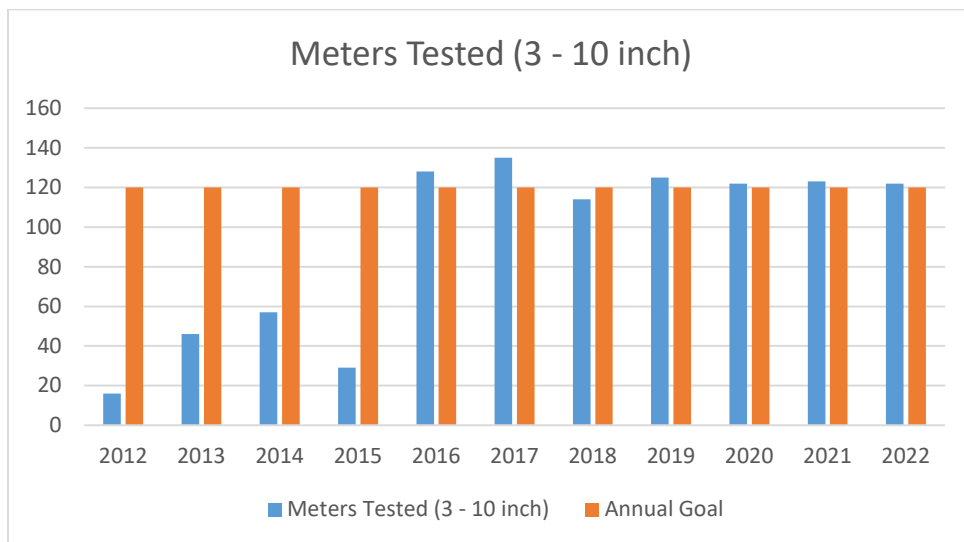
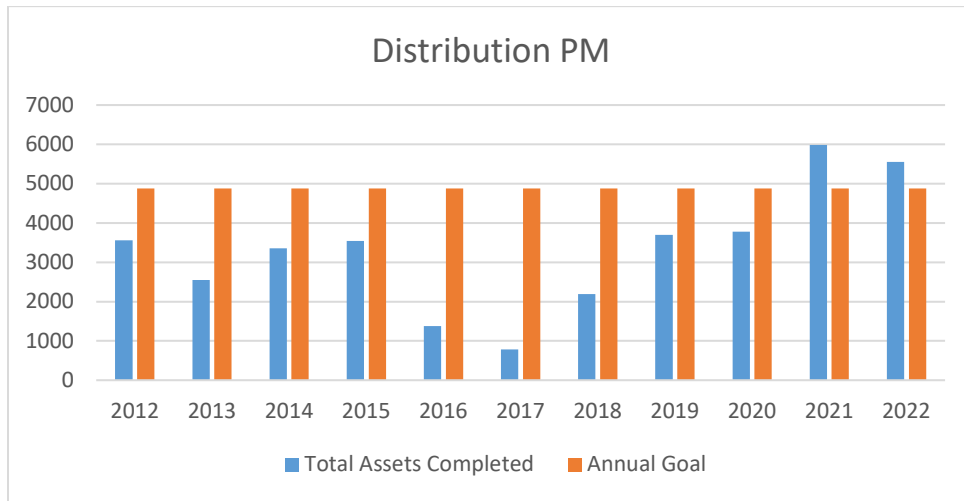
1. Water Operations Monthly Activity Report

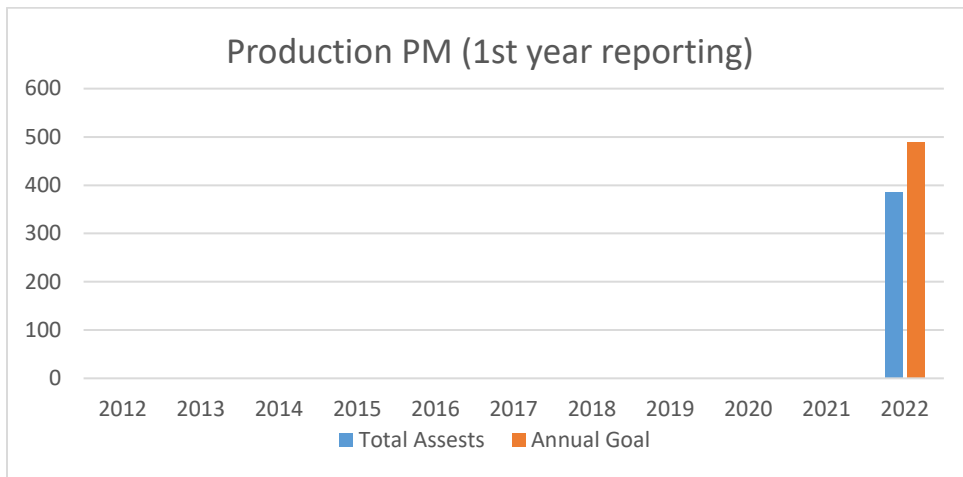
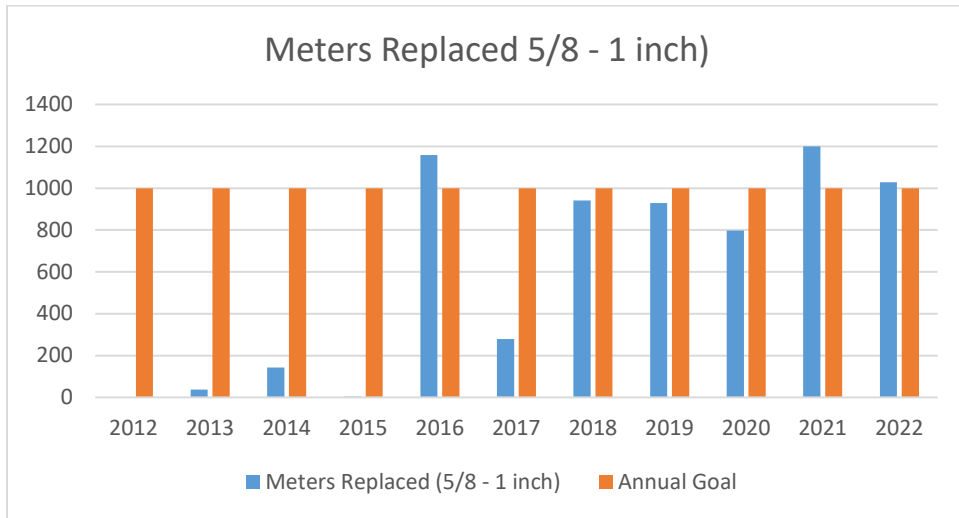
	December 2022	Monthly Average CY 2022	Total CY 2022	Total # in System	Goal CY 2022	% of Goal Completed in CY 2022
Preventive Maintenance Program - Distribution						
Fire Hydrants Inspected	109	103	1231	6173	1235	100%
Fire Hydrant Valves Inspected	12	104	1242	5869	1174	106%
Mainline Valves Inspected	33	228	2738	11023	2205	124%
Blow Off Valves Inspected	-	22	267	1049	210	127%
ARV/CARV Inspected	78	7	78	283	57	138%
Preventive Maintenance Program - Meters						
Meters Tested (3 - 10 inch)	-	10	122	450	120	102%
Meters Replaced ($\frac{6}{8}$ - 1 inch)	313	86	1029	41167	1000	103%
Meter Re-Builds ($1\frac{1}{2}$ - 2 inch)	-	22	264	2449	245	108%
Preventive Maintenance Program - Production						
Air Release Valves	32	3	32	96	32	100%
Backflow Prevention Assembly Testing	6	5	47	47	47	100%
Chemical Systems - Sodium Hypochlorite	3	6	69	69	69	100%
Chemical Systems - Hydrofluorosilicic Acid	12	3	29	29	29	100%
Generator Inspection & Maintenance	-	2	23	23	23	100%
Generator Load Bank Testing	-	1	6	23	6	100%
Generator Battery Replacement	-	1	11	23	11	100%
Hydraulic Control Valves	31	5	48	48	48	100%
Level Transducers	6	1	8	36	36	22%
Motors (Vertical Turbine)	-	7	81	81	81	100%
Pressure Transducers	3	1	14	93	93	15%
Sumps and Associated Pumps	17	2	17	17	17	100%

