

Amended - Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue
Sacramento, California 95821

Monday, November 20, 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.

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/83137630770?pwd=SGNxZGVrVWYrdkpBRERNUFRXTzBOZz09>

Meeting ID: 831 3763 0770

Password: 421074

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. Draft Minutes of the October 16, 2023, Special Board Meeting
Recommendation: Approve the Draft Minutes of the October 16, 2023, Special Board Meeting.
2. Draft Minutes of the October 16, 2023, Regular Board Meeting
Recommendation: Approve the Draft Minutes of the October 16, 2023, Regular Board Meeting.
3. Draft Minutes of the November 2, 2023, Special Board Meeting
Recommendation: Approve the Draft Minutes of the November 2, 2023, Special Board Meeting.
4. Treasurer's Report
Recommendation: Approve the items in the report as recommended.
5. 2023 Audit Engagement Letter and Task Order 4
Recommendation: Approve 2023 Audit Engagement Letter and Task Order 4, with Maze & Associates Accountancy Corporation and grant authorization for the Audit Committee Chair to execute the Engagement Letter and Task Order 4 as recommended by the Audit Committee at the November 1, 2023, Audit Committee meeting.

6. Policy Review - Training and Career Development Policy (PL - HR 004)
Recommendation: Ratify Training and Career Development Policy (PL – HR 004) without changes and update review frequency from one (1) to four (4) years.
7. Policy Review - Engagement of Auditor Policy (PL – Fin 001)
Recommendation: Approve the Engagement of Auditor Policy (PL – Fin 001) with changes.
8. Policy Review - Debt Management Policy (PL - Fin 011)
Recommendation: Approve the Debt Management Policy (PL – Fin 011) with changes.
9. Revised Capacity Fee Setting Policy (PL – Fin 010)
Recommendation: Approve the revised Capacity Fee Setting Policy (PL – Fin 010).

Items for Discussion and/or Action

- 9.5. Resolution No. 23-06, Honoring Tom Dickinson on his Retirement
Recommendation: Adopt Resolution No. 23-06 Honoring Tom Dickinson, Cross Connection Control Specialist, on his Retirement.
10. Sacramento Regional Water Bank
Recommendation: Receive presentation and direct staff as appropriate.
11. Auburn Contractors – Progressive Design-Build Projects Update
Recommendation: No action. Receive staff presentation.
- 11.5. Regional Water Authority Vice Chair and Executive Committee 2024 Election
Recommendation: Discuss the candidate pool for the Regional Water Authority Vice Chair and Executive Committee for 2024 and provide direction to complete the Official 2024 Voting Ballot. Direct the General Manager to submit the Official 2024 Voting Ballot to the Regional Water Authority by December 14, 2023.
12. State Urban Water Use Objective Update
Recommendation: Receive report regarding the implementation of the State Urban Water Use Objectives required by SB 606 and AB 1668.
13. Groundwater Well Asset Management Plan Implementation Status
Recommendation: Receive status update from staff and provide appropriate direction.

General Manager's Report

14. General Manager's Report
 - a. Regional General Manager & Utility Directors Workshop

Department/Staff Reports

15. Groundwater Well Status Report
16. Engineering Report
 - a. Major Capital Improvement Program Projects
 - b. Planning Documents
 - c. Other Projects
17. Financial Report
 - a. Financial Highlights
 - b. Financial Statements
 - c. Budgets
18. District Activity Report

Information Items

19. Carmichael Water District/Sacramento Suburban Water District - Combination Discussion
20. Carmichael Water District/Sacramento Suburban Water District - Major Themes Document
21. Consolidated District Billing
22. Fieldman, Rolapp and Associates, Inc. - SEC Settlement
23. Upcoming Water Industry Meetings/Conferences

24. Upcoming Policy Review
 - a. Water Banking and Transfer Policy (PL - BOD 006)
 - b. Investment Policy (PL - Fin 003)

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

25. a. Regional Water Authority (Director Wichert)
Agenda from the November 9, 2023, Board Meeting.
- b. Sacramento Groundwater Authority (Director Boatwright)
None.
- c. Director Reports – AB 1234

Committee Reports

26. a. Carmichael Water District/SSWD 2x2 Committee Meeting (Director Locke)
Draft Minutes from the October 11, 2023, meeting.
- b. Facilities and Operations Committee Meeting (Director Jones)
Draft Minutes from the October 19, 2023, meeting.
- c. Carmichael Water District/SSWD Joint Board Meeting (Director Boatwright)
Draft Minutes from the October 24, 2023, meeting.
- d. Water Banking Committee Meeting (Director Thomas)
Draft Minutes from the October 30, 2023, meeting.
- e. Audit Committee Meeting (Director Locke)
Draft Minutes from the November 1, 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)

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

Open Session

28. Report from Closed Session.

Adjournment

Upcoming Meetings

Wednesday, December 13, 2023, at 3:00 p.m., CWD/SSWD 2x2 Committee Meeting

Monday, December 18, 2023, at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the November 20, 2023, meeting of the Sacramento Suburban Water District Board of Directors was posted by November 10, 2023, in a publicly accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, California, and was freely available to the public.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 1

Date: November 20, 2023

Subject: Draft Minutes of the October 16, 2023, Special Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the Draft Minutes of the October 16, 2023, Special Board Meeting.

Attachment:

1 – Draft Minutes of the October 16, 2023, Special Board Meeting

Attachment 1

Minutes

Sacramento Suburban Water District
Special Board Meeting
Monday, October 16, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821

Call to Order

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

Roll Call

Directors Present: Dave Jones, Jay Boatwright, Craig Locke (joined the meeting at 5:15 p.m.), Kevin Thomas, and Robert Wichert.

Directors Absent: None.

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

Public Present: Legal Counsel Josh Horowitz and Legal Counsel Stephanie Biehl.

Announcements

None.

Public Comment

None.

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

The Board convened in Closed Session at 5:01 p.m. to discuss the following:

1. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Citrus Heights Water District, et al. v. San Juan Water District, et al.*; Sacramento Superior Court Case No. 23WM000080
2. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. United States*, United States Court of Federal Claims case no. 1:17-cv-00860-RHH, and *Sacramento Suburban Water District v. United States, et al.*, United States District Court for the Eastern District of California, case no. 2:17-cv-01353-TLN-AC (Hexavalent chromium contamination claims).
3. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. The Dow Chemical Company, et al.*; Judicial Council Coordination

Proceeding No. 4435-TCP Cases / San Bernardino Superior Court Case No. SCVSS120627 (TCP contamination claims).

4. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. The 3M Company, et al.*, United States District Court for the District Of South Carolina, Charleston Division, MDL No. 2873 (PFAS contamination claims).

Return to Open Session

The Board convened in Open Session at 6:10 p.m. There was no reportable action.

Adjournment

President Boatwright adjourned the meeting at 6:11 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 2

Date: November 20, 2023

Subject: Draft Minutes of the October 16, 2023, Regular Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the Draft Minutes of the October 16, 2023, regular Board meeting.

Attachment:

1 – Draft Minutes of the October 16, 2023, regular Board meeting

Minutes

Sacramento Suburban Water District
Regular Board Meeting
Monday, October 16, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #819 2365 3725

Call to Order

President Boatwright called the meeting to order at 6:17 p.m.

Pledge of Allegiance

President Boatwright led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Julie Nemitz, Dana Dean, Jeff Ott, Greg Bundesen, Tommy Moulton, David Armand, Lynn Pham, and Todd Artrip.

Public Present: Legal Counsel Josh Horowitz, Carl Jones, and Jennifer Harris.

Announcements

General Manager Dan York (GM York) announced:

- The District was honored by the EPA WaterSense Program at the WaterSmart Innovations Conference in Las Vegas with an award for Excellence in Education for the District's 2022 Water Conservation and Customer Outreach programs for raising awareness of the WaterSense label. This is the second WaterSense Excellence in Education Award SSWD has been honored with for its efforts.

Public Comment

None.

Consent Items

1. **Draft Minutes of the September 18, 2023, Regular Board Meeting**
2. **Draft Minutes of the October 2, 2023, Special Board Workshop**

3. **Treasurer’s Report**
4. **Regional Water Authority Executive Committee Member Support**
5. **Policy Review - Impaired Capital Asset Policy (PL - Fin 008)**
6. **Policy Review - Capacity Fee Setting Policy (PL - Fin 010)**
7. **Policy Review - Payment of Demands Policy (PL - Fin 014)**

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

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

Items for Discussion and/or Action

8. **Calendar Year 2024 Budget Review**
 Jeff Ott (Mr. Ott) presented the staff report, PowerPoint presentation, and answered clarifying questions.

Staff clarified that there is not a scheduled rate increase in 2025.

Director Locke recommended staff conduct a rate study in 2024, to determine if a rate increase is needed for 2025 through 2029.

Director Wichert agreed with Director Locke’s recommendation.

President Boatwright confirmed that the direction from the Board was to conduct a rate study in 2024.

Greg Bundesen presented justification for the Water Conservation Technician position and answered clarifying questions.

Jennifer Harris (Ms. Harris) asked clarifying questions about the SCADA system upgrades.

Director Wichert commented that he felt that salary ranges were 5% higher than listed, as he felt the vacation in lieu of pay when at the top of the pay band should be included in the salary.

Director Wichert requested staff have milestones for Auburn Constructors for Wells 81, 82, and 83, and 84.

GM York agreed and expressed that he can add that as part of the District Goals for 2024.

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

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

9. **Supervisory Control and Data Acquisition Asset Management Plan Implementation Status**

Mr. Ott presented the staff report.

Director Wichert asked clarifying questions and requested more frequent updates.

Director Wichert noted he was not comfortable operating outside of the FCC license.

GM York expressed he was aware that the District was out of compliance with the radio frequency license portion, noting it would be an exorbitant cost to correct the radio frequency, which would not be advised as the District was moving away from radio frequency and transitioning into cellular. He further expressed he would still check if there was anything the District could do for the time being to be in compliance.

GM York and Mr. Ott answered additional clarifying questions.

10. **Committee and Liaison Appointments for 2023**

President Boatwright presented the staff report. He appointed Director Thomas to replace Director Locke on the GM Performance Review Committee, noting Director Locke was unavailable to serve on the committee due to schedule conflicts.

President Boatwright additionally appointed himself as an alternate on the Facilities and Operations Committee.

General Manager’s Report

11. **General Manager’s Report**

GM York presented the staff report.

a. *County Paving*

GM York presented the staff report.

Ms. Harris asked clarifying questions.

b. *Association of California Water Agency Election Results*

GM York presented the staff report.

Department/Staff Reports

12. **Groundwater Well Status Report**
Tommy Moulton presented the staff report.
13. **Engineering Report**
Dana Dean presented the staff report.
 - a. *Major Capital Improvement Program Projects*
A written report was provided.
 - b. *Planning Documents*
A written report was provided.
 - c. *Other Projects*
A written report was provided.
14. **Financial Report**
Mr. Ott presented the staff report.
 - a. *Financial Statements*
A written report was provided.
 - b. *Financial Highlights*
A written report was provided.
 - c. *Budgets*
A written report was provided.
15. **District Activity Report**
Todd Artrip presented the staff report.

Information Items

16. **Municipal Services Review Update**
GM York presented the staff report.
17. **ACA 13 Support Letter and ACA 13 Opposition Rebuttal Letter**
Mr. Bundesen presented the staff report.
18. **Upcoming Water Industry Meetings/Conferences**
A written report was provided.

Director Wichert expressed he planned on putting himself in the running for a seat on the Executive Committee.

19. **Upcoming Policy Review**

A written report was provided.

a. *Training and Career Development Policy – (PL - HR 004)*

b. *Engagement of Auditor Policy – (PL – Fin 001)*

c. *Debt Management Policy – (PL - Fin 011)*

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

20. a. Regional Water Authority (Director Wichert)

The Agenda from the September 14, 2023, meeting was provided.

b. Sacramento Groundwater Authority (Director Boatwright)

None.

Director Wichert provided an oral report of the last SGA Board meeting.

c. Director Reports – AB 1234

Director Thomas provided an oral report of the DPMWD Board meeting he attended on September 5, 2023; the meeting he had with the General Manager on September 13, 2023; the AeroJet CAG meeting he attended on September 20, 2023; and the meeting he had with the General Manager on September 27, 2023.

President Boatwright and Director Locke provided written reports of the meetings they attended.

Committee Reports

21. a. Carmichael Water District/SSWD 2x2 Committee Meeting (Director Locke)

The Agenda for the October 11, 2023, meeting was provided.

Director Locke provided an oral summary of the meeting.

Director’s Comments/Staff Statements and Requests

None.

Adjournment

President Boatwright adjourned the meeting at 7:49 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 3

Date: November 20, 2023

Subject: Draft Minutes of the November 2, 2023, Special Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the Draft Minutes of the November 2, 2023, Special Board Meeting.

Attachment:

1 – Draft Minutes of the November 2, 2023, Special Board Meeting

Attachment 1

Minutes

Sacramento Suburban Water District

Special Board Meeting

Thursday, November 2, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #893 4678 8099

Call to Order

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

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York and Heather Hernandez-Fort.

Public Present: Legal Counsel Josh Horowitz and Legal Counsel Stephanie Biehl.

Announcements

None.

Public Comment

None.

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

The Board convened in Closed Session at 5:01 p.m. to discuss the following:

1. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Sacramento Suburban Water District v. The 3M Company, et al.*, United States District Court for the District Of South Carolina, Charleston Division, MDL No. 2873 (PFAS contamination claims).
2. Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); *Citrus Heights Water District, et al. v. San Juan Water District, et al.*; Sacramento Superior Court Case No. 23WM000080

Return to Open Session

The Board convened in Open Session at 5:21 p.m. There was no reportable action.

Adjournment

President Boatwright adjourned the meeting at 5:22 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 4

Date: November 20, 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 October 1, 2023, through October 31, 2023.
2. Accept the credit card expenditures listing for the period October 1, 2023, through October 31, 2023.
3. Ratify the Investment Activity register for the period October 1, 2023, through October 31, 2023.

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 (Board) periodically for various actions including ratification, acceptance, or approval.

Per District Policy PL – Fin 014, Payment of Demands, the Board 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 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 the various financial transactions of the District.

Discussion:

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

- Cash Expenditures (AP Warrants) Register – October 2023
- Credit Card Expenditures Register – October 2023

- Investment Activity Register – October 2023

Cash Expenditures (AP Warrants) Register– October 2023

During the month of October 2023, the District made cash payments totaling \$8.6 million. The primary expenditures were \$0.7 million for capital improvement projects, \$6.0 million for debt service, \$0.6 million for payroll, \$0.3 million for pension and health benefits, \$0.2 million for engineering, construction & contract services, \$0.3 million for water costs, \$0.1 million for supplies and inventory, and \$0.4 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 2023 Annual Budget. The Cash Expenditures (AP Warrants) Register is included as Attachment 1.

Credit Card Expenditures Register – October 2023

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 \$24,713 for various purchases on the six District purchasing cards. Details by vendor and purpose are included in this report as Attachment 2.

Investment Activity Register – October 2023

During the month of October 2023, the District purchased a Corporate Note for \$0.6 million (par), and two Federal Agency Commercial Mortgages for 0.7 million (par). One Corporate Note was matured for \$0.1 million (par) and one Federal Agency Notes was matured for \$0.4 million (par). The District also received principal pay downs on fifteen Asset-Backed Security Obligations for \$0.1 million (par) and two Agency Commercial Mortgages for \$3,219 (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.