	December 2022	Monthly Average	YTD Completed	Total With GPS	Total Assets	Percentage Completed
Global Positioning System						
GPS Coordinates Marked	60	331	3977	25945	84541	31%

	December 2022	Monthly Average CY 2022	Total CY 2022
Service Requests			
Main Leaks	4	4	52
Service Line Leaks	4	6	76
Customer Pressure Inquiries	7	7	86
Water Main Shutdown			
-- Unscheduled	6	5	64
-- Scheduled	3	5	56
After Hours Activity (On-Call Technician)			
Calls Received Distribution	34	54	649
Calls Responded Distribution	17	32	381
Calls Received Production	29	26	309
Calls Responded Production	1	3	38
Water Quality			
Complaints	-	3	37
Taste & Odor Complaints	-	-	-

Annual Preventive Maintenance History





**Production PM – 10 out of 12 categories 100% complete*

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 SETTLED/DENIED

6609 32nd Street, North Highlands

Claim filed on December 20, 2022, for suspected damage to RV storage lot unpaved surface resulting from a leak at a neighboring District well. District Safety/Risk Officer met with customer and his architect, reviewed the affected area, and all concluded there was no damage. Claim was denied in writing via JPIA standard rejection form letter.

3. Customer Service Monthly Activity Report

Customer Service Activity Report for the month of December 2022.

Total Calls	Calls Abandoned	% of Calls Abandoned	Average Wait on Queue	Max Wait on Queue	Average Talk Time
1,908	17	.89%	20s	6m, 58s	3m, 37s

4. Community Outreach Report

February Bill Insert

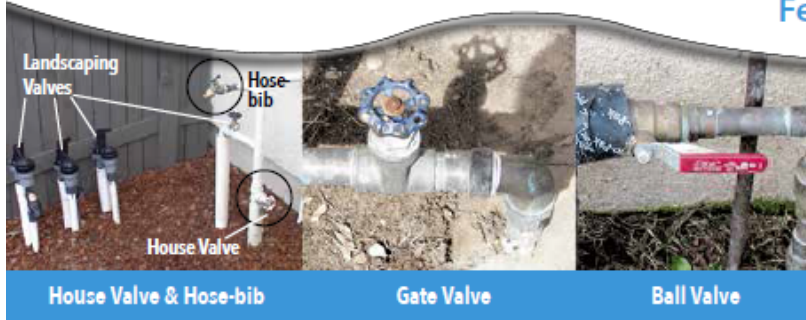
The February 2023, bill insert will begin on January 24, 2023, and will continue until February 20, 2023. A sample of the bill insert is shown below.

00281482



H₂O on the GO

February 2023



Sharing Best Practices

Last August, the City of Sacramento Department of Utilities hosted the inaugural Water Distribution Operator Vendor Showcase and invited water providers from Northern California to attend.

The Showcase provided an opportunity to connect with fellow Distribution Operators, see product demonstrations from industry manufacturers, view specialized fleet vehicles and equipment, and share best practices. The daylong event also included a Distribution Operator Challenge.

SSWD sent five Distribution Operators to the showcase along with a leak repair vehicle and a preventive maintenance vehicle. SSWD's leak repair vehicle is fully equipped to respond to large-scale leaks, and features a complete array of equipment, including an excavator, an on-board air compressor, jackhammer, emergency lights, and traffic control devices. The preventive maintenance vehicle is utilized for maintaining the District's mainline valves and fire hydrants.

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.

Working Together | How to Turn Off the Water to Your Home in an Emergency

In an emergency, it's important to know how to turn off the water to your home to stop damage from a broken pipe or other plumbing disasters. Here's how:

- Start by finding the house valve. This is typically located outside of your home near the foundation, either on the front, side, or rear of the house. Look for a hose bib, an outside faucet, next to your home on a pipe coming up from the ground and going into your house. The house valve is located on that pipe between the ground and the hose bib.
- The house valve could be a ball valve (a straight handle that runs parallel to the pipe when it is open), or it could be a gate valve (a round handle that looks similar to the one you use to turn on water to a garden hose).

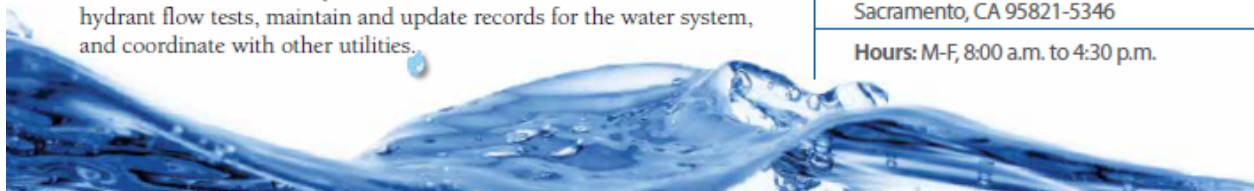
Working Together | page 2

National Engineers Week | February 19-23, 2023

You might think of engineers as vital for building bridges and buildings, but did you know they are also critical to operating a water utility?

SSWD's Engineering Department is responsible for planning, designing, and overseeing the **rehabilitation and replacement** of the intricate system of groundwater wells, pumps, pipelines, valves and production facilities that make water delivery possible.

They also manage the District's capital improvement program, review plans for new developments and construction in the District that require water service, process requests for new water services, perform fire hydrant flow tests, maintain and update records for the water system, and coordinate with other utilities.





Working Together | from page 1

- If you have a ball valve, give it a quarter turn clockwise to shut off the water. If the house valve is a gate valve, turn the handle clockwise until the water is off.
- To make sure the water to your home is off, turn on the hose bib next to the house valve. As you turn the house valve off, the water from the hose bib should stop.

If you are only dealing with a minor plumbing issue, such as a running toilet or leaky faucet, there is usually a shut-off valve located close to the fixture or faucet. For a toilet, the shut-off valve is most often located under the toilet close to the wall. For a sink, the shut-off valve is typically located under the sink cabinet. There will be two sets of valves, one for hot water, and the other for cold water. Turn both valves clockwise to shut off the water.

Consider adding a label to the house valve to make identifying it easy and quick for anyone in your household.

If you have any questions or “how-to” topics you would like addressed, please send an email to feedback@sswd.org. For additional information, please visit <https://www.sswd.org/departments/field-operations/how-to-turn-off-your-water>.

Become a follower of SSWD’s Facebook page for your chance to win a new WaterSense-labeled high-efficiency toilet.

Ode to the Commode

This February, we would like to recognize that most humble of home fixtures, the toilet. No home is truly complete without one and we rarely give it a second thought, unless it is running or blocked.

There is debate over who created the first toilet, with some attributing it to the Scots in 3000 BC and others to the Greeks in 1700 BC. The Scottish watchmaker, Alexander Cumming, received a patent for the flush toilet in 1775 and most modern toilets still feature some aspects of his early design.

Toilets account for nearly 24 percent of an average home’s indoor water use and are also the most common source of leaks. Upgrading to a WaterSense-labeled high-efficiency toilet can help you save up to 13,000 gallons of water per year. Recent technological advances have made toilets even more efficient with some newer models able to use 1.28 gallons or less per flush, which is 20 percent better than the current standard of 1.6 gallons per flush.

The U.S. Environmental Protection Agency, the sponsoring agency of WaterSense, has worked diligently with its manufacturing partners to develop performance criteria to ensure products with the WaterSense label not only save water, but work as well or better than standard models.

SSWD has rebates up to \$150 to help with the cost of upgrading your old toilet. Complete details are at [sswd.org/rebates](https://www.sswd.org/rebates).





Agenda Item: 14

Date: January 23, 2023

Subject: Engineering Report

Staff Contact: Dana Dean, P.E., Engineering Manager

Summarized below are Engineering Department activities. The report is separated into the following sections: A) Major Capital Improvement Program (CIP) Projects; B) Active Wells; C) Planning Documents; and D) Other Projects.

A. MAJOR CAPITAL IMPROVEMENT PROGRAM PROJECTS

The District continues to deliver CIP projects consistent with the Board’s approved funding program.

SUPPLY – NEW WELLS

The table below shows stages of the current projects.

	DESIGN AND CONSTRUCTION		
	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
Well 78 Butano / Cottage	<i>Production Well</i>		
	Complete	Complete	n/a
	<i>Pump Station</i>		
	Complete	January 2022 (prior) February 2023	Delays (prolonged and heavy wet weather) have moved completion into February (weather-dependent)
	FACILITY COMMISSIONING		
	Start	End	Notes
	February 2023	April 2023	n/a

Well 80 Walnut / Auburn	DESIGN AND CONSTRUCTION		
	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
	<i>Production Well</i>		
	Complete	Complete	n/a
	<i>Pump Station</i>		
	Complete	May 2023 (original) September 2023	No Change
	FACILITY COMMISSIONING		
	Start	End	Notes
	September 2023	November 2023	n/a

Wells 81, 82, and 83 Antelope North / Poker	DESIGN AND CONSTRUCTION		
	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
	<i>Production Well</i>		
	Complete (81)	January 2023 Complete (81)	Construction is complete
	Complete (82)	July 2023 (82)	No Change
	Complete (83)	September 2023 (83)	No Change
	<i>Pump Station</i>		
	April 2023	December 2024 (pending completion date of Production Well)	No Change
	FACILITY COMMISSIONING		
	Start	End	Notes
	n/a	n/a	n/a

Well 84 Antelope / Don Julio	DESIGN AND CONSTRUCTION		
	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
	<i>Production Well</i>		
	January 2023	May 2023	No Change
	<i>Pump Station</i>		
	March 2023	June 2024 (pending completion date of Production Well)	No Change
	FACILITY COMMISSIONING		
	Start	End	Notes
n/a	n/a	n/a	

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	Complete	September 2023	No Change
Q Street Phase 1 (3 phases; 4.7 miles of main total)	Complete	August 2023	No Change

B. ACTIVE WELLS

The District generally has numerous wells undergoing some type of typical lifecycle activity – from preventive maintenance to component repair/replacement. Current Engineering Department projects are listed below:

Update on long-term contract with Kirby’s Pump & Mechanical, Inc. (KPM):

It is estimated that KPM will be able to complete existing projects for other customers and begin work under the contract for the District by late February 2023 (March 29, 2023, is latest start provided in the contract). KPM and District staff have already implemented/continuing project planning, including long-lead-time items, to prepare a smooth and continual start to projects under the contract.

NORTH SERVICE AREA

Total Active capacity off-line for listed projects: 6,900 gpm (6,900 gpm last report)

CONDITION ASSESSMENT AND INVESTIGATIVE PROJECTS

Listed below are current Condition Assessment (CA) and preliminary investigative projects. A CA is the initial step in assessing a well's physical condition necessary to monitor the well's health, and for use in planning any further work efforts.

Projects in this category frequently move to the *Repair and Rehabilitation Projects* category following completion of the CA and/or investigative project before moving to the *Completed* category.

Reactive Projects

None.

Proactive Projects

None.

REPAIR AND REHABILITATION PROJECTS

Listed below are current projects of well casing repair / rehabilitation, pump repair / replacement, water quality investigations, and other significant activities.

N1 Evergreen

Capacity / Status: 1,100 gpm / Off-line 6/1/2021
Reason: Water quality (PFAS). Casing repair in an attempt to mitigate PFAS contamination.
Contractor: Roadrunner.
Project Phase: Waiting for well contractor availability
Expected Completion: September 2023

N6A Palm

Capacity / Status: 1,700 gpm / Off-line 3/4/2020
Reason: Water quality (bacteriological)
Contractor: KPM
Project Phase: Additional laboratory testing and analysis for water quality
Expected Completion: April 2023

N7 Rosebud

Capacity / Status: 1,100 gpm / Off-line 9/24/2021
Reason: Electrical upgrade (incoming power from 3- to 4-wire)
Contractor: Frisch Engineering
Project Phase: SMUD design
Expected Completion: May 2023 (based on SMUD's schedule)

N10 Walnut

Capacity / Status: 700 gpm / Off-line 7/8/2021
Reason: Pump and motor replacement; Station improvements
Contractor: KPM
Project Phase: Construction (pump and motor); Design (station).
Waiting for parts (pump has been received, motor delivery is unknown)
Expected Completion: Unknown due to unknown motor delivery date.