Attachments:

1. Cash Expenditures (AP Warrants) Register – October 2023
2. Credit Card Expenditures Register – October 2023
3. Investment Activity Register – October 2023

**Cash Expenditures
OCTOBER 2023**

AP Warrant List From: 10/1/2023 To: 10/31/2023

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
A.I. ELECTRIC	84283	10/6/2023	\$220.00	CONTRACT SERVICES
		TOTAL	\$220.00	
ABA DABA RENTAL	000008253	10/11/2023	\$66.40	OPERATING SUPPLIES
		TOTAL	\$66.40	
ACS CONSTRUCTION	000008245	10/6/2023	\$620.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$620.00	
	000008262	10/11/2023	\$2,000.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$2,000.00	
	000008276	10/19/2023	\$1,875.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$1,875.00	
	000008291	10/27/2023	\$895.00	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$895.00	
ACWA	84469	10/19/2023	\$27,595.00	PREPAID MEMBERSHIP & DUES
		TOTAL	\$27,595.00	
ACWA JPIA INSURANCE AUTHORITY	84384	10/11/2023	\$22,543.46	ACCRUED WORKERS' COMPENSATION INSURANCE
		TOTAL	\$22,543.46	
ACWA JPIA INSURANCE EAP	84378	10/11/2023	\$178.56	MISCELLANEOUS EMPLOYEE BENEFITS
		TOTAL	\$178.56	
ADP, INC	ACH0082297	10/20/2023	\$260.40	FINANCIAL SERVICES
		TOTAL	\$260.40	
	ACH0082298	10/20/2023	\$1,993.60	FINANCIAL SERVICES
		TOTAL	\$1,993.60	
	ACH0082352 & Checks	10/19/2023	\$615,821.43	PAYROLL
		TOTAL	\$615,821.43	
ADT	84400	10/11/2023	\$798.30	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$798.30	
AFLAC	84255	10/6/2023	\$601.27	ACCRUED SUPPLEMENT INSURANCE - AFLAC
		TOTAL	\$601.27	
AIRGAS USA LLC	000008270	10/19/2023	\$50.37	OPERATING SUPPLIES
		TOTAL	\$50.37	
ALLIED UNIVERSAL	84403	10/11/2023	\$906.84	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$906.84	
AMAZON BUSINESS	000008241	10/6/2023	\$23.68	OPERATING SUPPLIES
		TOTAL	\$23.68	
	000008259	10/11/2023	\$430.93	OPERATING SUPPLIES
		TOTAL	\$430.93	
	000008272	10/19/2023	\$1,427.55	OPERATING SUPPLIES
		TOTAL	\$1,427.55	
	000008289	10/27/2023	\$54.53	EMPLOYEE COMM/TEAMBUILDING
			\$90.63	OFFICE SUPPLIES
		TOTAL	\$145.16	
	AMERITAS (VISION)	84390	10/11/2023	\$2,210.28
TOTAL			\$2,210.28	
ANN BRADFORD	84483	10/19/2023	\$256.84	TRAVEL CONFERENCES
		TOTAL	\$256.84	
ANSWERNET	000008266	10/19/2023	\$771.50	COMMUNICATION
		TOTAL	\$771.50	
AT&T	84282	10/6/2023	\$3,838.04	COMMUNICATION
		TOTAL	\$3,838.04	
	84399	10/11/2023	\$558.13	COMMUNICATION
		TOTAL	\$558.13	
	84539	10/27/2023	\$3,847.34	COMMUNICATION
		TOTAL	\$3,847.34	
ATLAS DISPOSAL	84510	10/27/2023	\$315.16	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$315.16	
ATLAS FENCE	84529	10/27/2023	\$875.00	BUILDING MAINTENANCE - OFFICE & YARD

AP Warrant List From: 10/1/2023 To: 10/31/2023

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$875.00	
AUBURN CONSTRUCTORS	84522	10/27/2023	\$5,367.50	PROJECT: WELL 79 VERNER/PANORAMA- NEW
			\$70,450.10	PROJECT: WELL 84 ANTELOPE/DON JULIO
		TOTAL	\$75,817.60	
BADGER METER INC	000008247	10/11/2023	\$678.45	PROJECT: 2800 MARCONI AVE 268-0210-096
			\$368.76	PROJECT: 4643 AMERICAN RIVER DR29203420
			\$1,714.65	PROJECT: 4957-4977 MYRTLE AVE2280480045
	TOTAL	\$2,761.86		
	000008278	10/27/2023	\$10,033.47	PROJECT: 11 HYDRANTS METERS
		TOTAL	\$10,033.47	
BARTKIEWICZ KRONICK & SHANAHAN	000008263	10/19/2023	\$11,180.95	LEGAL SERVICES
		TOTAL	\$11,180.95	
BENDER ROSENTHAL INC	84393	10/11/2023	\$33.75	PROJECT: PROP ACQU - CONSULTING SERV
		TOTAL	\$33.75	
BETTY J OROZCO	84488	10/19/2023	\$285.10	CONSERVATION REBATES
		TOTAL	\$285.10	
BROADRIDGE MAIL LLC	84271	10/6/2023	\$46,688.60	CONTRACT SERVICES
			\$3,408.37	POSTAGE/SHIPPING/UPS/FED EX
			\$5,578.50	PRINTING
		TOTAL	\$55,675.47	
	ACH0082170	10/11/2023	\$621.19	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$621.19	
	ACH0082171	10/11/2023	\$197.12	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$197.12	
	ACH0082172	10/11/2023	\$8.98	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$8.98	
	ACH0082173	10/11/2023	\$61.15	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$61.15	
	ACH0082174	10/11/2023	\$3,121.10	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$3,121.10	
	ACH0082175	10/3/2023	\$0.63	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$0.63	
	ACH0082176	10/2/2023	\$81.27	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$81.27	
	ACH0082177	10/2/2023	\$16.38	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$16.38	
	84479	10/19/2023	\$12,917.64	PRINTING
		TOTAL	\$12,917.64	
	ACH0082341	10/16/2023	\$4,766.10	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$4,766.10	
	ACH0082342	10/16/2023	\$195.73	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$195.73	
	ACH0082343	10/17/2023	\$960.09	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$960.09	
	ACH0082344	10/18/2023	\$160.44	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$160.44	
	ACH0082345	10/23/2023	\$5,551.29	POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$5,551.29	
	ACH0082346	10/23/2023	\$475.04	POSTAGE/SHIPPING/UPS/FED EX
	TOTAL	\$475.04		
ACH0082347	10/24/2023	\$137.47	POSTAGE/SHIPPING/UPS/FED EX	
	TOTAL	\$137.47		
ACH0082348	10/25/2023	\$801.18	POSTAGE/SHIPPING/UPS/FED EX	
	TOTAL	\$801.18		
BROWER MECHANICAL	000008251	10/11/2023	\$172.70	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$172.70	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
BROWN & CALDWELL	84260	10/6/2023	\$2,629.75	PROJECT: WELL 79 VERNER/PANORAMA- NEW
		TOTAL	\$2,629.75	
BSK ASSOCIATES	000008286	10/27/2023	\$10,542.00	PROJECT: WELL 84 ANTELOPE/DON JULIO
			\$20,543.00	INSPECTION & TESTING
		TOTAL	\$31,085.00	
BUD'S TRI COUNTY TREE SERVICE	000008279	10/27/2023	\$790.00	MISC. REPAIRS
		TOTAL	\$790.00	
BURTON ROBB /BURT'S LAWN & GARDEN SERVICE	000008225	10/6/2023	\$8,070.00	CONTRACT SERVICES
		TOTAL	\$8,070.00	
	000008280	10/27/2023	\$8,715.00	CONTRACT SERVICES
		TOTAL	\$8,715.00	
CALIF SPECIAL DISTRICTS ASSOCIATION	84524	10/27/2023	\$9,275.00	PREPAID MEMBERSHIP & DUES
		TOTAL	\$9,275.00	
CALIFORNIA LABORATORY SERVICES	84474	10/19/2023	\$7,038.80	INSPECTION & TESTING
		TOTAL	\$7,038.80	
CAPITAL RUBBER & GASKET INC	84533	10/27/2023	\$2,183.53	OPERATING SUPPLIES
		TOTAL	\$2,183.53	
CAPITAL SWEEPER SERVICE	84398	10/11/2023	\$184.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$184.00	
CDWG	000008226	10/6/2023	\$223.75	LICENSES, PERMITS & FEES
			\$837.68	OPERATING SUPPLIES
		TOTAL	\$1,061.43	
	000008264	10/19/2023	\$1,565.00	CONSULTING SERVICES
			\$30.30	LICENSES, PERMITS & FEES
TOTAL	\$1,595.30			
CENTRAL VALLEY ENG & ASPHALT	000008284	10/27/2023	\$12,437.00	MISC. REPAIRS
		TOTAL	\$12,437.00	
CHARLES CARROLL	84490	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
CHASE PAYMENTECH	ACH0082250	10/4/2023	\$17,038.91	FINANCIAL SERVICES
		TOTAL	\$17,038.91	
CIGNA-DENTAL INS	84267	10/6/2023	\$15,827.72	EMPLOYEE BENEFIT - DENTAL INSURANCE
		TOTAL	\$15,827.72	
CINTAS	84511	10/27/2023	\$1,307.16	BUILDING MAINTENANCE - OFFICE & YARD
			\$1,992.66	UNIFORMS
		TOTAL	\$3,299.82	
CITRUS HEIGHTS SAW & MOWER	84379	10/11/2023	\$51.70	OPERATING SUPPLIES
		TOTAL	\$51.70	
CITY OF SACRAMENTO DEPT OF UTILITIES	84258	10/6/2023	\$9.39	UTILITIES
		TOTAL	\$9.39	
	84385	10/11/2023	\$20.46	UTILITIES
		TOTAL	\$20.46	
	84523	10/27/2023	\$14.69	UTILITIES
		TOTAL	\$14.69	
CITY OF SACRAMENTO WATER	84386	10/11/2023	\$500.68	PURCHASED WATER-CITY OF SACRAMENTO
		TOTAL	\$500.68	
CLEAR VISION WINDOW CLEANING	84521	10/27/2023	\$225.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$225.00	
COLLEGE OAK TOWING	84380	10/11/2023	\$429.00	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$429.00	
COMCAST	84512	10/27/2023	\$89.07	COMMUNICATION
		TOTAL	\$89.07	
CONSOLIDATED COMMUNICATIONS	84467	10/19/2023	\$586.09	COMMUNICATION
		TOTAL	\$586.09	
COTTON SHOPPE	84520	10/27/2023	\$2,381.08	UNIFORMS
		TOTAL	\$2,381.08	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
COUNTY OF SAC DEPT OF FINANCE	84404	10/11/2023	\$630.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$630.00	
COUNTY OF SAC ENVIRO MGT DEPT	84263	10/6/2023	\$1,328.00	LICENSES, PERMITS & FEES
		TOTAL	\$1,328.00	
	84525	10/27/2023	\$7,304.00	LICENSES, PERMITS & FEES
		TOTAL	\$7,304.00	
COUNTY OF SAC PUBLIC WORKS	84247	10/6/2023	\$3,297.50	PROJECT: WATT MAIN EXTENSIION
			\$75.50	PROJECT: WELL 80 WALNUT/AUBURN
			\$729.00	PROJECT: WELL 84 ANTELOPE/DON JULIO
			\$3,842.00	LICENSES, PERMITS & FEES
	TOTAL	\$7,944.00		
	84513	10/27/2023	\$3,898.00	LICENSES, PERMITS & FEES
		TOTAL	\$3,898.00	
COUNTY OF SAC UTILITIES	84246	10/6/2023	\$113.70	UTILITIES
		TOTAL	\$113.70	
	84381	10/11/2023	\$1,375.80	UTILITIES
		TOTAL	\$1,375.80	
CUSTOMER REFUNDS	Multiple Payments	10/6/2023	\$35,992.49	Customer Refunds: 184
		TOTAL	\$35,992.49	
DAILY JOURNAL CORPORATION	84528	10/27/2023	\$6,339.75	PUBLICATION
		TOTAL	\$6,339.75	
DAN YORK	84248	10/6/2023	\$426.14	TRAVEL CONFERENCES
		TOTAL	\$426.14	
DELTA PRINT GROUP	84480	10/19/2023	\$11,625.82	PRINTING
		TOTAL	\$11,625.82	
DEWBERRY ENGINEERS INC	84277	10/6/2023	\$3,335.00	PROJECT: AUBURN BLVD BRIDGE PIPE REPL
		TOTAL	\$3,335.00	
ED MOSBAUGH	84492	10/19/2023	\$150.00	CONSERVATION REBATES
		TOTAL	\$150.00	
ELEVATOR TECHNOLOGY INC	000008242	10/6/2023	\$226.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$226.00	
	000008260	10/11/2023	\$226.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$226.00	
EMCOR SERVICES	84274	10/6/2023	\$3,906.61	CONTRACT SERVICES
		TOTAL	\$3,906.61	
	84395	10/11/2023	\$14,121.00	PROJECT: WELL N36 AC UNIT REPLACEMENT
			\$475.00	CONTRACT SERVICES
		TOTAL	\$14,596.00	
EMIGH ACE HARDWARE	000008248	10/11/2023	\$148.53	OPERATING SUPPLIES
		TOTAL	\$148.53	
EMPLOYEE RELATIONS	000008252	10/11/2023	\$276.57	EMPLOYMENT COST
		TOTAL	\$276.57	
ERC CONTRACTING	000008239	10/6/2023	\$3,375.00	PROJECT: WATT MAIN EXTENSIION
			\$875.00	PROJECT: WELL 40A - MOTOR REPAIR
			\$500.00	PROJECT: WELL 41 - PUMP STATION IMPROVE
			\$950.00	PROJECT: WELL 60 - CONDITION ASSESSMENT
			\$13,450.00	PROJECT: WELL 72-WATER QUALITY INVESTIG
			\$100.00	PROJECT: WELL 79 VERNER/PANORAMA- NEW
			\$375.00	PROJECT: WELL 84 ANTELOPE/DON JULIO
			\$625.00	PROJECT: WELL N25 VFD REPLACEMENT
			\$250.00	PROJECT: WELL N6A-REHAB/REDEVELOPE/TEST
			\$500.00	PROJECT: WELL N7 ROSEBUD -ELECT MPROV
			\$9,325.00	PROJECT: WELL# N32A-C - WELLS BLENDING
		TOTAL	\$30,325.00	
ERIC BUCKLE	84501	10/19/2023	\$100.00	CONSERVATION REBATES
		TOTAL	\$100.00	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
EVANGELINA SCHAFFER	84491	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
FLEETWASH INC	000008240	10/6/2023	\$473.85	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$473.85	
	000008256	10/11/2023	\$386.56	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$386.56	
	000008288	10/27/2023	\$473.85	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$473.85	
FUTURE FORD FLEET OF ROSEVILLE	84537	10/27/2023	\$1,059.57	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$1,059.57	
GRAINGER	84464	10/19/2023	\$800.35	OPERATING SUPPLIES
		TOTAL	\$800.35	
	84514	10/27/2023	\$3,391.97	OPERATING SUPPLIES
		TOTAL	\$3,391.97	
GREEN MEDIA CREATIONS INC	000008277	10/19/2023	\$5,588.44	CONTRACT SERVICES
		TOTAL	\$5,588.44	
HACH COMPANY	000008227	10/6/2023	\$170.59	OPERATING SUPPLIES
		TOTAL	\$170.59	
HARRINGTON PLASTICS	84465	10/19/2023	\$443.93	OPERATING SUPPLIES
		TOTAL	\$443.93	
ICONIX WATERWORKS (US) INC	000008243	10/6/2023	\$13,684.30	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$13,684.30	
IN COMMUNICATIONS	84473	10/19/2023	\$19,783.13	PUBLIC RELATIONS
		TOTAL	\$19,783.13	
INVOICE CLOUD INC	84276	10/6/2023	\$22,519.35	FINANCIAL SERVICES
		TOTAL	\$22,519.35	
	84532	10/27/2023	\$22,906.35	FINANCIAL SERVICES
		TOTAL	\$22,906.35	
J&J LOCKSMITH	000008228	10/6/2023	\$32.33	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$32.33	
JAIME GUZMAN	84498	10/19/2023	\$100.00	CONSERVATION REBATES
		TOTAL	\$100.00	
JANE HOWE	84500	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
JAY BOATWRIGHT	84289	10/6/2023	\$1,507.22	TRAVEL CONFERENCES
		TOTAL	\$1,507.22	
JEFFREY GOLDSTEIN	84496	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
JOEL KASNICK	84485	10/19/2023	\$105.60	CONSERVATION REBATES
		TOTAL	\$105.60	
JOHNSON CONSTRUCTION COMPANY	84396	10/11/2023	\$2,540.00	RETENTION PAYABLE
		TOTAL	\$2,540.00	
JOSEPH MORROW	84495	10/19/2023	\$207.65	CONSERVATION REBATES
		TOTAL	\$207.65	
KENNEDY JENKS CONSULTANTS	000008269	10/19/2023	\$33,186.15	PROJECT: WATT MAIN EXTENSIION
		TOTAL	\$33,186.15	
KIRBY PUMP AND MECHANICAL	84265	10/6/2023	\$1,200.00	PROJECT: WELL 40A - MOTOR REPAIR
			\$3,600.00	PROJECT: WELL N23A ARV INSTALLATION
			TOTAL	\$4,800.00
	84476	10/19/2023	\$19,250.48	PROJECT: WELL 25 HP TANK BYPASS
			TOTAL	\$19,250.48
	84526	10/27/2023	\$121.13	CONSTRUCTION - KIRBY LABOR
			\$31,031.59	PROJECT: WATT/ELKHORN CHECK VALVE REPL
			\$6,102.77	PROJECT: WATT/ELKHORN TANK MIXER
			\$3,079.57	PROJECT: WELL 40A - MOTOR REPAIR
			\$2,983.63	PROJECT: WELL 47 - DISCHARGE MODS

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
			\$18,269.40	PROJECT: WELL 52 - PUMP REPAIR
			\$2,301.49	PROJECT: WELL 64 HP TANK
			\$120,323.60	PROJECT: WELL 72-WATER QUALITY INVESTIG
			\$847.92	PROJECT: WELL N20 - CA & MN MITIGATION
			\$3,633.93	PROJECT: WELL N23A - MOTOR REPAIR
			\$121.13	PROJECT: WELL N25 VFD REPLACEMENT
		TOTAL	\$188,816.16	
KNIESELS COLLISION - CARMICHAEL	84383	10/11/2023	\$2,993.72	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$2,993.72	
LEONARD RICE ENGINEERS INC	000008244	10/6/2023	\$2,950.00	CONSULTING SERVICES
		TOTAL	\$2,950.00	
LES SCHWAB TIRE CENTER MADISON	84249	10/6/2023	\$2,579.49	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$2,579.49	
	84515	10/27/2023	\$3,054.98	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$3,054.98	
LIFEGUARD FIRST AID	000008254	10/11/2023	\$930.80	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$930.80	
MARK STEFFENS	84494	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
MATHEW CURRAN	84486	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
MEGAN DOYLE	84489	10/19/2023	\$650.00	CONSERVATION REBATES
		TOTAL	\$650.00	
MEREDITH CARTY	84482	10/19/2023	\$350.00	CONTRACT SERVICES
		TOTAL	\$350.00	
MESSENGER PUBLISHING GROUP	000008287	10/27/2023	\$700.00	PUBLIC RELATIONS
		TOTAL	\$700.00	
MICHAEL PHILLIPS LANDSCAPE CORP	000008229	10/6/2023	\$3,790.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$3,790.00	
	000008265	10/19/2023	\$650.00	CONTRACT SERVICES
		TOTAL	\$650.00	
	000008281	10/27/2023	\$585.00	CONTRACT SERVICES
		TOTAL	\$585.00	
MISCOWATER	84287	10/6/2023	\$17,755.98	PROJECT: FLOURIDE PUMP UPGRADES/REPLS
			\$2,006.14	OPERATING SUPPLIES
		TOTAL	\$19,762.12	
NINJIO LLC	84397	10/11/2023	\$189.83	EQUIPMENT MAINTENANCE SERVICES
		TOTAL	\$189.83	
OFFICE DEPOT INC	84250	10/6/2023	\$61.38	OFFICE SUPPLIES
		TOTAL	\$61.38	
	84382	10/11/2023	\$594.91	OFFICE SUPPLIES
		TOTAL	\$594.91	
	84466	10/19/2023	\$737.51	OFFICE SUPPLIES
		TOTAL	\$737.51	
OK TIRE AND AUTOMOTIVE	84270	10/6/2023	\$873.38	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$873.38	
PACE SUPPLY CORP	000008237	10/6/2023	\$1,029.97	PROJECT: 11 HYDRANTS METERS
			\$3,001.66	OPERATING SUPPLIES
		TOTAL	\$4,031.63	
	000008283	10/27/2023	\$1,699.68	OPERATING SUPPLIES
			\$23,608.95	PURCHASE PRICE VARIANCE
		TOTAL	\$25,308.63	
PACIFIC COPY & PRINT	84262	10/6/2023	\$355.62	OPERATING SUPPLIES
		TOTAL	\$355.62	
PANATRACK INC	000008257	10/11/2023	\$3,454.62	PREPAID LICENSES & PERMIT
		TOTAL	\$3,454.62	

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION	
PAPE MACHINERY	84256	10/6/2023	\$1,016.46	CONTRACT SERVICES	
		TOTAL	\$1,016.46		
PARRA ENVIRONMENTAL TRAINING	84278	10/6/2023	\$4,700.00	REQUIRED TRAINING	
		TOTAL	\$4,700.00		
PATRON TRUCKING INC	84275	10/6/2023	\$2,130.16	OPERATING SUPPLIES	
		TOTAL	\$2,130.16		
PERS 457 PLAN	ACH0082181	10/11/2023	\$2,415.38	ACCRUED DEF COMP, PERS ROTH 457B	
		TOTAL	\$2,415.38		
	ACH0082412	10/23/2023	\$2,415.38	ACCRUED DEF COMP, PERS ROTH 457B	
PERS HEALTH	ACH0082182	10/10/2023	\$125,983.40	EMPLOYEE BENEFIT - HEALTH INSURANCE	
		TOTAL	\$125,983.40		
	ACH0082183	10/10/2023	\$1,695.20	OPEB - RETIREE BENEFITS PREMIUM	
PERS PENSION	ACH0082247	10/5/2023	\$25,770.05	EMPLOYEE BENEFIT - PERS RETIREMENT	
		TOTAL	\$25,770.05		
	ACH0082248	10/5/2023	\$19,867.02	EMPLOYEE BENEFIT - PERS RETIREMENT	
		TOTAL	\$19,867.02		
	ACH0082249	10/5/2023	\$8,642.48	EMPLOYEE BENEFIT - PERS RETIREMENT	
		TOTAL	\$8,642.48		
	ACH0082413	10/23/2023	\$24,914.95	EMPLOYEE BENEFIT - PERS RETIREMENT	
		TOTAL	\$24,914.95		
	ACH0082414	10/23/2023	\$8,642.48	EMPLOYEE BENEFIT - PERS RETIREMENT	
		TOTAL	\$8,642.48		
	ACH0082415	10/23/2023	\$19,960.09	EMPLOYEE BENEFIT - PERS RETIREMENT	
		TOTAL	\$19,960.09		
PEST PROS PEST SOLUTIONS	84273	10/6/2023	\$288.15	BUILDING SERVICE EXPENSE - OFFICE & YARD	
		TOTAL	\$288.15		
	84394	10/11/2023	\$107.35	BUILDING SERVICE EXPENSE - OFFICE & YARD	
		TOTAL	\$107.35		
	84531	10/27/2023	\$96.05	BUILDING SERVICE EXPENSE - OFFICE & YARD	
		TOTAL	\$96.05		
PETERSON BRUSTAD INC	84268	10/6/2023	\$1,768.25	PROJECT: ENTERPR/NORTHDROP RESERVIOR/PS	
			\$19,523.00	PROJECT: WALNUT TANK CONDITION ASSMNT	
			\$7,002.87	PRODUCTION - CONSULTING SERVICES	
		TOTAL	\$28,294.12		
	84391	10/11/2023	\$32,676.44	PROJECT: WALNUT TANK CONDITION ASSMNT	
TOTAL	\$32,676.44				
PFM ASSET MANAGEMENT LLC	00008236	10/6/2023	\$5,177.66	FINANCIAL SERVICES	
		TOTAL	\$5,177.66		
PG&E	84251	10/6/2023	\$191.60	UTILITIES	
		TOTAL	\$191.60		
	84516	10/27/2023	\$52.70	UTILITIES	
TOTAL	\$52.70				
PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	00008274	10/19/2023	\$535.37	EQUIPMENT RENTAL/LEASE	
		TOTAL	\$535.37		
PITNEY BOWES INC	00008273	10/19/2023	\$80.48	OFFICE SUPPLIES	
		TOTAL	\$80.48		
PSOMAS	00008235	10/6/2023	\$2,277.00	PROJECT: WLS 81/82/83 ANTELOPE N./POKER	
			\$7,445.00	ENGINEERING - CONSULTING SERVICES	
		TOTAL	\$9,722.00		
PURCHASE POWER	00008275	10/19/2023	\$45.21	POSTAGE/SHIPPING/UPS/FED EX	
		TOTAL	\$45.21		
	00008290	10/27/2023	\$52.76	POSTAGE/SHIPPING/UPS/FED EX	
		TOTAL	\$52.76		
QUADIENT LEASING USA INC	84538	10/27/2023	8	\$1,494.83	EQUIPMENT RENTAL/LEASE

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$1,494.83	
RAMOS ENVIRONMENTAL SERVICES	84252	10/6/2023	\$1,170.00	HAZARDOUS WASTE DISPOSAL
		TOTAL	\$1,170.00	
RASHAD L WILLIAMS	84493	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
RIVER CITY FIRE EQUIP CO INC	84264	10/6/2023	\$1,048.30	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$1,048.30	
	84388	10/11/2023	\$2,715.54	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$2,715.54	
RIVERVIEW INTERNATIONAL TRUCKS INC	84517	10/27/2023	\$912.54	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$912.54	
ROBERT ROSCOE	000008230	10/6/2023	\$722.40	OPEB - RETIREE BENEFITS PREMIUM
		TOTAL	\$722.40	
ROMAN ANDERSON	84475	10/19/2023	\$193.94	UNIFORMS
		TOTAL	\$193.94	
RUE EQUIPMENT INC	84253	10/6/2023	\$420.00	EQUIPMENT MAINTENANCE SERVICES
			\$6,338.21	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$6,758.21	
	84518	10/27/2023	\$280.00	EQUIPMENT MAINTENANCE SERVICES
			\$448.43	OPERATING SUPPLIES
			\$165.00	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$893.43	
SAC VALLEY ELECTRIC INC	84280	10/6/2023	\$1,063.92	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$1,063.92	
	84535	10/27/2023	\$52,131.98	PROJECT: MARCONI BLDG ELECTRICAL UPGRAD
		TOTAL	\$52,131.98	
SACRAMENTO CO TAX COLLECTOR	84470	10/19/2023	\$2,369.64	PROPERTY TAXES
		TOTAL	\$2,369.64	
SAM ATAYA	84487	10/19/2023	\$75.00	CONSERVATION REBATES
		TOTAL	\$75.00	
SHERMAN FORKLIFT	000008258	10/11/2023	\$240.00	EQUIPMENT MAINTENANCE SERVICES
		TOTAL	\$240.00	
SHRED-IT STERICYCLE	84478	10/19/2023	\$94.11	CONTRACT SERVICES
		TOTAL	\$94.11	
SIERRA CHEMICAL COMPANY	000008231	10/6/2023	\$19,863.04	HFA, CHEMICAL & DELIVERY
			\$11,636.25	
			\$225.00	OPERATING SUPPLIES
		TOTAL	\$31,724.29	
	000008249	10/11/2023	\$6,579.63	HFA, CHEMICAL & DELIVERY
			\$11,676.30	HYPO, CHEMICAL & DELIVERY
		TOTAL	\$18,255.93	
SILICON VALLEY SHELVING AND EQUIP	000008255	10/11/2023	\$2,353.57	BUILDING MAINTENANCE - OFFICE & YARD
			\$480.68	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$2,834.25	
SMUD	84254	10/6/2023	\$100,861.20	ELECTRICAL CHARGES
		TOTAL	\$100,861.20	
	84519	10/27/2023	\$173,587.97	ELECTRICAL CHARGES
		TOTAL	\$173,587.97	
SONITROL	000008250	10/11/2023	\$2,307.35	BUILDING MAINTENANCE - OFFICE & YARD
			\$2,026.87	BUILDING SERVICE EXPENSE - OFFICE & YARD
			\$1,280.57	CONTRACT SERVICES
		TOTAL	\$5,614.79	
STATE OF CA DEPT OF INDUSTRIAL RELATIONS	84387	10/11/2023	\$225.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$225.00	
TAK COMMUNICATIONS CA INC	84284	10/6/2023	\$5,616.34	PROJECT: 2023 VALVE/HYDRANT/SERV REPL
			\$15,514.49	CONSTRUCTION SERVICES

AP Warrant List From: 10/1/2023 To: 10/31/2023

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$21,130.83	
	84402	10/11/2023	\$11,700.15	PROJECT: DWMWD INTERTIE VALVES
		TOTAL	\$11,700.15	
	84540	10/27/2023	\$75,867.76	PROJECT: 2023 AC OVERLAY PHASE E
			\$22,057.63	PROJECT: 2023 VALVE/HYDRANT/SERV REPL
			\$13,542.36	DISTRIBUTION - CONSTRUCTION SERVICES
		TOTAL	\$111,467.75	
TEE JANITORIAL & MAINTENANCE	84272	10/6/2023	\$4,108.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$4,108.00	
	84392	10/11/2023	\$4,108.00	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$4,108.00	
TELSTAR INSTRUMENTS	84269	10/6/2023	\$9,965.00	PROJECT: ANTELOPE INTERTIE FLOW METER R
		TOTAL	\$9,965.00	
TERRI MORTON	84497	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
TESCO	000008232	10/6/2023	\$7,457.12	CONTRACT SERVICES
		TOTAL	\$7,457.12	
THOMAS SAWYER	84281	10/6/2023	\$413.53	OTHER TRAINING
		TOTAL	\$413.53	
TINA LYNN DESIGN	000008238	10/6/2023	\$413.92	CONTRACT SERVICES
			\$8,863.34	PRINTING
		TOTAL	\$9,277.26	
	000008268	10/19/2023	\$265.00	CONTRACT SERVICES
		TOTAL	\$265.00	
	000008285	10/27/2023	\$1,243.81	CONTRACT SERVICES
		TOTAL	\$1,243.81	
TRUE POINT SOLUTIONS LLC	84266	10/6/2023	\$4,440.00	CONTRACT SERVICES
		TOTAL	\$4,440.00	
	84389	10/11/2023	\$200.00	TRAVEL CONFERENCES
		TOTAL	\$200.00	
	84477	10/19/2023	\$600.00	OTHER TRAINING
		TOTAL	\$600.00	
	84527	10/27/2023	\$740.00	CONTRACT SERVICES
		TOTAL	\$740.00	
U.S. BANK NA	WIRE20238501	10/11/2023	\$1,409,796.12	DEBT SERVICE - 2018A RR BONDS
		TOTAL	\$1,409,796.12	
	WIRE20238502	10/11/2023	\$860,242.93	DEBT SERVICE - 2022A RR BONDS
		TOTAL	\$860,242.93	
	WIRE20238503	10/11/2023	\$3,681,026.11	DEBT SERVICE - 2022B RR BONDS
		TOTAL	\$3,681,026.11	
UNUM	84285	10/6/2023	\$5,719.02	EMPLOYEE BENEFIT - LTD INSURANCE
		TOTAL	\$5,719.02	
	84481	10/19/2023	\$5,522.29	EMPLOYEE BENEFIT - LTD INSURANCE
		TOTAL	\$5,522.29	
US BANK CORPORATE PAYMENT SYSTEM	84261	10/6/2023	\$17,418.26	CREDIT CARD PAYMENT
		TOTAL	\$17,418.26	
	84570	10/31/2023	\$24,712.70	CREDIT CARD PAYMENT
		TOTAL	\$24,712.70	
VALIC AIG	ACH0082185	10/11/2023	\$4,975.00	ACCRUED DEF COMP, VALIC ROTH 457B
		TOTAL	\$4,975.00	
	ACH0082416	10/23/2023	\$4,975.00	ACCRUED DEF COMP, VALIC ROTH 457B
		TOTAL	\$4,975.00	
VALLEY BATTERY	84530	10/27/2023	\$152.60	EQUIPMENT MAINTENANCE SERVICES
			\$448.80	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$601.40	
VERIZON WIRELESS DALLAS TX	84257	10/6/2023	\$2,213.24	COMMUNICATION