N20 Cypress

Capacity / Status: 1,100 gpm / Off-line 8/23/2018
Reason: Water quality (manganese)
Contractor: Roadrunner
Project Phase: Waiting for well contractor availability.
Expected Completion: July 2023

N38 Coyle

Capacity / Status: 1,200 gpm / Off-line 11/4/2021
Reason: Water quality investigation (bacteriological)
Following replacement of the pump the well was disinfected, but did not pass bacteriological testing.
Contractor: KPM
Project Phase: Initial investigation
Expected Completion: March 2023

COMPLETED PROJECTS

None

SOUTH SERVICE AREA

Total Active capacity off-line for listed projects: 6,900 gpm (6,900 last report)

CONDITION ASSESSMENT AND INVESTIGATIVE PROJECTS

Reactive Projects

69 Hilldale/Cooper

Capacity / Status: 500 gpm / Off-line 1/25/2017
Reason: Water quality (bacteriological)
Contractor: KPM
Project Phase: Evaluating replacing well on same site
Expected Completion: March 2023 (for evaluation)

70 Sierra/Blackmer

Capacity / Status: 600 gpm / Off-line 5/10/2019
Reason: Complete loss of capacity
Contractor: KPM

Project Phase: Waiting for well contractor availability to perform Condition Assessment.

Expected Completion: July 2023

72 River Walk/NETP

Capacity / Status: 1400 gpm / Off-line 8/25/2022

Reason: Capacity loss; pump breaking suction

Contractor: KPM

Project Phase: Waiting for well contractor availability to perform Condition Assessment

Expected Completion: May 2023 (for assessment)

Proactive Projects

None

REPAIR AND REHABILITATION PROJECTS

13 Calderwood/Marconi

Capacity / Status: 700 gpm / Off-line 7/16/2020

Reason: Water Quality (entrained gas)

Contractor: KPM

Project Phase: Waiting for well contractor availability perform casing cleaning

Expected Completion: April 2023

20A Watt/Arden

Capacity / Status: 1,100 gpm / Off-line 3/1/2022

Reason: Electrical failure (incoming power from 3-wire to 4-wire)

Contractor: KPM

Project Phase: SMUD design

Expected Completion: June 2023 (based on SMUD schedule)

41 Albatross/Iris

Capacity / Status: 500 gpm / Off-line 11/5/2018

Reason: Site electrical power supply line repair

Contractor: Auburn Constructors

Project Phase: SMUD design

Expected Completion: March 2023

60 Whitney/Concetta

Capacity / Status: 500 gpm / Off-line 5/13/2021

Reason: Motor failure and pump worn out; station improvements

Contractor: KPM and Loewen

Project Phase: Construction (pump and motor); Design (station improvements)

Expected Completion: August 2023

68 Northrop/Dornajo

Capacity / Status:

1,600 gpm / Off-line 11/3/2021

Reason:

Water quality (entrained gas, manganese)

Contractor:

KPM

Project Phase:

Waiting for well contractor availability to perform casing cleaning

Expected Completion:

July 2023

COMPLETED PROJECTS

None

C. 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
Meter AMP	<i>November 2022 (original)</i> February 2023	Consultant requires additional time to complete the draft report. Draft report planned to be presented to the Facilities and Operations Committee, then to the full Board for review.

The table below lists all of the District’s Asset Management Plans (AMPs) and Master Plans (MPs) and their update status. Plans are generally scheduled to be updated on a 4 to 6 year cycle.

Plan	Last Update	Next Update
Buildings and Structures AMP	2020	2026
Distribution Main AMP	2019	2024
Fleet AMP	2020	2025
Groundwater Well AMP	2020	2025
Meter AMP	2015	2023
Reservoir and Booster Pump Station AMP	2011	see note 1
SCADA AMP	2021	2026
Transmission Main AMP	2020	2024
Water System MP	2017	see note 2

1. *Reservoir and Booster Pump Station AMP* - Updating this AMP has been deferred until resolution of the Combination Study with Carmichael Water District. Staff anticipates including this project in the draft CY2024 budget presented to the Board in 2023.
2. *Water System MP* - Updating of the Reservoir and Booster Pump Station AMP is preferred to be completed prior to updating the Water System MP since the Reservoir and Booster Pump Station AMP is outdated and its updated version will support the update to the Water System MP.

D. 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*). Switch-over work (the final project component) was attempted in late August, but was aborted due to complications with the temporary power supply and ability to keep data servers operational. A revised plan has been developed and the switch-over is planned for the weekend of January 20, 2023.

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 March 2023 as additional time is required by the consultant to complete operational programming.



Agenda Item: 15

Date: January 23, 2023

Subject: Upcoming Water Industry Meetings/Conferences

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 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...” Information provided on upcoming water industry events, or regularly scheduled meetings of other water districts, does not imply that approval for a compensable meeting or reimbursement of expenses are triggered.

Below is a list of upcoming water industry meetings/conferences:

Upcoming Meetings:

1. RWA Executive Committee Meeting
January 25, 2023
In-Person and Virtual
<https://rwah2o.org/meetings/board-meetings/>

2. LAFCo Board Meeting
February 1, 2023
Virtual
<https://saclafco.saccounty.gov/Pages/default.aspx>

3. ACWA Board Meeting
February 3, 2023
In-Person and Virtual
<https://www.acwa.com/>

4. SGA Board Meeting
February 9, 2023
In-Person and Virtual
<https://www.sgah2o.org/meetings/board-meetings/>

Upcoming Water Industry Meetings/Conferences

January 23, 2023

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5. RWA Board Meeting
March 9, 2023
In-Person and Virtual
<https://rwah2o.org/meetings/board-meetings/>
6. ACWA Board Meeting
March 31, 2023
In-Person and Virtual
<https://www.acwa.com/>
7. SGA Board Meeting
April 13, 2023
In-Person and Virtual
<https://www.sgah2o.org/meetings/board-meetings/>
8. RWA Board Meeting
May 18, 2023
In-Person and Virtual
<https://rwah2o.org/meetings/board-meetings/>
9. ACWA Board Meeting
June 2, 2023
In-Person and Virtual
<https://www.acwa.com/>
10. SGA Board Meeting
June 8, 2023
In-Person and Virtual
<https://www.sgah2o.org/meetings/board-meetings/>
11. RWA Board Meeting
June 29, 2023
In-Person and Virtual
<https://rwah2o.org/meetings/board-meetings/>
12. ACWA Board Meeting
July 28, 2023
In-Person and Virtual
<https://www.acwa.com/>
13. SGA Board Meeting
August 10, 2023
In-Person and Virtual
<https://www.sgah2o.org/meetings/board-meetings/>

Upcoming Water Industry Meetings/Conferences

January 23, 2023

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14. RWA Board Meeting
September 14, 2023
In-Person and Virtual
<https://rwah2o.org/meetings/board-meetings/>
15. ACWA Board Meeting
September 29, 2023
In-Person and Virtual
<https://www.acwa.com/>
16. SGA Board Meeting
October 12, 2023
In-Person and Virtual
<https://www.sgah2o.org/meetings/board-meetings/>
17. RWA Board Meeting
November 9, 2023
In-Person and Virtual
<https://rwah2o.org/meetings/board-meetings/>
18. ACWA Board Meeting
November 17, 2023
In-Person and Virtual
<https://www.acwa.com/>
19. SGA Board Meeting
December 8, 2023
In-Person and Virtual
<https://www.sgah2o.org/meetings/board-meetings/>

Upcoming Conferences:

20. CA-NV AWWA Spring Conference
April 2-5, 2023
San Diego, CA
https://www.ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849
21. Sacramento Metro Chamber of Commerce Cap-to-Cap
April 21, 2023 – April 26, 2023
Washington DC
<https://metrochamber.org>

22. ACWA 2023 Spring Conference & Exhibition

May 9, 2023 – May 11, 2023

Monterey, CA

<https://www.acwa.com/events/page/3/>

23. CA-NV AWWA Fall Conference

October 23-26, 2023

Las Vegas, NV

<https://www.ca-nv->

[awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849](https://www.ca-nv-awwa.org/canv/CNS/Events_Classes/Future_Events/CNS/EventsandClasses/Events.aspx?hkey=40976128-710b-4097-b27b-e35fe6133849)

24. ACWA 2023 Fall Conference & Exhibition

November 28 - 30, 2023

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/> - Every 1st and 3rd Monday of the month at 6:00 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 3rd 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 Meetings/Conferences

January 23, 2023

Page 5 of 5

- 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: 16

Date: January 23, 2023

Subject: Upcoming Policy Review – Debt Obligation Continuing Disclosure Policy (PL – Fin 013)

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

Summary:

Debt Obligation Continuing Disclosure Policy (PL – Fin 013) (Policy) is scheduled for its biennial review. The Policy was adopted by the Board on March 16, 2015, and was last reviewed by the Board and ratified with no changes on November 16, 2020.

Staff are recommending changes based upon recommendations provided by the District’s bond counsel, Stradling Yocca Carlson & Rauth (SYCR), from District legal counsel, and staff review.

The Policy is scheduled for Board review and approval at the February 27, 2023, regular Board meeting. If a Director desires to comment on the Policy, staff requests that they do so by January 30, 2023. If no comments are received, this Policy will be placed as a Consent Item on the February 27, 2023, regular Board meeting agenda.

Background:

The purpose of this Debt Obligation Continuing Disclosure Policy (“Policy”) is to memorialize and communicate Board direction in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Sacramento Suburban Water District (the “District”) so as to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws and state laws governing local agency debt issuance.

Discussion:

Staff is recommending certain Policy changes based upon recommendations provided by the District’s bond counsel, SYCR, and from legal counsel and staff review. Policy changes are in response to changes in securities discloser rules and staff review. The Office of Municipal Securities (“OMS”) released a bulletin on February 7, 2020, which states that, in the view of the OMS, the antifraud provisions of Securities and Exchange Commission (SEC) Rule 10b-5 apply to all municipal issuer statements that provide information that is reasonably expected to reach investors and the trading markets regardless of the intended primary audience and the medium of delivery. The following are potential mediums with respect to information and statements relating to the District that could reach the investment market outside of the context of Official Statements or in annual reports delivered pursuant to a Continuing Disclosure Certificate.

- Information on the District Website.
- Public Reports.
- Statements Made by District Officials.

Continuing Disclosure Certificates entered into by the District on and after February 27, 2019, will include provisions requiring the District to provide notice on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access “EMMA” website of the incurrence of any “financial obligation” if material and would be obligated to disclose default on, and certain other information with respect to, any “financial obligation” regardless of when the financial obligation was incurred. In addition, the District will need to monitor agreements or other obligations entered into after February 27, 2019, and any modifications to such agreements or other obligations, carefully to determine whether they constitute “financial obligations” under the Rule and, if material, would need to be disclosed on EMMA within 10 business days of execution or incurrence.

The suggested changes by bond counsel were reviewed legal counsel. The suggested Policy changes are summarized below:

1. **General:** Staff recommends changing the name of the policy to Debt Obligation Disclosure Policy as it covers more than continuing disclosure but also initial disclosure.
2. **Section 200.00 – Policy:** Staff recommends changing the section title to Background. Various language changes have been proposed to clarify the policy. Added a reference to the related Procedure (PR-Fin 010) that further guides staff in preparing disclosure statements.
3. **Section 200.10 – Initial Disclosure Obligations:** Staff recommends adding the following language as Section 200.10 to address initial disclosure requirements for new issues/obligations:

Each time the District issues or executes and delivers Obligations that are publicly offered, the two central disclosure documents which are prepared are a preliminary official statement (“POS”) and a final official statement (the “OS”, and collectively with the POS, the “Official Statement”). Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

When the District decides to incur debt, the Director of Finance and Administration requests the involved departments to commence preparation of the portions of the Official Statement (particularly the District Section) for which they are responsible. The entire Official Statement is to be reviewed by not only the staff updating the OS, but also by the Board of Directors, the General Manager, and General Counsel for input. The Board of Directors and staff of the District are requested to inform the finance team of all material changes that take

place up to and including the closing date of the transaction. Members of the finance team will assist District staff in determining the materiality of particular data that might be material to the specific Obligation and in the development of specific language for the Official Statement.

4. **Section 200.30 – Ongoing Continuing Disclosure Obligations:** Staff recommends adding this section which includes most of the previous Policy section as well as new clarifying language.
5. **Section 200.40 – Information Available to the Public:** Staff are recommending adding this section to the policy based on bond counsel recommendation:

The Office of Municipal Securities (“OMS”) released a bulletin on February 7, 2020 which states that, in OMS’ opinion, the antifraud provisions of Rule 10b-5 apply to all municipal issuer statements that provide information which is reasonably expected to reach investors and the trading markets regardless of the intended primary audience and the medium of delivery. The following are potential delivery mediums with respect to information and statements relating to the District that could reach the investment market outside of the context of Official Statements or in annual reports or event notices filed on EMMA pursuant to a Continuing Disclosure Certificate.

- Information on the District Website.
- Public Reports.
- Statements Made by District Officials.