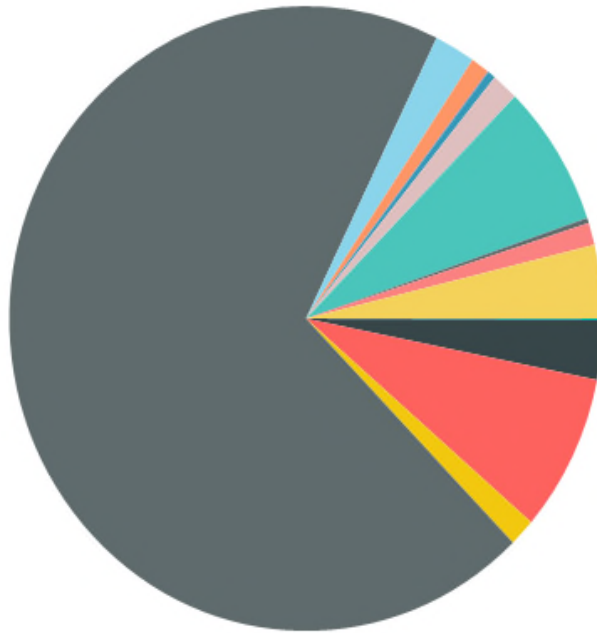
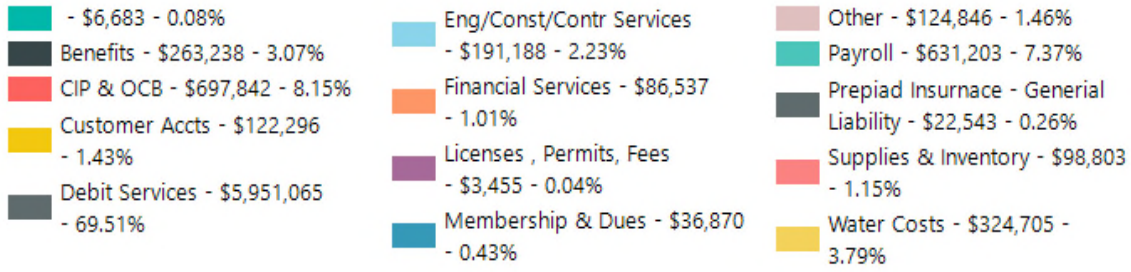
AP Warrant List From: 10/1/2023 To: 10/31/2023

Attachment 1

VENDOR	PAYMENT NO.	DATE	AMOUNT	DESCRIPTION
		TOTAL	\$2,213.24	
	84468	10/19/2023	\$2,878.79	COMMUNICATION
		TOTAL	\$2,878.79	
VICKI SPRAGUE	84472	10/19/2023	\$314.59	TRAVEL CONFERENCES
		TOTAL	\$314.59	
WALNUT INDUSTRIAL CENTER LLC	84288	10/6/2023	\$2,060.00	H&D WALNUT PARKING LOT LEASE
		TOTAL	\$2,060.00	
	84484	10/19/2023	\$2,060.00	H&D WALNUT PARKING LOT LEASE
		TOTAL	\$2,060.00	
WASTE MANAGEMENT	000008233	10/6/2023	\$541.30	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$541.30	
	000008282	10/27/2023	\$350.56	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$350.56	
WATER SYSTEMS ENGINEERING INC	84286	10/6/2023	\$2,980.00	PROJECT: WELL N6A-REHAB/REDEVELOPE/TEST
		TOTAL	\$2,980.00	
WATERWISE CONSULTING, INC.	000008271	10/19/2023	\$4,460.00	CONTRACT SERVICES
		TOTAL	\$4,460.00	
WAYNE BELLERT	84401	10/11/2023	\$223.00	OTHER TRAINING
		TOTAL	\$223.00	
WEST YOST & ASSOCIATES	000008234	10/6/2023	\$442.75	PROJECT: Q STREET MAIN REPLACEMENT
		TOTAL	\$442.75	
WESTAMERICA BANK ANALYSIS FEES	ACH0082351	10/17/2023	\$4,988.84	FINANCIAL SERVICES
		TOTAL	\$4,988.84	
WEX	000008246	10/6/2023	\$15,307.73	OPERATING SUPPLIES
		TOTAL	\$15,307.73	
WILLIAM SADLER	84536	10/27/2023	\$250.00	UNIFORMS
		TOTAL	\$250.00	
WILLIAM W SAX	84499	10/19/2023	\$500.00	CONSERVATION REBATES
		TOTAL	\$500.00	
WOLF CONSULTING	000008261	10/11/2023	\$5,700.00	CONSULTING SERVICES
		TOTAL	\$5,700.00	
WOOD RODGERS ENGINEERING	84259	10/6/2023	\$3,924.54	PROJECT: MARCONI BLDG ELECTRICAL UPGRAD
			\$5,481.25	PROJECT: WELL 78 BUTANO - PUMP STATION
		TOTAL	\$9,405.79	
	84471	10/19/2023	\$16,786.25	PROJECT: WELL 78 BUTANO - PUMP STATION
		TOTAL	\$16,786.25	
WORLDPAY INTEGRATED PAYMENTS	ACH0082251	10/5/2023	\$470.94	FINANCIAL SERVICES
		TOTAL	\$470.94	
ZORO	84279	10/6/2023	\$1,333.34	OPERATING SUPPLIES
		TOTAL	\$1,333.34	
	84534	10/27/2023	\$1,646.34	OPERATING SUPPLIES
		TOTAL	\$1,646.34	
GRAND TOTAL			\$8,561,275.17	

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



**Credit Card Expenditures
OCTOBER 2023**

**Sacramento Suburban Water District
US Bank Purchasing Card Program
CalCard Expenditures
October 2023**

Vendor Name	Description	Amount	Proj/GLAcct
HOME DEPOT	PRODUCTION SUPPLIES	\$49.66	06-52101
HOME DEPOT	NEW TOOLS-TRUCK 94 (CREDIT-TOOL ARRIVED DAMAGED)	(\$219.48)	06-52101
COSTCO	KITCHEN SUPPLIES-MARCONI	\$83.94	03-52108
COSTCO	KITCHEN SUPPLIES- MARCONI	\$192.53	03-52108
RTIC	SSWD SWAG	\$1,305.15	17-51401
COSTCO	SAFETY BBQ	\$307.78	02-51403
COSTCO	SAFETY BBQ	\$411.66	02-51403
SAMS CLUB	SAFETY BBQ	\$392.83	02-51403
SMART & FINAL	SAFETY BBQ	\$53.92	02-51403
SMART & FINAL	KITCHEN SUPPLIES-WALNUT	\$96.87	03-52108
SMART & FINAL	SAFETY BBQ	\$67.93	02-51403
SMART & FINAL	KITCHEN SUPPLIES-WALNUT	\$8.34	03-52108
HOME DEPOT	NEW TOOLS-TRUCK 94	\$31.66	06-52101
GLOBAL INDUSTRIAL	AC UNIT-N36, REPLACE FAULTY UNIT	\$6,683.34	SC23-009Q
HOME DEPOT	NEW TOOLS-TRUCK 85	\$53.86	06-52101
HOME DEPOT	NEW TOOLS- TRUCK 94	\$70.52	06-52101
HOME DEPOT	NEW TOOLS-TRUCK 94	\$219.48	06-52101
HOME DEPOT	NEW TOOLS-TRUCK 85	\$656.75	06-52101
HOME DEPOT	NEW TOOLS-TRUCK 94	\$59.23	06-52101
HOME DEPOT	NEW TOOLS- TRUCK 94	\$24.41	06-52101
HOME DEPOT	NEW TOOLS- TRUCK 94	\$565.96	06-52101
HOME DEPOT	NEW TOOLS-TRUCK 85	\$139.00	06-52101
HOME DEPOT	NEW TOOLS- TRUCK 94	\$192.87	06-52101
HOME DEPOT	NEW TOOLS-TRUCK 85	\$440.67	06-52101
BACKFLOW DISTRIBUTORS	TRAINING- WILLIAM SADLER	\$450.00	06-51407
MITCHS CERTIFIED CLASS	TRAINING- JOSH TAYLOR	\$1,300.00	08-51407
ELDORADO ADVANCE DEPOSITS	TRAINING- RODNEY LEE	\$60.16	05-55001
PAYPAL	TRAINING- BEN HARRIS (SACRAMENTO SAFETY SUMMIT)	\$159.00	02-51406
RALEYS	COMMUNICATIONS & TEAM BUILDING BREAKFAST	\$29.13	02-51403
DON QUIXOTE	COMMUNICATIONS & TEAM BUILDING BREAKFAST	\$857.65	02-51403
BESTBUY	EXTERNAL HARD DRIVE FOR TEMPORARY BACKUP	\$250.11	18-52101
COSTCO	COSTCO PRIZE CLOSET - BLUE CARD SAFETY PROGRAM ITEMS	\$390.87	02-52501
TARGET	PRIZE CLOSET - BLUE CARD SAFETY PROGRAM ITEMS	\$217.62	02-52501
PORTELA HOTEL	WATER BOTTLE FROM HOTEL - DAN YORK REIMBURSED THE DISTRICT FOR THIS	\$5.46	02-55002
PORTOLA HOTEL	GM YORK HOTEL FOR CSDA	\$649.90	02-55001
DOORDASH DON QUIXOTE	PRODUCTION SUPERINTENDENT LUNCHEON FOR PANEL	\$123.19	17-51407
EVENT BRIGHT GROUNDWATER	RWA EVENT REGISTRATION FOR ROBERT WICHERT	\$33.85	01-55002
ELDORADO RESORT RENO	TRUEPOINT CONNECT CONFERENCE - HOTEL DEPOSIT - DWESTVIK	\$51.76	18-55001
OSISOFT LLC	AVEVA WORLD CONFERENCE - GRAYSON MOYSE	\$1,849.25	18-55001
OSISOFT LLC	AVEVA WORLD CONFERENCE - ELOISA ESPARZA	\$1,849.25	18-55001

**Sacramento Suburban Water District
US Bank Purchasing Card Program
CalCard Expenditures
October 2023**

Vendor Name	Description	Amount	Proj/GLAcct
MISAC	YEARLY MEMBERSHIP DUES FOR MISAC FOR IT TEAM	\$390.00	18-52502
CA BOARD OF ACCOUNTANCY	CA. BOARD OF ACCOUNTANCY LICENSE RENEWAL FOR DIRECTOR OF FINANCE	\$280.00	03-52501
CPS CONSULTING	HR TRAINING - MARKCUS	\$449.00	17-51407
IPMA-HR	HR TRAINING - MARKCUS	\$25.00	17-51407
PANERA	LUNCHEON FOR PRODUCTION SUPER. INTERVIEWS	\$75.83	17-51407
USPS	USPS CERTIFIED MAIL EXPENSE	\$5.70	17-51401
FORMSITE PMA ONLINE	MARVIE BACONAWA TRAINING	\$1,195.00	15-51407
SKILLPATH	ANGELA TUPOLO TRAINING	\$599.00	15-51407
NOAH'S BAGELS	ALL STAFF REFRESHMENTS	\$114.87	15-52501
RALEY'S	ALL STAFF REFRESHMENTS	\$34.77	15-52501
HOME DEPOT	PUNCH KIT	\$22.60	12-52101
LOWES	RIVET GUN AND RIVETS	\$34.76	12-52101
CAPITAL AIR TOOL	REPLACEMENT JACK HAMMER SPADES	\$75.43	12-52101
KELLY PIPE	8 BOLLARDS	\$595.95	05-52101
ADVANCED AUTO PARTS	ROLL PIN KIT FOR REPAIRS ON TRUCK # 71	\$11.95	12-52101
UPS STORE	SHIPPING FEES FOR RIGID PIPE FREEZE KITS	\$476.76	12-52101
FAST TRAK	BRIDGE TOLL TRUCK #84 (5/16/2023)	\$5.00	12-52101
FMCA FILLING FEE	FEDERAL MOTOR CARRIER NUMBER	\$155.00	12-54509
	TOTAL	\$24,712.70	

Investment Activity
OCTOBER 2023



Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2023**

SACRAMENTO SUBURBAN WATER DISTRICT -

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY											
	10/02/23	10/04/23	CITIBANK NA CORP NOTES (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	550,000.00	(547,272.00)	(443.28)	(547,715.28)			
	10/11/23	10/19/23	FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	375,000.00	(366,774.00)	(888.75)	(367,662.75)			
	10/25/23	10/31/23	FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	280,000.00	(271,072.76)	(1,131.67)	(272,204.43)			

Transaction Type Sub-Total					1,205,000.00	(1,185,118.76)	(2,463.70)	(1,187,582.46)			
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INTEREST											
	10/01/23	10/25/23	FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	200,000.00	0.00	457.50	457.50			
	10/01/23	10/25/23	FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	375,000.00	0.00	1,309.38	1,309.38			
	10/01/23	10/25/23	FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXQY1	375,000.00	0.00	1,007.50	1,007.50			
	10/01/23	10/25/23	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	299,709.95	0.00	1,193.10	1,193.10			
	10/01/23	10/25/23	FHMS K058 A2 DTD 11/09/2016 2.653% 08/01/2026	3137BSP72	450,000.00	0.00	994.88	994.88			
	10/01/23	10/25/23	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	375,000.00	0.00	1,505.94	1,505.94			
	10/01/23	10/25/23	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	260,000.00	0.00	725.18	725.18			
	10/01/23	10/25/23	FHLMC MULTIFAMILY STRUCTURED P DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	375,000.00	0.00	1,013.44	1,013.44			
	10/01/23	10/25/23	FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	575,000.00	0.00	2,228.13	2,228.13			
	10/01/23	10/25/23	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	275,000.00	0.00	701.71	701.71			
	10/01/23	10/25/23	FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	375,000.00	0.00	1,500.00	1,500.00			
	10/02/23	10/02/23	MONEY MARKET FUND	MONEY0002	0.00	0.00	4,927.11	4,927.11			
	10/13/23	10/13/23	AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	200,000.00	0.00	3,000.00	3,000.00			



Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2023**

SACRAMENTO SUBURBAN WATER DISTRICT -

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										
10/14/23	10/14/23	FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	450,000.00	0.00	1,125.00	1,125.00			
10/15/23	10/15/23	DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	250,000.00	0.00	120.83	120.83			
10/15/23	10/15/23	AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	150,000.00	0.00	608.75	608.75			
10/15/23	10/15/23	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	114,119.68	0.00	73.23	73.23			
10/15/23	10/15/23	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	24,411.50	0.00	6.92	6.92			
10/15/23	10/15/23	MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	76,401.13	0.00	25.47	25.47			
10/15/23	10/15/23	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	85,686.73	0.00	52.84	52.84			
10/15/23	10/15/23	COMET 2021-A1 A1 DTD 07/22/2021 0.550% 07/15/2026	14041NFW6	415,000.00	0.00	190.21	190.21			
10/15/23	10/15/23	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	300,000.00	0.00	992.50	992.50			
10/15/23	10/15/23	CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	42,289.76	0.00	17.62	17.62			
10/15/23	10/15/23	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	193,516.72	0.00	88.70	88.70			
10/15/23	10/15/23	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	41,272.36	0.00	13.07	13.07			
10/15/23	10/15/23	BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	135,000.00	0.00	538.88	538.88			
10/15/23	10/15/23	WALMART INC CORPORATE NOTES (CALLABLE) DTD 04/18/2023 3.900% 04/15/2028	931142FB4	320,000.00	0.00	6,136.00	6,136.00			
10/15/23	10/15/23	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	330,000.00	0.00	1,246.48	1,246.48			
10/15/23	10/15/23	HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	35,000.00	0.00	472.50	472.50			



Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2023**

SACRAMENTO SUBURBAN WATER DISTRICT -

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										
10/15/23	10/15/23	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	143140AC8	75,972.60	0.00	32.92	32.92			
10/15/23	10/15/23	NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	242,915.43	0.00	66.80	66.80			
10/15/23	10/15/23	TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	243,776.88	0.00	52.82	52.82			
10/16/23	10/16/23	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	94,848.04	0.00	53.75	53.75			
10/16/23	10/16/23	GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	116,382.62	0.00	46.55	46.55			
10/16/23	10/16/23	GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	30,507.09	0.00	9.66	9.66			
10/20/23	10/20/23	GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	11,293.81	0.00	3.86	3.86			
10/20/23	10/20/23	VWALT 2022-A A4 DTD 06/14/2022 3.650% 01/20/2027	92868AAD7	145,000.00	0.00	441.04	441.04			
10/21/23	10/21/23	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	111,428.10	0.00	81.71	81.71			
10/22/23	10/22/23	FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	450,000.00	0.00	1,406.25	1,406.25			
10/24/23	10/24/23	BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	150,000.00	0.00	1,575.00	1,575.00			
10/25/23	10/25/23	BMWLT 2021-2 A4 DTD 09/15/2021 0.430% 01/27/2025	09690AAD5	370,000.00	0.00	132.58	132.58			
10/26/23	10/26/23	BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 04/26/2021 0.500% 04/26/2024	06406RAS6	365,000.00	0.00	912.50	912.50			
10/29/23	10/29/23	MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	375,000.00	0.00	7,265.63	7,265.63			
10/31/23	10/31/23	US TREASURY NOTES DTD 04/30/2022 2.750% 04/30/2027	91282CEN7	1,100,000.00	0.00	15,125.00	15,125.00			
10/31/23	10/31/23	US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	1,150,000.00	0.00	4,312.50	4,312.50			
Transaction Type Sub-Total				12,129,532.40	0.00	63,791.44	63,791.44			

Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2023**

SACRAMENTO SUBURBAN WATER DISTRICT -

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
MATURITY										
10/10/23	10/10/23	JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 10/09/2020 0.400% 10/10/2023	24422EVJ5	100,000.00	100,000.00	200.00	100,200.00	116.00	0.00	
10/16/23	10/16/23	FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAEY1	415,000.00	415,000.00	259.38	415,259.38	1,547.95	0.00	
Transaction Type Sub-Total				515,000.00	515,000.00	459.38	515,459.38	1,663.95	0.00	
PAYDOWNS										
10/01/23	10/25/23	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	178.78	178.78	0.00	178.78	0.00	0.00	
10/01/23	10/25/23	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	3,039.82	3,039.82	0.00	3,039.82	(150.57)	0.00	
10/15/23	10/15/23	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	6,695.25	6,695.25	0.00	6,695.25	0.13	0.00	
10/15/23	10/15/23	TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	20,570.12	20,570.12	0.00	20,570.12	2.21	0.00	
10/15/23	10/15/23	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	5,783.39	5,783.39	0.00	5,783.39	1.29	0.00	
10/15/23	10/15/23	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	2,372.61	2,372.61	0.00	2,372.61	0.47	0.00	
10/15/23	10/15/23	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	6,179.33	6,179.33	0.00	6,179.33	1.33	0.00	
10/15/23	10/15/23	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	4,827.89	4,827.89	0.00	4,827.89	0.51	0.00	
10/15/23	10/15/23	CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	5,621.91	5,621.91	0.00	5,621.91	1.24	0.00	
10/15/23	10/15/23	NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	19,593.97	19,593.97	0.00	19,593.97	0.33	0.00	
10/15/23	10/15/23	MBALT 2021-B A3 DTD 06/29/2021 0.400% 11/15/2024	58769KAD6	17,800.58	17,800.58	0.00	17,800.58	1.34	0.00	
10/15/23	10/15/23	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	11,433.69	11,433.69	0.00	11,433.69	1.88	0.00	
10/16/23	10/16/23	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	5,440.61	5,440.61	0.00	5,440.61	0.14	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **October 31, 2023**

SACRAMENTO SUBURBAN WATER DISTRICT -

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										
10/16/23	10/16/23	GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	4,665.33	4,665.33	0.00	4,665.33	1.00	0.00	
10/16/23	10/16/23	GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	8,108.87	8,108.87	0.00	8,108.87	0.50	0.00	
10/20/23	10/20/23	GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	11,293.81	11,293.81	0.00	11,293.81	0.95	0.00	
10/21/23	10/21/23	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	7,136.02	7,136.02	0.00	7,136.02	1.50	0.00	
Transaction Type Sub-Total				140,741.98	140,741.98	0.00	140,741.98	(135.75)	0.00	
SELL										
10/02/23	10/04/23	CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025	172967JP7	275,000.00	263,730.50	3,957.71	267,688.21	(41,505.75)	(21,431.30)	FIFO
Transaction Type Sub-Total				275,000.00	263,730.50	3,957.71	267,688.21	(41,505.75)	(21,431.30)	
Managed Account Sub-Total					(265,646.28)	65,744.83	(199,901.45)	(39,977.55)	(21,431.30)	
Total Security Transactions					(\$265,646.28)	\$65,744.83	(\$199,901.45)	(\$39,977.55)	(\$21,431.30)	



Agenda Item: 5

Date: November 20, 2023

Subject: 2023 Audit Engagement Letter and Task Order 4

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

Recommended Board Action:

Approve 2023 Audit Engagement Letter and Task Order 4, with Maze & Associates Accountancy Corporation and grant authorization for the Audit Committee Chair to execute the Engagement Letter and Task Order 4 as recommended by the Audit Committee at the November 1, 2023, Audit Committee meeting.

Background:

Per the District’s “Engagement of Auditor Policy” (PL – Fin 001), “the Audit Committee is responsible for recommending the District’s independent auditor to the full Board for appointment and compensation, and administering the relationship between the District and independent auditor during the course of the audit...” At the November 1, 2023, Audit Committee (Committee) meeting, the Committee approved the Audit Engagement Letter and Task Order 4, and recommended for full Board approval at the November 20, 2023, regular Board meeting.

Discussion:

The District has received the “Required Communication Letter” and the “Engagement Letter” for the December 31, 2023, audit from Maze & Associates Accountancy Corporation (Attachment 1 & 2, respectively). Staff have prepared Task Order 4 as the scope of work for the audit (Attachment 3). This is the fourth year of the five-year agreement with Maze & Associates. The Chair of the Committee needs authorization to sign the Engagement Letter and Task Order 4.

Fiscal Impact:

\$42,696 for the complete audit comprised of \$36,933 for the financial statement audit and \$5,763 for the District requested additional procedures. An additional \$4,457 may be needed if a Federal Grant Single Audit is deemed necessary.

Strategic Plan Alignment:

Goal B Optimize Operational and Organizational Efficiencies

Goal C Ensure Fiscal Responsibility and Affordable Rates

Attachments:

- 1) Required Communication Letter
- 2) Engagement Letter
- 3) Task Order 4



Audit Committee
Sacramento Suburban Water District
Sacramento, CA

We are engaged to audit of the Sacramento Suburban Water District (District) financial statements for the year ended December 31, 2023. Professional standards require that we provide you with the following information related to our audit. Topics include audit scope, management representations, fraud risk considerations and audit timing. We have presented an overview of these topics below: We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter provided to the Chair of the Audit Committee on September 21, 2023 (copy enclosed), our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the District's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Required Supplementary Information which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because of the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on the Introductory and Statistical Section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope and Other

The audit scope is included in the engagement letter provided to the Chair of the Audit Committee on September 21, 2023 (copy enclosed). It defines what an audit of the District's financial statements is and discusses internal control, fraud considerations and management responsibilities for data contained in financial statements. It is the standard used when a financial statement audit is to be conducted. This letter is a clarification of the audit process contemplated in the contract we have entered into with the District pursuant to the Board's approval.

Management Representations

We will request representations from management that data and assertions provided are complete and accurate. We rely primarily on our audit verification tests and procedures, however, management assertions and judgments unavoidably affect financial data.

Fraud Risk Considerations

Audit standards require us to have discussions with our clients to discuss both the potential for and any occurrences of fraud and the impact on financial statements. "Fraud" is defined as an intentional act that results in a *material misstatement in financial statements* that are subject to audit. In this case, fraud includes two concepts. The first is fraudulent financial reporting, including misapplication of accounting principles, the omission of data or disclosures, fictitious transactions or sham transactions and concealment of relevant data. The second concept is that of misappropriations of assets, including theft, its concealment and conversion to cash.

In accordance with audit standards, we met with management and asked:

- a. Is management aware of known instances of fraud or allegations of suspected fraud?
- b. Are there areas management believes are "Susceptible to Fraud"?
 - i. Areas presumed susceptible to fraud under audit standards:
 - i. Improper revenue recognition
 - ii. Management override of Internal Control

Audit Timing

We have met with District staff and agreed to the following schedule:

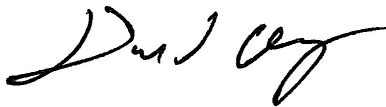
- The interim phase of the audit (internal control review and tests) is in process (January 2024).
- The final phase of the audit (substantive tests and financial report preparation) is scheduled for March 2024
- Our plan is to finalize the reports by the end of April 2024

Communicating the Audit Process

We discussed the above topics with staff and wish to provide you with an opportunity to participate in the audit process prior to its completion. If you could please respond to the following questions related to the District and its component units and if the answer to any question is “yes,” please provide an explanation:

- a. Are you aware of any instances of fraud or allegations of suspected fraud?
- b. Are there any areas you believe are “Susceptible to Fraud”?
- c. Are you aware of any possible or actual noncompliance or waste or abuse of programs and controls?
- d. Are you aware of any related-party transactions? (Transactions between the District or its component units and elected or appointed officials)

Sincerely,



David Alvey
Audit Partner
Maze & Associates



September 21, 2023

Craig M. Locke, Chair
Audit Committee
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Dear Chair Locke,

We are pleased to confirm our understanding of the services we are to provide for the Sacramento Suburban Water District as of and for the year ended December 31, 2023.

Audit Scope and Objectives

The services we have been engaged to provide are outlined below, but we are also available to provide additional services at your request:

1. Audit of the Basic Financial Statements, preparation of the Memorandum on Internal Control and issuance of our reports thereon.
2. Extended audit procedures as outlined in section 3e of the RFP for Professional Auditing Services dated May 2020.
3. Single Audit, if needed.

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

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

In connection with our audit of the basic financial statements, we will read the other information accompanying the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Accountancy Corporation

3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W mazeassociates.com

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the accompanying supplementary information when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of the accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of waste and abuse is subjective, *Governmental Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of cash, investments and certain other assets and liabilities by correspondence with selected customers, funding sources, creditors and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill the District for responding to this inquiry.

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

Audit Procedures - Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

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

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes in conformity with GAAP and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and the related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management's responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Management's responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which management is aware is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. We understand that the District will provide us with the Closing Checklist information required for our audit and that the District is responsible for the accuracy and completeness of that information. At the conclusion of our audit, we will require certain written representations from management about responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that it complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings must be made available for our review.

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

Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Management's responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

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

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

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

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

Engagement Administration, Fees, and Other

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report to you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

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

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

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

We expect to begin our audit in January 2024 and to issue our reports no later than May 2024. David Alvey is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

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

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

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

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

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

Our most recent peer review report accompanies this letter.

Reporting

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

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

Maze & Associates

Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of the District.

By: _____

Title: _____

Date: _____

**Sacramento Suburban Water District Engagement Letter
Engagement Letter
Fees Attachment
December 31, 2023**

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

Service	Fees
Comprehensive Annual Financial Report	\$36,933
Memorandum on Internal Control	Included above
Other Items:	
Expanded Audit Procedures	5,763
Single Audit (Per tested program), if needed	4,457
	\$47,153

2023 Fees – Our fees have been based on our Proposal with the District dated June 24, 2020.

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

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

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

Single Audit Act - Additional programs will each cost \$4,457 in 2023, unless there are other factors which add to that program’s cost; in that case, we will provide a cost estimate before proceeding.

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

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



www.CoughlanNapaCPACo.com
Company@CoughlanNapaCPACo.com

Report on the Firm's System of Quality Control

February 9, 2021

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

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

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

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

Required Selections and Considerations

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

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

Opinion

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

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.



September 21, 2023

Craig M. Locke, Chair
Audit Committee
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Dear Chair Locke,

We are pleased to confirm our understanding of the services we are to provide for the Sacramento Suburban Water District as of and for the year ended December 31, 2023.

Audit Scope and Objectives

The services we have been engaged to provide are outlined below, but we are also available to provide additional services at your request:

1. Audit of the Basic Financial Statements, preparation of the Memorandum on Internal Control and issuance of our reports thereon.
2. Extended audit procedures as outlined in section 3e of the RFP for Professional Auditing Services dated May 2020.
3. Single Audit, if needed.

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

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

In connection with our audit of the basic financial statements, we will read the other information accompanying the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Accountancy Corporation

3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902

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E maze@mazeassociates.com

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The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the accompanying supplementary information when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of the accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of waste and abuse is subjective, *Governmental Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of cash, investments and certain other assets and liabilities by correspondence with selected customers, funding sources, creditors and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill the District for responding to this inquiry.

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

Audit Procedures - Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

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

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes in conformity with GAAP and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and the related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management's responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Management's responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which management is aware is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. We understand that the District will provide us with the Closing Checklist information required for our audit and that the District is responsible for the accuracy and completeness of that information. At the conclusion of our audit, we will require certain written representations from management about responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that it complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings must be made available for our review.

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

Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Management's responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

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

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

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

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

Engagement Administration, Fees, and Other

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report to you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

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

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

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

We expect to begin our audit in January 2024 and to issue our reports no later than May 2024. David Alvey is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

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

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

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

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

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

Our most recent peer review report accompanies this letter.

Reporting

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

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

Maze + Associates

Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of the District.

By: _____

Title: _____

Date: _____

**Sacramento Suburban Water District Engagement Letter
Engagement Letter
Fees Attachment
December 31, 2023**

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

Service	Fees
Comprehensive Annual Financial Report	\$36,933
Memorandum on Internal Control	Included above
Other Items:	
Expanded Audit Procedures	5,763
Single Audit (Per tested program), if needed	4,457
	\$47,153

2023 Fees – Our fees have been based on our Proposal with the District dated June 24, 2020.

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

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

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

Single Audit Act - Additional programs will each cost \$4,457 in 2023, unless there are other factors which add to that program’s cost; in that case, we will provide a cost estimate before proceeding.

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

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



www.CoughlanNapaCPACo.com
Company@CoughlanNapaCPACo.com

Report on the Firm's System of Quality Control

February 9, 2021

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

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

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

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

Required Selections and Considerations

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

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

Opinion

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

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.

Attachment 3

Task Order 4 to Master Services Agreement (MSA) Between Sacramento Suburban Water District and Maze & Associates Dated October 26, 2021

This Task Order 4 (Task Order) is issued by the Sacramento Suburban Water District (“District”) to the Contractor listed above (“Contractor”), who agrees as follows:

1 General Provisions

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

2 Scope of Work

The following is the agreed to scope of work:

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

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

3 Cost

The total compensation for the services provided under in this Task Order shall be on a Fixed Fee basis as follows. Annual Comprehensive Financial Report and Management Letter, \$36,933; Expanded Audit Procedures, \$5,763; and, Single Audit (if necessary), \$4,457. Compensation shall be based on scope of work as stated above. There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by District. Contractor's fee includes all of Contractor's costs and expenses related to the Scope of Work.

4 Term

This Task Order shall take effect on the date fully executed below, and continue in effect until the earlier of the work being completed or December 31, 2024, unless sooner terminated as provided in the MSA.

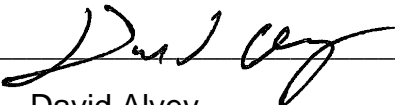
Sacramento Suburban Water District:

Maze & Associates:

Dated: _____

Dated: October 17, 2023

By: _____

By:  _____

Name: _____

Name: David Alvey

Title: _____

Title: Shareholder/Audit Partner



Agenda Item: 6

Date: November 20, 2023

Subject: Policy Review – Training and Career Development Policy (PL – HR 004)

Staff Contact: Susan Schinnerer, Human Resources Manager

Recommended Board Action:

Ratify Training and Career Development Policy (PL – HR 004) without changes and update review frequency from one (1) to four (4) years.

Background:

The Training and Career Development Policy (PL – HR 004) (Policy) was adopted by the Board of Directors (Board) on November 17, 2003, and was last reviewed by the Board on March 21, 2022, with minor language changes. Prior to that, it was approved on January 27, 2020, also with minor language changes. Staff has reviewed the Policy and are not recommending any changes at this time.

The Policy and a recommended updated review period of four (4) years was presented at the October 16, 2023, regular Board meeting and comments were requested by October 23, 2023. No comments from Directors were received to date.

This Policy update was not reviewed by legal counsel since it is not required under the new Schedule.

Fiscal Impact:

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

Strategic Plan Alignment:

Goal E: Retain and Recruit a Qualified and Stable Workforce

This Policy is a benefit for District customers because it supports the District's mission to retain quality employees and supports their growth for engagement.

Attachment:

1 – Training and Career Development Policy (PL – HR 004) - clean

Sacramento Suburban Water District

Training and Career Development Policy

Adopted: November 17, 2003

Approved with changes on: ~~March 21, 2022~~ [November 20, 2023](#)

100.00 Purpose of the Policy

The purpose of this policy is to establish a uniform and consistent program to provide District-wide training and career development opportunities for District employees. This policy also serves as a guide to promote and conduct training and educational activities that provide for personal and professional growth, enhance job skills, and encourage positive professional performance for employees. Employees, managers, and human resources should all collaborate to build a continuous professional development culture, which is essential to the District's future operations.

200.00 Policy

The District will provide all of its employees a program of continuous training and career development that is tailored to their position, meets District goals, complies with all legal and regulatory requirements, and promotes professional enrichment. The District also promotes and encourages employees to participate in educational activities, formal training sessions, employee coaching and mentoring, attending conferences as appropriate, on-the-job training, job shadowing, and job rotation to improve employee job proficiency, knowledge, and skills. This policy is expected to enhance the District's ability to retain and attract outstanding employees.