When placing or updating financial information or reports on the District website, historical information should be clearly identified. District staff should contact members of the finance team and General Counsel for disclaimer language before any financial reports that could reasonably reach investors are finalized and made available to the public.

Hyperlinks to third-party websites on the District’s website should be avoided when possible. If hyperlinks to third-party websites are included on the District’s website, an appropriate disclaimer to the effect that the District has not verified and is not responsible for the information on such third-party website should be considered.

When making written or verbal public statements, District elected officials and staff should consider whether such statements might reasonably be expected to reach investors and if so, ensure that such statements are not materially misleading or are made with an appropriate disclaimer.

6. **Section 200.50 – Training:** Staff are recommending adding this section to the policy which was previously included in the related procedure (PR – Fin 010):

This Policy and related Procedure shall be provided to all members of senior staff and any other member of the District staff that is involved in complying with the District’s disclosure obligations. Periodic training for the staff involved in complying with the District’s disclosure obligations and the Board of Directors will be coordinated by the Director of Finance and Administration and include the finance team.

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) Debt Obligation Continuing Disclosure Policy PL – Fin 013 – redlined
- 2) Debt Obligation Continuing Disclosure Policy PL – Fin 013 – clean

Sacramento Suburban Water District

Debt Obligation ~~Continuing~~ Disclosure Policy

Adopted: March 16, 2015; ~~Ratified without changes~~ Amended on ~~November 16~~ February 27,
20202023

100.00 Purpose of the Policy

The purpose of this Debt Obligation ~~Continuing~~ Disclosure Policy (“Policy”) is to memorialize and communicate Board direction in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Sacramento Suburban Water District (the “District”) ~~so as~~ to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws and state laws governing local agency debt issuance.

200.00 ~~Policy~~ Background

The District from time to time issues or incurs various forms of debt, including certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments or other long-term programs. Certain ~~O~~bligations are issued or executed and delivered through the Sacramento Suburban Water District Financing Corporation (the “Financing Corporation”), a joint powers agency, or incurred directly by the District.

In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the “anti-fraud rules” of federal securities laws. (“Anti-fraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission (“SEC”) under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District’s financial condition. In the context of the sale of securities, a fact is generally considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered or alters the total mix of available information.

Refer to Procedure PR-Fin 010 – Debt Obligation Disclosure Procedure for details on specific activities regarding the preparation, review, and completion of the District’s disclosure obligations under the antifraud rules of federal securities law.

200.10 Initial Disclosure Obligations

Each time the District issues or executes and delivers Obligations that are publicly offered, the two central disclosure documents which are prepared are a preliminary official statement (“POS”) and a final official statement (the “OS”, and collectively with the POS, the “Official Statement”). Investors use the Official Statement as one of their primary resources for making informed investment decisions regarding the Obligations.

When the District decides to incur debt, the Director of Finance and Administration requests the involved departments to commence preparation of the portions of the Official Statement (particularly the District Section) for which they are responsible. The entire Official Statement is to be reviewed by not only the staff updating the OS, but also by the Board of Directors, the General Manager, and General Counsel for input. The Board of Directors and staff of the District are requested to inform the finance team of all material changes that take place up to and including the closing date of the transaction. Members of the finance team will assist District staff in determining the materiality of particular data that might be material to the specific Obligation and in the development of specific language for the Official Statement.

200.30 Ongoing Continuing Disclosure Obligations

In connection with the issuance or execution and delivery of Obligations, the District has entered and may enter into ~~a number of several~~ contractual agreements (“Continuing Disclosure Certificates”) to provide annual reports related to its financial condition (including its audited financial statements), as well as notice of certain events relating to the Obligations specified in the Continuing Disclosure Certificates. The District must comply with the specific requirements of each Continuing Disclosure Certificate. The District’s Continuing Disclosure Certificates generally require that the annual reports be filed within 270 days after the end of the District’s fiscal year, and ~~material that the~~ event notices are generally required to be filed within 10 business days of their occurrence. Filing is centralized on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website and portal.

Specific events which require ~~“material event”~~ notices are set forth in each ~~particular~~ Obligation’s Continuing Disclosure Certificate.

The District Treasurer shall be responsible for preparing and filing the annual reports and ~~material the~~ event notices required pursuant to the Continuing Disclosure Certificates. Particular care shall be paid to the timely filing of any changes in credit ratings on Obligations (including changes resulting from changes in the credit ratings

of insurers of particular Obligations) or if the District incurs any “financial obligation” deemed to be material as defined by the SEC.

200.40 Information Available to the Public

The Office of Municipal Securities (“OMS”) released a bulletin on February 7, 2020 which states that, in OMS’ opinion, the antifraud provisions of Rule 10b-5 apply to all municipal issuer statements that provide information which is reasonably expected to reach investors and the trading markets regardless of the intended primary audience and the medium of delivery. The following are potential delivery mediums with respect to information and statements relating to the District that could reach the investment market outside of the context of Official Statements or in annual reports or event notices filed on EMMA pursuant to a Continuing Disclosure Certificate.

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When making written or verbal public statements, District elected officials and staff should consider whether such statements might reasonably be expected to reach investors and if so, ensure that such statements are not materially misleading or are made with an appropriate disclaimer.

200.50 Training

This Policy and related Procedure shall be provided to all members of senior staff and any other member of the District staff that is involved in complying with the District’s disclosure obligations.

Periodic training for the staff involved in complying with the District’s disclosure obligations and the Board of Directors will be coordinated by the Director of Finance and Administration and include the finance team.

300.00 Policy Review

This Policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Debt Obligation Disclosure PolicyAdopted: March 16, 2015; Amended on February 27, 2023

100.00 Purpose of the Policy

The purpose of this Debt Obligation Disclosure Policy (“Policy”) is to memorialize and communicate Board direction in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Sacramento Suburban Water District (the “District”) to ensure that the District continues to comply with all applicable disclosure obligations and requirements under the federal securities laws and state laws governing local agency debt issuance.

200.00 Background

The District from time to time issues or incurs various forms of debt, including certificates of participation, revenue bonds, notes or other obligations (collectively, “Obligations”) in order to fund or refund capital investments or other long-term programs. Certain Obligations are issued or executed and delivered through the Sacramento Suburban Water District Financing Corporation (the “Financing Corporation”), a joint powers agency, or incurred directly by the District.

In offering Obligations to the public, and at other times when the District makes certain reports, the District must comply with the “antifraud rules” of federal securities laws. (“Antifraud rules” refers to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities and Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission (“SEC”) under those Acts, particularly “Rule 10b-5” under the 1934 Act.)