300.00 Authority and Responsibility

The General Manager or his/her designee is authorized and responsible for establishing a training program that a) provides all employees who require a license or certificate to perform critical District functions an opportunity to earn or maintain such a license or certificate, and b) provides an opportunity for employees to complete other mandatory training. The General Manager or his/her designee will pre-approve all mandatory training courses; fees and related expenses will be paid by the District.

The General Manager or his/her designee is further authorized to establish training and career development programs and pre-approve all non-mandatory training courses and programs that will enhance employee skills in accordance with the District's mission statement, values, goals, and principles; fees, tuition, and related expenses will be paid by the District as determined and approved by the General Manager.

400.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.



Agenda Item: 7

Date: November 20, 2023

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

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

Recommended Board Action:

Approve the Engagement of Auditor Policy (PL – Fin 001) with changes.

Background:

The Engagement of Auditor Policy (PL – Fin 001) (Policy) is scheduled for review. The Policy was adopted by the Board on March 21, 2005, and was last reviewed by the Board on October 18, 2021, with no changes. The purpose of this Policy is to ensure objective auditing of the District’s financial statements by an external independent auditor. Independence requires that the District’s auditor maintain the highest level of independence at all times as defined by the U.S. General Accountability Office’s “Government Auditing Standards”.

The Policy was presented at the October 16, 2023, regular Board meeting, and comments were requested by October 23, 2023. No comments from Directors have been received to date.

Discussion:

Staff have reviewed the Policy and recommend the following change to the Policy:

General – Replacing all references to Finance and Audit Committee with Audit Committee.

This Policy update was not reviewed by legal counsel.

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

Attachment:

- 1 – Engagement of Auditor Policy (PL – Fin 001) – redline version
- 2 – Engagement of Auditor Policy (PL – Fin 001) – clean version

Sacramento Suburban Water District

Engagement of Auditor Policy

Adopted: March 21, 2005

Approved with ~~out~~ Changes: ~~October 18~~ November 20, 2021 2023

100.00 Purpose of the Policy

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

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

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

200.00 Maintaining Auditor Independence

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

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

300.00 Auditor Services

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

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

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

400.00 Prohibited Services

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

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

500.00 Auditor Rotation

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

600.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.

Sacramento Suburban Water District

Engagement of Auditor Policy

Adopted: March 21, 2005
Approved with Changes: November 20, 2023

100.00 Purpose of the Policy

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

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

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

200.00 Maintaining Auditor Independence

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

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

300.00 Auditor Services

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

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

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

400.00 Prohibited Services

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

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

500.00 Auditor Rotation

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

600.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.



Agenda Item: 8

Date: November 20, 2023

Subject: Policy Review – Debt Management Policy (PL – Fin 011)

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

Recommended Board Action:

Approve the Debt Management Policy (PL – Fin 011) with changes.

Background:

The Debt Management Policy (PL – Fin 011) (Policy) is scheduled for review. The Policy was adopted by the Board on September 15, 2014, and was last reviewed by the Board on February 28, 2022, with no changes. This policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of this policy that – 1) the District obtain financing when necessary, 2) the process for identifying the timing and amount of debt or other financing be as efficient as possible, 3) the most favorable interest rate and issuance costs be obtained, and 4) when appropriate, future financial flexibility be maintained.

The Policy was presented at the October 16, 2023, regular Board meeting, and comments were requested by October 23, 2023. No comments from Directors have been received to date.

Discussion:

Staff have reviewed the Policy and recommend the following changes to the Policy:

General – Replacing all references to Finance Director with Director of Finance and Administration.

Section 800.00 – Policy Review – Add the following to the end of the current sentence: “or before any new or refinance debt issuance is considered”.

This Policy update was not reviewed by legal counsel.

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

Policy Review – Debt Management Policy (PL – Fin 011)

November 20, 2023

Page 2 of 2

Attachments:

1 – Debt Management Policy (PL – Fin 011) – redline version

2 – Debt Management Policy (PL – Fin 011) – clean version

Sacramento Suburban Water District

Debt Management Policy

Adopted: September 15, 2014

~~Ratified-Approved~~ without changes: ~~February 28~~November 20, 2023

100.00 Purpose of the Policy

This policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of this policy that – 1) the District obtain financing when necessary, 2) the process for identifying the timing and amount of debt or other financing be as efficient as possible, 3) the most favorable interest rate and issuance costs be obtained, and 4) when appropriate, future financial flexibility be maintained.

200.00 Policy

The issuance of long-term debt is a valuable funding resource for the District. Used appropriately and prudently, long-term debt can minimize the District’s water system charges and rates over time.

To minimize dependency on debt financing for capital projects, annual renewal and replacement capital projects will be adequately funded from rates. Funding levels for capital investments will be sufficient to meet capital improvement projections needed as outlined in the current Asset Management Plans and/or Water System Master Plan. Long-term debt will be considered only for large capital improvement projects or greater than normal capital plans. The District will be managed to at least meet, and potentially exceed, the minimum and target Debt Service Coverage (DSC) requirements as imposed by bond covenants. The District will not issue long-term debt to support operating costs.

- A. Use of Long-Term Debt as a Funding Mechanism – Use of long-term debt will be minimized. The District may consider the use of long-term debt financing when it appears that a capital project, or other expenditures as deemed appropriate by the Board, is of such a magnitude that it will negatively impact the District’s rates in the short-term. The benefit of long-term debt financing is that it will spread the costs of the capital asset over a longer period of time and will, therefore, approximate the useful life of the asset, and over time, charge those customers that benefit from that asset more equitably.
- B. Types of Long-Term Debt – The District will strive to utilize the type of debt that has the lowest costs, while not imposing any burdensome covenants or reporting requirements.
- C. Legal Covenants – The District will manage the water District to meet all bond covenants associated with the long-term debt. Bond covenants are legal obligations of the District.

- D. Debt Service Coverage Covenants – Long-term debt issuances typically contain legal covenants regarding DSC. A DSC ratio is an important financial measure of the District’s ability to repay the outstanding debt obligation, and is reviewed for adequacy by banks and rating agencies. Generically, the DSC ratio is the District’s net operating income divided by the total annual debt service payment. For financial planning purposes, the targeted annual DSC ratio will be greater than or equal to 1.85 on all outstanding debt that carries such a covenant.
- E. Reporting Standards – The District will fully adhere to all applicable Government Accounting Standards Board (GASB) requirements and recognized best practices for the accounting treatment and disclosure of debt obligation transactions in its audited financial statements and other relevant publications.
- F. Revenue-Bonded Debt Capacity – The issuances of debt are supported by the revenues of the District. The ability of the District to fund and support revenue bonded debt will financially establish a debt level and capacity for revenue-bonded debt.

300.00 Conditions for Debt Issuance

When debt issuance is determined necessary, the District will assess the market conditions and timing for debt issuance to include issuing debt – 1) in times of favorable market conditions, 2) when Bond ratings would qualify District issuances to be investment grade, and 3) when revenues are sufficient to adequately cover expected debt service and issuance costs.

Bond credit enhancements will be considered when necessary for market acceptance and when costs are favorable to the District.

400.00 Conditions for Debt Refinancing

Debt refinancing (refunding) is an important debt management tool for the District. There are three key concepts that must be taken into consideration when evaluating a debt for refunding:

1. Financial and Policy Objectives
2. Financial Savings/Results of Financing
3. Bond Structure and Escrow Efficiency

Financial and Policy Objectives – The District may undertake a refinancing for a number of financial and/or policy objectives, including to achieve debt service savings, eliminate restrictive debt/legal covenants, restructure the stream of debt service payments, or to achieve other policy objectives. Although in most circumstances the District may undertake a refunding to obtain economic savings, it may refund an issue to restructure its debt portfolio in order to obtain budgetary/cash flow relief or to address exposure to other costs/liabilities and to extend the maturity.

Financial Savings/Results of Financing - The financial framework regarding the evaluation of refunding opportunities is to be developed and evaluated by the District Treasurer, typically to include the efforts of outside financial advisors. It is important to note that federal tax law typically permits an issuer to conduct one advance refunding over the life of a bond issue². As such, the District must take greater care

(i.e., require a higher savings threshold) when evaluating an advance refunding opportunity.

In certain circumstances, lower savings thresholds may be justified. For example, when an advance refunding is being conducted primarily for policy reasons (other than economic savings), interest rates are at historically low levels or the time remaining to maturity is limited, and as such, future opportunities to achieve greater savings are not likely to occur.

Bond Structure and Escrow Efficiency¹ – The District’s debt management practices should anticipate the potential for future refundings. When debt is issued, careful attention should be paid to the bond structure to address features that may affect flexibility in the future. To that end, upon debt issuance the District shall consider: optional redemption provisions, bond coupon characteristics giving up call rights for certain maturities in exchange for a lower interest rate on the bonds, call provisions that permit the redemption of bonds in any order of maturity or on any date, call provisions that permit the issuer to call bonds at the earliest date without incurring a significant interest-rate penalty, and coupons on callable bonds priced as close to par as possible at the time of original issue.

¹ Escrow Efficiency - The lower the cost of the escrow the more efficient the escrow. Also, in order to be efficient, escrow securities need to mature or pay interest when debt service payments of the refunded escrow are due.

² Current vs. Advance Refunding - There are two types of refundings, as defined by Federal Tax laws; a current refunding in which a refunding takes place (i.e., refunding bonds are sold) within 90 days of the optional call date, and an advance refunding in which refunding bonds are sold more than 90 days prior to the first call date. Federal tax law typically permits an issuer to conduct one advance refunding over the life of a bond issue.

500.00 Internal Controls

To ensure that proceeds of any debt issued in accordance with its governing documents and this Policy no disbursements shall be made without the approval of the General Manager or Assistant General Manager and ~~Finance Director~~Director of Finance and Administration. For CIP projects, the draw request shall be provided to the ~~Finance Director~~Director of Finance and Administration for budget approval by the project engineer with the consent of the District’s inspector. Draw request approval shall only be provided when the General Manager or Assistant General Manager is in receipt of the ~~Finance Director~~Director of Finance and Administration’s budgetary approval and an appropriate certification from the construction project manager with supporting invoices from suppliers and/or contractors evidencing appropriate expenses in connection with the project.

In the case of an issue of bonds, the proceeds of which will be used by a governmental entity other than the District, the District may rely upon a certification

by such other governmental entity that it has adopted the policies described in SB 1029.

600.00 Interest Rate Swaps

The incurring or carrying of variable-rate debt obligations by the District involves a variety of interest rate payments and other risks that interest rate swaps are available to offset, hedge, or reduce. It is the policy of the District to utilize such interest rate swaps to better manage its debt portfolio. The District will consider executing an interest rate swap transaction if it expects the swap transaction will result in any of the following:

- A. Reduce exposure to changes in interest rates on a financial transaction;
- B. Result in a significantly lower net cost of borrowing with respect to the District's debt consistent with an established target; or
- C. Manage variable interest rate exposure consistent with prudent debt practices and guidelines as approved by the Board.

Savings Target

Interest rate swaps will require a significant financial benefit or savings versus traditional fixed-rate debt. For an interest rate swap intended to produce the effect of a synthetic fixed rate transaction, the swap transaction must generate 5% or greater net present value savings compared to standard fixed-rate bonds which have the same optional redemption features.

Restrictions

The District will not enter into any swap transaction

- a) for speculative purposes.
- b) if the swap presents an extraordinary risk to the District's liquidity to terminate the agreement due to unforeseen events.
- c) if there is insufficient price transparency to allow for fair market valuation.

Provider Requirements

The transaction provider will have a credit rating of AA (or equivalent) or better from at least two nationally recognized credit rating agencies (at the time of agreement execution). The transaction provider will have a demonstrated record of successfully executing derivative transactions and have a minimum capitalization of \$2 billion.

Use of Independent Advisor

The District will use a professional advisor or designated swap representative ("Swap Advisor") to assist in the assessment, structuring, and pricing of proposed or existing interest rate swaps. The Swap Advisor will be a firm which:

- i. is a Municipal Advisor registered with the Securities and Exchange Commission;
- ii. has sufficient knowledge to evaluate the swap transaction and risks;
- iii. is not subject to a statutory disqualification;
- iv. is independent of the swap dealer or major swap participant;

- v. undertakes a duty to act in the best interests of the District;
- vi. provides appropriate and timely disclosures to the District; and
- vii. evaluates fair pricing and the appropriateness of the swap.

700.00 Authority

The General Manager and District Treasurer are responsible for adherence to this policy and regular reporting of the District's financial status. Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

800.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule or before any new or refinance debt issuance is considered.

Sacramento Suburban Water District

Debt Management Policy

Adopted: September 15, 2014
Approved with changes: November 20, 2023

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- v. undertakes a duty to act in the best interests of the District;
- vi. provides appropriate and timely disclosures to the District; and
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700.00 Authority

The General Manager and District Treasurer are responsible for adherence to this policy and regular reporting of the District's financial status. Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

800.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule or before any new or refinance debt issuance is considered.



Agenda Item: 9

Date: November 20, 2023

Subject: Revised Capacity Fee Setting Policy (PL – Fin 010)

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

Recommended Board Action:

Approve the revised Capacity Fee Setting Policy (PL – Fin 010).

Background:

The Capacity Fee Setting Policy (PL – Fin 010) (Policy) was reviewed and approved by the Board at the October 16, 2023, Board meeting. Subsequent to the meeting during staff review of supporting materials, it was noticed that in Section 300.00, paragraph two, the public availability of study and related information time was not changed from 10 days to 14 days as per the statute.

Discussion:

Staff are requesting the following update:

Section 300.00 Capacity Fee Consideration and Approval Process – Change period that capacity fee study and related data be made publicly available from 10 days to 14 days as per the statute.

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

Attachment:

1 – Capacity Fee Setting Policy (PL – Fin 010) – clean version

Sacramento Suburban Water District

Capacity Fee Setting Policy

Adopted: September 15, 2014
Approved with Changes: October 16, 2023

100.00 Purpose of the Policy

The purpose of this policy is to establish how the District will establish and approve Capacity Fees. Capacity Fees provide the means of balancing the District’s cost requirements for new infrastructure between existing customers and new customers. A portion of the costs of buying into existing infrastructure that will provide service (capacity) to new customers is included in the District’s Capacity Fees. In contrast, the District has future capital improvement projects that are related to renewal and replacement of existing infrastructure. These infrastructure costs are typically included within the rates charged to the District’s customers, and are not included in the Capacity Fees. By establishing cost-based Capacity Fees, the District will continue its policy of having “growth pay for growth” and existing District customers, for the most part, be sheltered from the financial impacts of growth. The establishment of Capacity Fees will include consideration of the following:

- A. Growth-Related Capital Projects – Within the District’s capital improvement plans and rate studies, growth-related capital projects will be clearly identified.
- B. Growth Related Capital – The District’s intent is for the cost of growth-related assets to be paid for by the use of Capacity Fees. In other words, growth should pay for growth, and existing customers should be sheltered from the costs of serving growth.
- C. Use of Capacity Fee Proceeds – Capacity Fee revenues will only be used for two purposes – to pay for growth-related debt service or to directly pay for growth-related capital improvements.
- D. Limitation on the Use of Capacity Fees to Pay Debt Service – The use of Capacity Fee revenues to pay for growth-related debt service will be limited in any year, for planning and rate setting purposes, to fifty percent (50%) of the annual Capacity Fee revenue projected to be collected. If growth and the corresponding Capacity Fee revenue is less than projected, the District should still have sufficient Capacity Fee revenue to make the annual debt service payments associated with the growth-related capital projects.

200.00 Policy

Capacity Fees are intended to reflect the cost of growth and capacity expansion to serve new customers and additional capacity requirements. Capacity Fees are a common method of assessing the cost of expansion and its additional capacity requirements. In

establishing Capacity Fees, and in concert with Regulation No. 7, “New or Additional Service Connections”, the following will be considered:

- A. Meeting Legal Requirements – Capacity Fees will be established and administered to comply with applicable legal requirements.
- B. Methodologies – Capacity Fees will be established using “generally accepted” methodologies and will include a debt service credit to fairly account for the method of financing used for growth and expansion projects.
- C. Determination of Cost-Basis – As appropriate, Capacity Fees will be calculated to determine the cost-based levels for new customers seeking connections to the District’s water system.
- D. Establishing Final Capacity Fees – The Board will establish the final Capacity Fees, taking into consideration the cost-based levels of the charges and the Board’s policy as it relates to the sharing of growth-related costs between existing ratepayers and new customers connecting to the water system. At no time will the Board establish or adopt Capacity Fees greater than the calculated cost-based Capacity Fees except as permitted under Government Code section 66013.
- E. Adjustments – In accordance with Regulation No. 7, section H. 5 - Capacity Fees will be adjusted annually utilizing the model used in the most recent capacity fee study. Further, “a comprehensive review and update of the Capacity Fee methodology shall occur at least every five years.”
- F. Master Plan and Capacity Fees – Every three to five years, or whenever the Water System Master Plan is updated, the Capacity Fees will be updated to reflect the changes in planning, infrastructure, and capital financing.