The core requirement of these rules is that potential investors in Obligations must be provided with all “material” information relating to the offered Obligations. The information provided to investors must not contain any material misstatements, and the District must not omit material information which would be necessary to provide to investors a complete and transparent description of the Obligations and the District’s financial condition. In the context of the sale of securities, a fact is generally considered to be “material” if there is a substantial likelihood that a reasonable investor would consider it to be important in determining whether or not to purchase the securities being offered or alters the total mix of available information.

Refer to Procedure PR-Fin 010 – Debt Obligation Disclosure Procedure for details on specific activities regarding the preparation, review, and completion of the District’s disclosure obligations under the antifraud rules of federal securities law.

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Specific events which require notices are set forth in each Obligation’s Continuing Disclosure Certificate.

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of particular Obligations) or if the District incurs any “financial obligation” deemed to be material as defined by the SEC.

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This Policy and related Procedure shall be provided to all members of senior staff and any other member of the District staff that is involved in complying with the District’s disclosure obligations. Periodic training for the staff involved in complying with the District’s disclosure obligations and the Board of Directors will be coordinated by the Director of Finance and Administration and include the finance team.

300.00 Policy Review

This Policy shall be reviewed at least biennially.

**REGIONAL WATER AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Friday, December 16, 2022; 1:00 p.m.**

AGENDA

The purpose of this meeting is to coordinate and advance Sacramento Regional Water Bank (SRWB) project technical and policy related items with the Program Committee. As such, this agenda does not include action items for the Board.

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) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

Notice: This meeting will be held in the RWA Board Room located at 5620 Birdcage Street, Suite 110, Citrus Heights, CA 95610 and virtually. The RWA Board Room will be open to the RWA Board members and the public. SRWB Program Committee members are encouraged to attend in person but are not required to do so.

Please join my meeting from your computer, tablet, or smartphone.

Join Zoom Meeting

<https://us06web.zoom.us/j/81153109334?pwd=bCt0dXRIMjJWkpiWmhZVVRBM292dz09>

You can also dial in using your phone.

United States: +1 (669) 444 9171

Meeting ID: 811 5310 9334 Passcode: 117940

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. Sacramento Regional Water Bank (SRWB) - Program Committee Meeting

Information and Presentation: Trevor Joseph, Manager of Technical Services

Discussion: Jim Peifer, Executive Director

Agenda Items:

- A. Introductions
- B. Meeting Purpose and Road Map
- C. Communications and Outreach
- D. Engagement with Potential Partners and Interested Parties
- E. Planning and Technical Discussion
- F. Objectives, Principles, and Constraints Discussion
- G. Funding and Contracting Update
- H. Near-Term Activities and Action Items

4. ADJOURNMENT

REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, January 12, 2023; 9:00 a.m.

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

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) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

Notice: The Board meeting will be held in the RWA Board Room and virtually. The RWA Board Room will be open for Board members and members of the public. Board members are strongly encouraged to attend in person but are not required to do so.

Please join my meeting from your computer, tablet, or smartphone.

Join Zoom Meeting

<https://us06web.zoom.us/j/84691777606?pwd=czdXL3ZLQkVzUTdTbVgVqK0pNZm04dz09>

You can also dial in using your phone.

United States: 1 669 444 9171

Meeting ID: 846 9177 7606 **Passcode:** 962924

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. Board Members may request an item be removed for separate consideration.

- a. Authorize a Teleconference Meeting
- b. Adopt the proposed RWA Meeting Schedule for 2023
- c. Approve the minutes of November 10, 2022 board meeting
- d. Approve the 2022 RWA Financial Audit Report
- e. Approve Revisions to RWA Policy 200.3
- f. Approve the 2023 Policy Principles
- g. Approve the 2023 Federal Affairs Platform

Action: Approve Consent Calendar

4. APPOINTMENT OF BOARD SECRETARY

Action: Appoint Ashley Flores as Board Secretary

5. ELECT THE 2023 RWA EXECUTIVE COMMITTEE

Action: Elect the 2023 Executive Committee of the RWA Board of Directors

6. ELECT 2023 RWA CHAIR AND VICE-CHAIR

Action: Elect 2023 Chair and Vice-Chair of the RWA Executive Committee and the RWA Board of Directors

7. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Next RWA Board of Director's Meeting:

March 9, 2023, 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.

Next RWA Executive Committee Meeting:

January 25, 2023, 8:30 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 RWA electronic packet is complete and posted on the RWA website at: <https://www.rwah2o.org/meetings/board-meetings/>.

REGIONAL WATER AUTHORITY
SPECIAL EXECUTIVE
COMMITTEE AGENDA
December 21, 2022; 10:00 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) 967-7692. 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.

Notice: The Committee meeting will be held virtually.

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 235 831 198 007

Passcode: N3PpbX

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 872-242-8874,,886727939#](#) United States, Chicago

Phone Conference ID: 886 727 939#

[Find a local number](#) | [Reset PIN](#)

- 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. SPONSOR LEGISLATION TO INCREASE GROUNDWATER STORAGE IN CALIFORNIA**
Discussion: Ryan Ojakian, Legislative and Regulatory Program Manager
Action: Authorize the RWA to sponsor or jointly sponsor legislation

establishing a goal to increase groundwater storage in California.

ADJOURNMENT

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 8, 2022; 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 josette@rwah2o.org. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Notice: The Board meeting will be held in the RWA Board Room and virtually. The RWA Board Room will be open for SGA Board members and members of the public. SGA Board members are encouraged to attend in person but are not required to do so.

Meeting Information:
SGA Board Meeting
December 8, 2022 09:00 AM (PST)

Please join my meeting from your computer, tablet, or smartphone
Join Zoom Meeting

<https://us06web.zoom.us/j/87434265812?pwd=cmo1U2RSb25pSWICVEJENThkWUwvUT09>

You can also dial in using your phone
United States: +16694449171
Meeting ID: 874-3426 5812 Passcode: 229697

- 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. Board members may request an item be removed for separate consideration.
 - 3a. 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
 - 3b. Approve the minutes of October 13, 2022 Board meeting
 - 3c. Approve Woodard & Curran Task Order 22-02 in the amount of \$42,179

- 3d. Approve GEI Consultants Task Order 22-03 in the amount of \$75,446
- 3e. Affirm SGA Investment Policy 400.1

Action: Approve Consent Calendar Items

4. 2022 AUDIT REPORT

Presentation: Peggy Vande Vooren, Gilbert Associates, Inc.

Action: Accept 2022 SGA financial audit report

5. GROUNDWATER SUSTAINABILITY PROGRAM UPDATE

Information Update: Trevor Joseph, Manager of Technical Services

Action: Approve Resolution 2022-4 authorizing SGA to enter into a grant agreement with the Department of Water Resources for the *Advancing North American Subbasin (NASb) Sustainable Groundwater Management* project

6. ELECTION OF SGA 2023 OFFICERS

Information Update: SGA Ad Hoc Nominating Committee

Action: Elect 2023 SGA Chair and Vice Chair

7. EXECUTIVE DIRECTOR'S REPORT

8. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meetings:

February 9, 2023 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/>.