300.00 Capacity Fee Consideration and Approval Process

California Government Code sections 66013 and 66016 require that new or updated Capacity Fees or similar charges be properly noticed. Under section 66016, the District must agendize consideration of the proposed new or increased fees on the agenda of at least one regular Board meeting and permit the public to present oral or written comments on the proposal. In addition, the District must mail written notice of the meeting at which the matter will be heard, including a “general explanation of the matter to be considered, and a statement that the data required by this section is available”, at least 14 days before the meeting to all parties that have filed a written request with the District for mailed notice of meetings at which new or increased fees and charges will be considered (any such request is valid for one year from the date on which it is filed and any renewal request must be filed by April 1 of the following year).

Also, the District must make publicly available the capacity fee study and any related data at least 14 days before the meeting at which a proposal to adjust Capacity Fees will be considered. If the Board proposes to adopt the proposed Capacity Fees, with or without change, the Board may take that action only by ordinance or resolution. A formal public hearing on the issue is not required.

400.00 Authority

The General Manager and District Treasurer are responsible for compliance with this policy and regular reporting of the District's financial status, including the Capacity Fees accounting required under Government Code section 66013, subdivisions (c) through (f). Board oversight will be accomplished through regular reporting of financial status and review of this Policy.

500.00 Policy Review

This Policy will be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.



Agenda Item: 9.5

Date: November 20, 2023

Subject: Resolution No. 23-06, Honoring Tom Dickinson on his Retirement

Staff Contact: Dan York, General Manager

Recommended Board Action:

Adopt Resolution No. 23-06 Honoring Tom Dickinson, Cross Connection Control Specialist, on his Retirement.

Discussion:

Tom Dickinson (Mr. Dickinson) has been a valued employee of the Sacramento Suburban Water District for over 20 years, having been hired on January 20, 2003. His retirement will be effective December 1, 2023. This Resolution commemorates his service. Staff has prepared a ceremonial, framed version of this Resolution for presentation to Mr. Dickinson.

Fiscal Impact:

Minimal.

Strategic Plan Alignment:

Goal E Retain and Recruit a Qualified and Stable Workforce

This resolution benefits District customers by recognizing staff who have provided significant benefit to the overall operation and success of the District in various ways during their years of service to the District. This resolution specifically reinforces the District's commitment to its Mission and Vision Statements by recognizing employees that have performed their duties in accordance with District Values.

Resolution No. 23-06
A Resolution Honoring
Tom Dickinson
on His Retirement

Whereas, Thomas (Tom) Dickinson completed over 20 years of dedicated service with the Sacramento Suburban Water District, having been hired on January 20, 2003, less than one year after the consolidation of the former Arcade Water District and Northridge Water District; and

Whereas, Tom's dedication to the Sacramento Suburban Water District made it a more efficient organization with improved customer service and safe water supply; and

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

Whereas, Tom's knowledge of District operations is only overshadowed by his depth of kindness and consideration for others; and

Whereas, Tom's willingness and ability to competently serve in different roles within the District over the years has been an example to his co-workers and truly appreciated by management; and

Whereas, Tom's technical expertise and mentoring has increased the overall knowledge base of other District staff that has resulted in a more technically informed workforce and enhanced customer service; and

Whereas, Tom's continued commitment toward making improvements in Sacramento Suburban Water District's Cross Connection Control Program is a major reason why it is among the most highly-respected programs in the region; and

Whereas, Tom will no longer have to listen to his supervisor's requests to refrain from working like he's a 20-year-old on home improvement projects over the weekends; and

Whereas, Tom can now spend more time with family, root for the Miami Dolphins to have another undefeated championship season, that will never actually happen, attend Sacramento State Hornet football games, and work on his "honey do" list; and

Whereas, Tom's retirement from the Sacramento Suburban Water District will be effective Friday, December 1, 2023.

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

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

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

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on this 20th day of November 2023.

AYES:

NOES:

ABSENT:

By: _____
Jay Boatwright
President, Board of Directors
Sacramento Suburban Water District

(SEAL)

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



Agenda Item: 10

Date: November 20, 2023

Subject: Sacramento Regional Water Bank

Staff Contact: Matt Underwood, Assistant General Manager

Recommended Board Action:

Receive presentation and direct staff as appropriate.

Background:

Water management in the North and South American subbasins (hereafter called the American River Basin) is facing the combined climate pressures of warming air temperatures, shrinking snowpack, shorter and more intense wet seasons, more volatile precipitation, and rising sea levels affecting the Sacramento-San Joaquin Delta (Delta). These climate pressures will make it more challenging to simultaneously store and maintain water for droughts, manage flood risk, and protect freshwater ecosystems. Warming air temperature has complex adverse effects on water supply—it reduces the share of precipitation falling as snow, causes early snowpack melting and higher than usual winter runoff, raises water temperatures, and amplifies the severity of droughts and floods. Warmer, more intense droughts increase pressure to draw down groundwater resources. Overreliance on groundwater for supply can lead to long-term declines in groundwater levels. Warmer, more intense storms add stress to managing surface reservoirs, making it harder to meet often competing objectives of storing water, safeguarding communities from harmful floods, and protecting freshwater ecosystems. Sea level rise threatens the Delta and puts more pressure on Folsom Reservoir to contribute flows to help meet Delta water quality requirements.

In the Sacramento region, implementation of a coordinated practice of conjunctive use by local water agencies has played a considerable role in making the region’s water supply more reliable over the past two decades. Water managers in the region have identified expansion of that conjunctive use practice (also known as “groundwater banking”) as one of several key strategies to improve drought resiliency, long-term groundwater sustainability, and climate change adaptation in the face of ever-increasing management challenges. Moreover, recent studies—in particular, the locally-led 2019 Regional Water Reliability Plan and the 2022 American River Basin Study produced by the U.S. Department of the Interior, Bureau of Reclamation (Reclamation) in partnership with local water agencies—identified the establishment of a regional water bank as a necessary institutional mechanism to facilitate and incentivize expansion of conjunctive use.

To enhance the long-term viability of the Sacramento region’s community, businesses, and families, water managers are focusing on adapting the regional water supply system to climate change and drought by expanding conjunctive use and thereby increasing the resilience of the

region's water supplies and creating a 21st-century water system. This program is known as the Sacramento Regional Water Bank (Water Bank).

The Water Bank is a multi-agency partnership that allows participating local water agencies to expand their conjunctive use operations by leveraging surface water, recycled water, and groundwater supplies to use the expansive reservoir under the Sacramento region for storing water during wet times for use during dry times. The Water Bank provides for recharging and storage of water underground on behalf of specific parties, while maintaining a formal accounting system to keep track of balances (i.e., deposits when water is recharged and withdrawals when it is recovered in the future).

The Water Bank is structured to reduce barriers to expanding conjunctive use—these barriers could be institutional (e.g., agreements, operational issues, water quality concerns), financial (e.g., cost to produce water, cost of expansion), or structural (e.g., facility limitations)—while complying with existing regulations, requirements, and goals of Groundwater Sustainability Plans in the American River Basin.

The Water Bank builds on the ongoing regional conjunctive use program and existing infrastructure and facilities, meaning that the foundation of the Water Bank is in-place and operational. At present and using that existing infrastructure, it may be possible to recharge up to 60 thousand acre-feet (TAF) in a very wet year using municipal sources and recover up to 60 TAF in a very dry year. With near-term, new infrastructure, those recharge and recovery quantities could total up to 90 TAF in a year. The Water Bank has the potential to grow over time, making use of other sources of supply and means of recovery. Put in context, the North and South American groundwater sub-basins currently have about 1.8 million acre-feet (MAF) of unused storage that could store surface water during wet conditions for use when surface water supplies are more limited, as during a drought. In addition, there are opportunities to increase the availability of supply using recycled water.

In addition to improving long-term water supply reliability and resiliency, the Water Bank provides an opportunity to take advantage of regional conjunctive use operations to increase the operational flexibility of Folsom Reservoir. Folsom Reservoir plays critical roles in (1) managing temperature in the lower American River to support aquatic life, (2) Delta water quality for the enhancement and protection of Delta fisheries and ecosystem, and (3) Reclamation's Central Valley Project (CVP) water supply functions statewide.

Discussion:

Trevor Joseph, Regional Water Authority Manager of Technical Services, provided a presentation to the Water Banking Committee at its October 30, 2023, Committee meeting. The Committee requested that Mr. Joseph return at the November 20, 2023, regular Board meeting to provide an update focused on schedule and budget.

Mr. Joseph will present the presentation.

Sacramento Regional Water Bank

November 20, 2023

Page 3 of 3

Strategic Plan Alignment:

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

Goal B: Optimize Operational and Organizational Efficiencies

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Goal D: Maintain Excellent Customer Service



Agenda Item: 11

Date: November 20, 2023

Subject: Auburn Constructors – Progressive Design-Build Projects Update

Staff Contact: Mitchell McCarthy, P.E., Senior Project Manager

Recommended Board Action:

No action. Receive staff presentation.

Background:

At the August 21, 2023, regular Board meeting, District staff and Auburn Constructors, LLC (Auburn) staff jointly presented an overview of the current Progressive Design-Build (PDB) well projects. The presentation focused on the project's scope and facility capacity.

Currently Auburn is in construction on the following three PDB projects:

- Well 80 Walnut/Auburn
- Wells 81, 82, and 83 Antelope North/Poker
- Well 84 Antelope/Don Julio

At the September 18, 2023, regular Board meeting, the Board requested that staff prepare a second brief presentation by Auburn, this time with a focus on schedule and cost.

Discussion:

The attached PowerPoint presentation (Attachment 1) will be presented by Auburn's Project Manager for all three projects, Bryan Truce. Additionally, other PDB Program members are present to provide additional detail as needed and to assist in responding to questions from the Board and public: Brown and Caldwell, Auburn's design consultant partner; and West Yost, the District's consultant acting as the Owner's Representative.

Attachment:

1. Progressive Design-Build Projects Update No. 2

Auburn Constructors

Progressive Design-Build Projects

Update No. 2



November 20, 2023



Agenda

- Projects
- Program Team
- Schedules and Progress
- General Schedule Challenges
- Project Cost Summaries

Projects

Well 80 Walnut/Auburn

- Control Building

Wells 81, 82, and 83 Antelope North/Poker

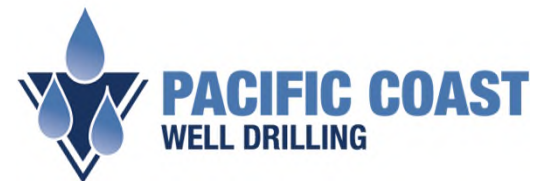
- 3 Monitoring Wells
- 3 Production Wells
- Control Building

Well 84 Antelope/Don Julio

- 1 Production Well
- Control Building
- ASR Capability



Program Team

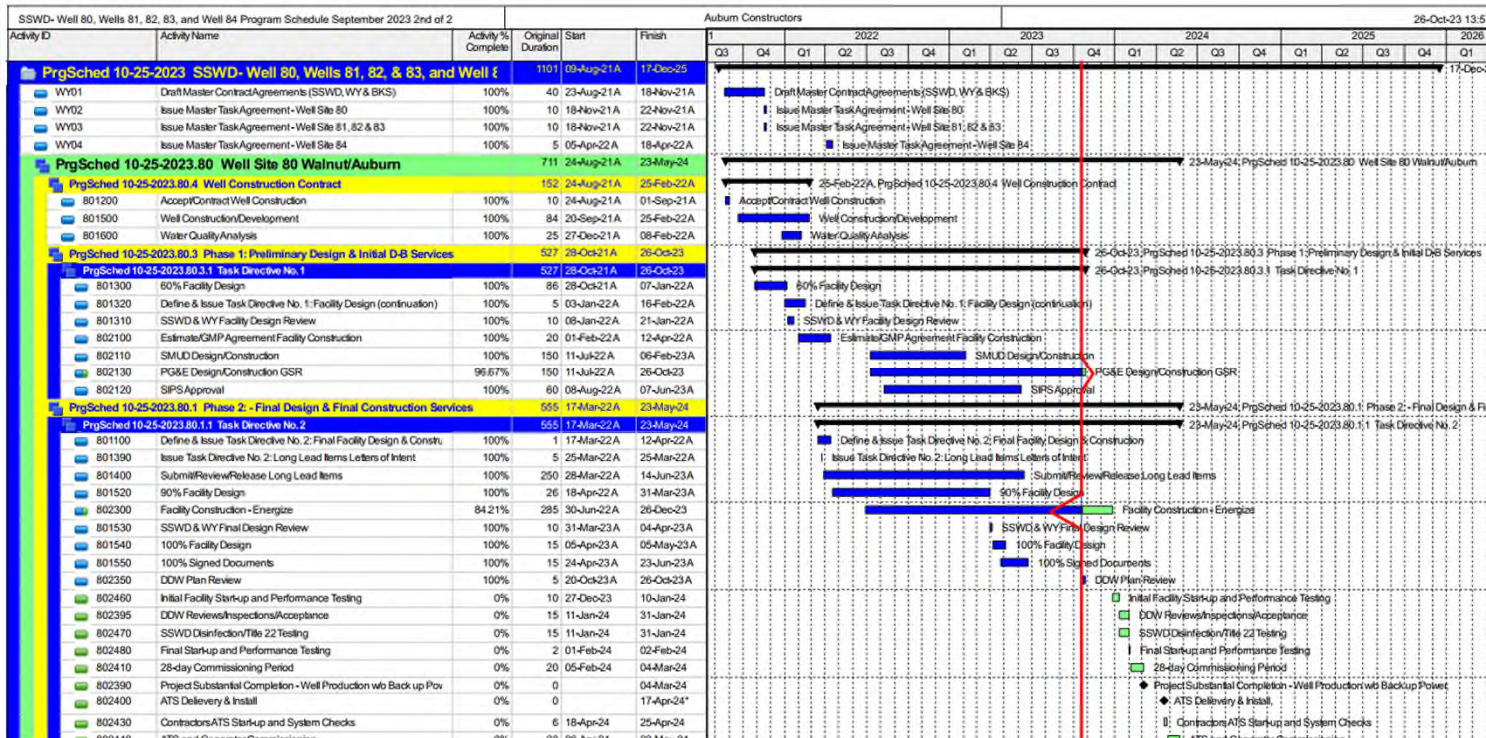


Projects and Progress

Project Schedules

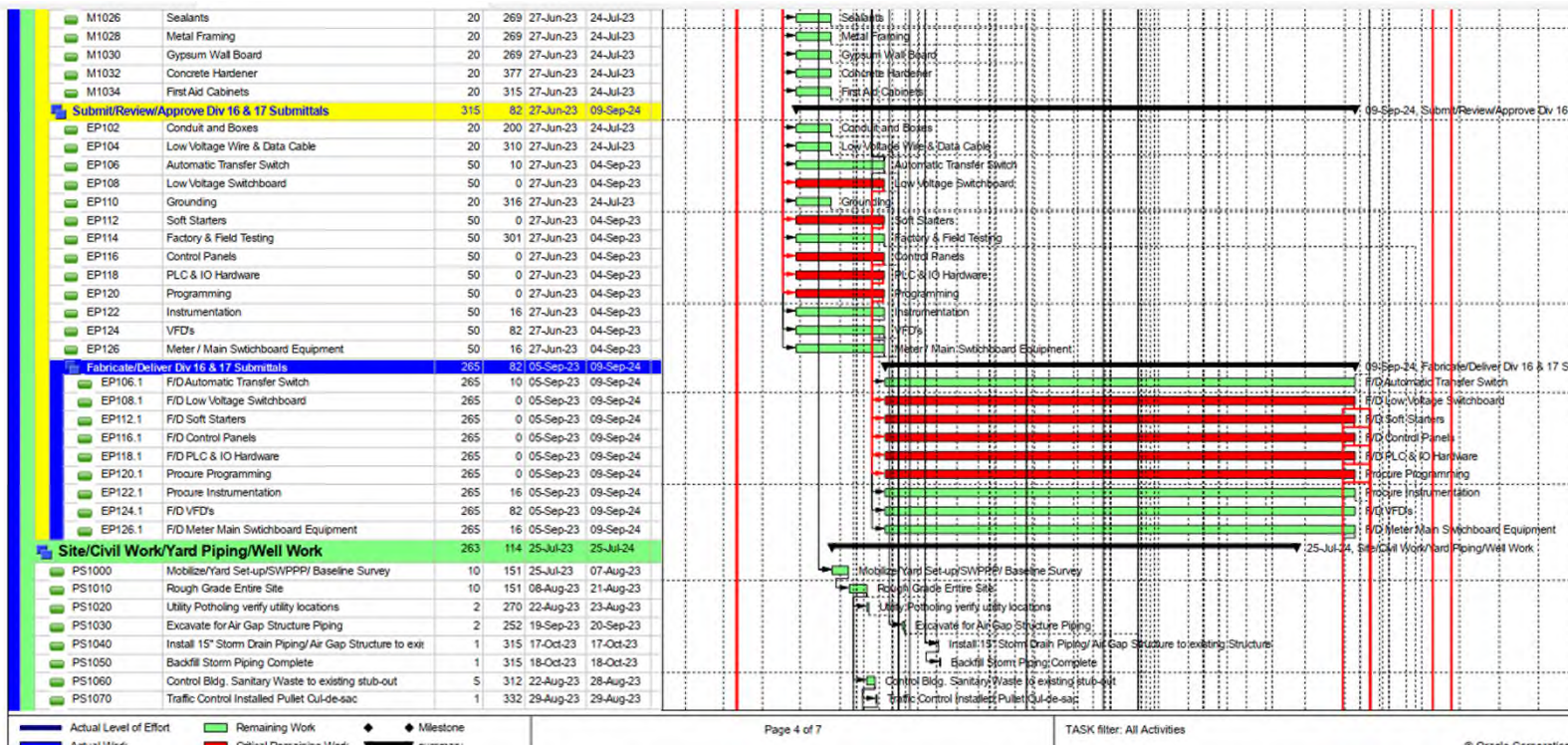
- **Program Schedule**
 - ✓ Monthly - updated by Auburn; reviewed for project progress
- **Project-Specific (Task Directive) Schedules**
 - ✓ By Task Directive - issued with executed GMPs; continually maintained by Auburn
- **Three Week Look Ahead**
 - ✓ Weekly - prepared by Auburn; provided/reviewed at weekly progress meetings