Agenda Item 17 c.

Jay Boatwright
Attended meetings
December 2022

- 12/01/2022: ACWA conference, Indian Wells, CA. Day Four. Attended multiple presentations. Information obtained re ADU's and fee waivers
- 12/06/2022: Meeting of the SSWD/DPMWD 2x2 committee. Update on DPMWD's MSA and 218 study status. Scheduled next meeting for January 10, 2022
- 12/07/2022: Attended Sacramento LAFCO meeting. Major topic was a review of the DPMWD Municipal Services Agreement, which was accepted.
- 12/08/2022: Attended the Sacramento Groundwater Authority meeting. Election of 2023 officers. Status update on Groundwater Sustainability program
- Attended the RWA holiday gathering (networking)
- 12/14/2022: Attended the RWA executive committee meeting. Audit report, strategic plan survey, Water bank update and new consultant contract
- 12/16/2022: Met with Dan to review agenda topics for the upcoming SSWD regular meeting.
- 12/19/2022: SSWD regular board meeting.
- 12/21/2022: SSWD/CWD 2x2. Attended as an observer. Committee tasked both GM's to develop a list of future actions for their discussion to begin comparisons. Discussed the business case analysis and a proposed communication plan.
- Met with Dan to discuss board committee options, board appointments to committees and board liaisons.
- 12/28/2022: Met with Director Jones regarding liaison appointments, board committees. This is the first of four meetings with the other directors before board appointments are made.
- 12/29/2022: Met with Director Thomas regarding board committees and board appointments and his interests.
- Met with Director Locke regarding board committees and board appointments.

Craig Locke
Attended Meetings
December 2022

December 21st

Meet with Pres Boatwright committee assignments

December 21st

2x2 Meeting with CWD

December 19th

SSWD Board Meeting

December 18th

Meet with Director Thomas – Meeting prep

December 15th

Meet with Pres Nelson and GM to discuss 2x2 meeting preparation

December 15th

Please join us on December 15, 2022, to hear from two leading utility workforce leaders from DC Water and the American Water Works Association about their ongoing journey to success and challenges along the way to strengthen their water workforce.

The December webinar will present the steps from two leading utility workforce leaders took to develop a truly sustainable workforce. Our speakers include: Korey Gray, Director, Compliance and Business Development, DC Water; Sharon Talley, Compliance Specialist, DC Water; Barbara Martin, Director, Engineering and Technical Services, American Water Works Association (AWWA)

This is part of an ongoing series of webinars to provide information across the water sector on ways utilities and others are addressing the challenges of building and maintaining a sustainable water workforce for the future.

December 12th

Meet with GM – sign docs, 2 agendas



Agenda

Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Wednesday, December 21, 2022
4:00 p.m.

This meeting will be conducted both in-person in the Sacramento Suburban Water 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 Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see 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/84382140145?pwd=bFEycGhPNXNhWDNscjNwWXZ3WWZZUT09>

Meeting ID: 843 8214 0145

Password: 414191

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

New to Zoom? Get the app now and be ready when your first meeting starts: <https://zoom.us/>
Zoom uses encryption of data during Zoom meetings. The two Agencies use 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 Committee 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 Committee less than 72 hours before the meeting are available for public inspection at each Agency's Administrative Offices.

The public may address the Committee concerning an agenda item either before or during the Committee'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 either one of the General

Managers. The Chairperson 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

Roll Call

Announcements

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

The Committee 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 Committee member, staff, or interested person requests that an item be removed from the Consent Items, it will be considered with the Items for Discussion and/or Action.

1. **Minutes of the October 13, 2022, CWD/SSWD 2x2 Committee Meeting**
Recommendation: Approve subject minutes.

Items for Discussion and/or Action

2. **Combination Study Business Case Analysis Status Update**
Recommendation: No action. Receive update on the status of the Draft Combination Study Business Case Analysis Report.
3. **Combination Discussion Communications Plan**
Recommendation: Staff recommends the following: Receive Draft Combination Discussion Communications Plan; and Approve of a Memorandum of Understanding for 50/50 shared costs associated with developing and implementing a Communications Plan to be presented to the CWD and SSWD Boards for final approval.
4. **Combination Discussion – Next Phase**
Recommendation: Direct staff as appropriate on next steps of analysis on Combination Discussions between CWD and SSWD.
5. **Next Meeting**
Recommendation: Determine next meeting of the 2x2 Committee.

6. Public Comment

Adjournment

I certify that the foregoing agenda for the December 21, 2022, meeting of the Carmichael Water District/Sacramento Suburban Water District 2x2 Committee was posted by December 16, 2022 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and at the Carmichael Water District office, 7837 Fair Oaks Boulevard, Carmichael, CA 95608, and was made available to the public during normal business hours.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda

Del Paso Manor Water District/Sacramento Suburban Water District 2x2 Committee Meeting

3701 Marconi Avenue
Sacramento, CA 95821

Tuesday, January 10, 2023
2:00 p.m.

This meeting will be conducted both in-person in the Sacramento Suburban Water 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 Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.

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<https://us02web.zoom.us/j/83904556332?pwd=aHJLNitseXpkZ0dNOVFxd2Fpak5odz09>

Meeting ID: 839 0455 6332

Password: 466168

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

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Call to Order

Roll Call

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

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

1. **Minutes of the December 6, 2022, DPMWD/SSWD 2x2 Committee Meeting**
Recommendation: Approve subject minutes.

Items for Discussion and/or Action

2. **Municipal Services Review Update**
Recommendation: No action. Receive Del Paso Manor Water District's Municipal Services Review and update on Sacramento Suburban Water District's Municipal Services Review.
3. **Condition Assessment – Groundwater Production Wells**
Recommendation: No action. Receive staff presentation on Del Paso Manor Water District's groundwater wells.
4. **Condition Assessment – Infrastructure Replacement Options**
Recommendation: No action. Information only.
5. **Combination Discussion Communications Plan Status Update**
Recommendation: Receive staff presentation and direct staff as appropriate.

- 6. **Combination Discussion– Next Phase/Activity**
Recommendation: Receive presentation and direct staff as appropriate.
- 7. **Next Meeting Date and Time**
- 8. **Public Comment**

Adjournment

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I certify that the foregoing agenda for the January 10, 2023, meeting of the Del Paso Manor Water District/Sacramento Suburban Water District 2x2 Committee was posted by January 6, 2023, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, CA 95821, and at the Del Paso Manor Water District office, 1817 Maryal Drive, Suite 300, Sacramento, CA 95864, and was made available to the public during normal business hours.

Dan York
 General Manager/Secretary
 Sacramento Suburban Water District