Program Schedule



- Four pages P6 PM Software
- High level
- Updated monthly

Project Specific



- Submitted with GMP Proposal
- Greater level of detail than Program Schedule

Three Week Look Ahead

Auburn Constructors																																	
Project Title:		Sac Suburban Well 180 Equiping							Project No: 2103				Estimated Progress								Holiday												
Contractor:		Auburn Constructors, LLC.							Date: 10/15/2023				Actual Progress																				
RESPONSIBLE COMPANY	WORK ITEM	74th WEEK							75th WEEK							76th WEEK							77th WEEK										
		15-Oct	16-Oct	17-Oct	18-Oct	19-Oct	20-Oct	21-Oct	22-Oct	23-Oct	24-Oct	25-Oct	26-Oct	27-Oct	28-Oct	29-Oct	30-Oct	31-Oct	1-Nov	2-Nov	3-Nov	4-Nov	5-Nov	6-Nov	7-Nov	8-Nov	9-Nov	10-Nov	11-Nov				
Auburn	Exc/Install Irrigation Piping																																
Auburn	Backfill Electrical																																
C&D Contractors	4" and 16" fire ins																																
Auburn	Auger Lights and Bollards																																
Auburn	Form Light Bases																																
Auburn	Pour Light Bases and Bollards																																
Auburn	Install Bollards																																
Auburn	Set Generator																																
Auburn/C&D	Flush and Disinfect Pipe																																
PG&E	Install Gas Service																																
C&D Contractors	Install Sewer Manhole																																
Auburn	Exc Gate Track																																
Golden Bay Fence	Install Fence Posts																																
Auburn	Form Fence Concrete																																
Auburn	Pour Fence concrete																																
Auburn	Strip Fence Concrete																																

- Reviewed during weekly progress meetings
- Highly detailed

Project Progress Summary

Project Work Elements	W80	W81/82/83	W84
Well Construction	Completed	Completed	Completed
Site Rough Grading & Underground	Completed	Not Started	Started
Building Structure (foundation, walls, roof)	Completed	Not Started	Not Started
Well Equipping and Mechanical	Completed	Not Started	Not Started
Electrical & Integration	Started	Not Started	Not Started
Site Work (finish grading, paving, fencing, landscaping)	Started	Not Started	Started
Facility Testing	Not Started	Not Started	Not Started

General Schedule Challenges

Utility Coordination

- SMUD
- PG&E
- SASD

County Permitting (SIPS)

- Many internal groups
- Non-coordinated comments
- Late commentors
- Many re-submittals

Procurement

- Supply Chain
- Material and equipment costs (rapid changes)

Equipping (Pump Station) Start

- Well Construction Challenges
- For 81/82/83 Added Monitoring Wells

Other

- Started and managed through Covid

Well 80



Final Completion

- May 2023 (GMP schedule @ 60% plans)
 - May 2024 (current)

Significant Delays Experienced

- County - permitting process (SIPS)
- SMUD - coordination for service delivery
- ** Supply Chain - delivery of various electrical power components
- Covid - general impact to working processes

**** This industry-wide issue is controlling schedule**

Well 80



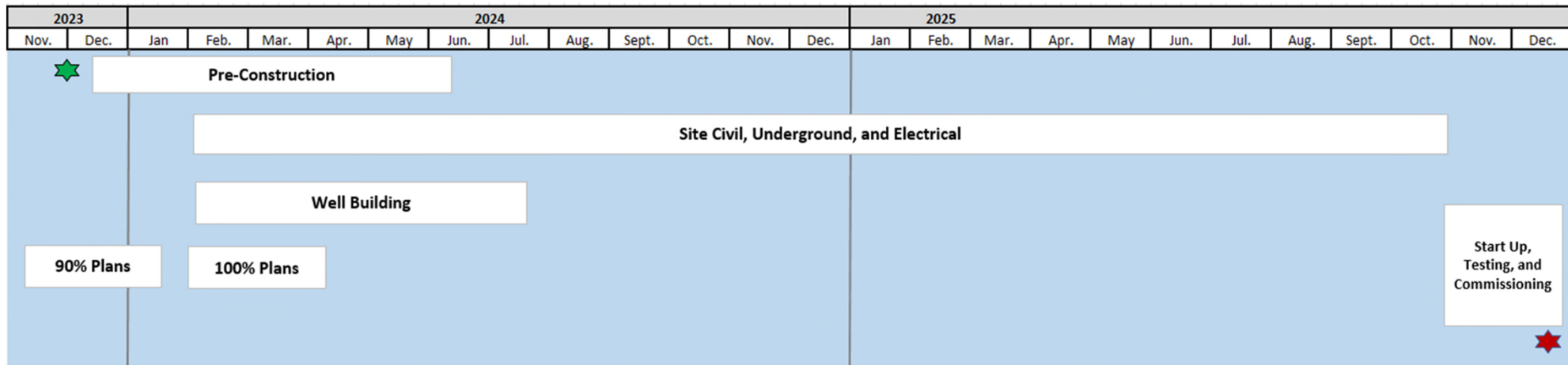
Remaining Key Elements of Work

- Sewer Line in Walnut Ave.
- Final Mechanical
- Receive and Install Electrical/Control:
Electrical Breaker, Control Panels, and PLCs
- Paving
- Install Generator
- Startup and Testing

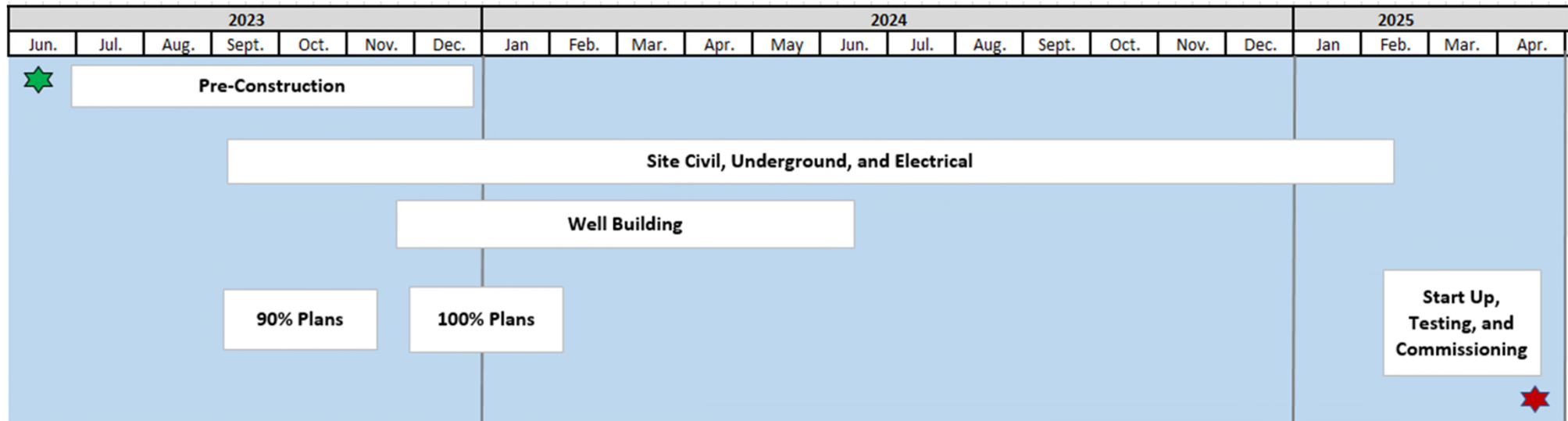
Final Completion - May 2024

***Delivery of electrical/control equipment is
controlling the schedule***

Wells 81, 82, and 83 – Equipping Summary Schedule



Well 84 – Equipping Summary Schedule



Project Cost Summaries

Contracting Approach for Progressive Design-Build

Master Task Agreement

- One for each facility (no cost associated)

Guaranteed Maximum Price (GMP)

- **Task Directives** – Specifies the required work to be completed to form the basis for GMP proposals from the PDB Team
- **GMP Proposals** – Based on 60% plans and specifications
 - ✓ Includes supplier/sub-contractor bids and written description of work and list of assumptions/exclusions
 - ✓ Lowest cost selected that meets schedule/criteria

Contracting Approach for Progressive Design-Build (cont'd)

GMP Implementation

- **Change Orders** – Used to address project (scope) changes after 60% Design

Shared Savings

- **70/30 split** (District/Contractor)
- Determined at completion of each project

Well 80

Progressive Design-Build Cost Summary		
Task Agreement / Task Directives	Execution Status	GMP
Master Task Agreement	January 2022	n/a
Task Directive 1 – Phase 1 Facility Design (60%)	February 2022	\$295K
Task Directive 2 – Phase 2 Facility Design and Const.	April 2022	\$6.0M
Change Orders (4% to date)	As Needed	\$259K
Total GMP to Date		\$6.6M

Note:

Well 80's groundwater well was designed and constructed prior to the Progressive Design-Build project with Auburn.

Well 84

Progressive Design-Build Cost Summary		
Task Agreement / Task Directives	Execution Status	GMP
Master Task Agreement	April 2022	n/a
Task Directive 1 – Well Materials	June 2022	\$564K
Task Directive 2 – Well Design	June 2022	\$75K
Task Directive 3 – Phase 1 Facility Design (60%)	July 2022	\$663K
Task Directive 4 – Well Construction	January 2023	\$2.6M
Task Directive 5 – Phase 2 Facility Design and Const.	June 2023	\$6.5M
Change Orders (1% to date)	As Needed	\$136K
Total GMP to Date		\$10.5M

Wells 81, 82, and 83

Progressive Design-Build Cost Summary		
Task Agreement / Task Directives	Execution Status	GMP
Master Task Agreement	January 2022	n/a
Task Directive 1 – Monitoring Wells	February 2022	\$947K
Task Directive 2 – Phase 1 Facility Design (60%)	March 2022	\$681K
Task Directive 3 – Wells 82 & 83 Materials	June 2022	\$1.6M
Task Directive 4 – Well 81 Construction	August 2022	\$2.2M
Task Directive 5 – Wells 82 & 83 Design	October 2022	\$65K
Task Directive 6 – Wells 82 & 83 Construction	February 2023	\$4.7M
<i>Task Directive 7 – Phase 2 Facility Design and Const.</i>	<i>TBD</i>	<i>TBD</i>
Change Orders (6% to date)	As Needed	\$638K
Total GMP to Date		\$10.8M

Note:

Well 81 was designed prior to the Progressive Design-Build project with Auburn.

Questions & Answers

Thank You!





Agenda Item: 11.5

Date: November 20, 2023

Subject: Regional Water Authority Vice Chair and Executive Committee 2024 Election

Staff Contact: Dan York, General Manager

Recommended Board Action:

Discuss the candidate pool for the Regional Water Authority Vice Chair and Executive Committee for 2024 and provide direction to complete the Official 2024 Voting Ballot. Direct the General Manager to submit the Official 2024 Voting Ballot to the Regional Water Authority by December 14, 2023.

Discussion:

The Regional Water Authority (RWA) conducted the 2024 Board Elections process for Chair, Vice-Chair, and Executive Committee (EC) at their November 9, 2023 RWA Board meeting. The elections process was to elect the 2024 Chair and identify interested members for the 2024 Vice Chair and EC.

The policy for the subject election process was amended in 2022 to simplify the process, which is explained below:

Board members that wish to be considered for election as 2024 Vice-Chair, or to the EC, will be stating their interest at the November 9th Board meeting. The interested candidates had an opportunity to make an oral presentation of up to two minutes.

The RWA Board would also be selecting the incoming 2024 Chair. The policy states that the Board elects the 2024 Chair by voting whether to elect the current Vice-Chair. The 2023 Vice-Chair is Brett Ewart. The RWA Board elected Brett Ewert as the 2024 Chair.

Following the November 9th Board meeting, member agencies will be filling out a ballot, which identifies candidates for Vice-Chair and the EC. Each agency will be entitled to one ballot. The ballot will provide for members to rank their choices for Vice-Chair and the Executive Committee.

The new process will result in the selection of the nine member EC as follows:

- The incoming Chair will be a member of the EC.
- The ballot election will result in the selection of a Vice-Chair and three other EC members.
- The incoming Chair will nominate two additional candidates.
- The Contracting Entities of the RWA (Golden State Water Company and California American Water Company) will submit a nomination.
- The Chair of the SGA shall nominate a member of the SGA to sit on the EC. The SGA nominee must be a member of the RWA.

Regional Water Authority Vice Chair and Executive Committee 2024 Election

November 20, 2023

Page 2 of 2

Candidates for 2024 Vice-Chair are as follows:

- William Roberts, City of West Sacramento
- Michael Saunders, Georgetown Divide Public Utility

Candidates for 2024 EC are as follows:

- Sean Bigley, City of Roseville
- Ron Greenwood, Carmichael Water District
- Bruce Kamilos, Elk Grove Water District
- William Roberts, City of West Sacramento
- Michael Saunders, Georgetown Divide Public Utility
- Robert Wichert, Sacramento Suburban Water District

The RWA Executive Director distributed the Official 2024 Voting Ballot on November 15, 2023 to the RWA member agencies with the directors that were identified as candidates at the November Board meeting. The ballot is set up to allow member agencies to rank the candidates in their preference.

The member agencies have been directed to fill out the ballot and return it to the RWA via email or by US Mail by a deadline of December 14, 2023. Ballots received after this date will not be counted.

At the RWA January Board meeting, the Board will vote in a single election on the question: “Shall the proposed nominees for Vice-Chair and Executive Committee be elected?”

Attachment:

1. Regional Water Authority Official 2024 Voting Ballot



**REGIONAL WATER AUTHORITY
OFFICIAL 2024 VOTING BALLOT**

AGENCY NAME: _____

VOTING MEMBER: _____

1. RWA 2024 VICE CHAIR

SELECT ONLY ONE CANDIDATE – CHECK ONLY ONE BOX

William Roberts, City of West Sacramento

Michael Saunders, Georgetown Divide Public Utility

2. RWA 2024 Executive Committee

REGARDLESS OF YOUR SELECTION ABOVE PLEASE RANK THE CANDIDATE IN NUMERICAL ORDER (1-6) OF YOUR PREFERENCE, WITH 1 BEING THE MOST DESIRED AND 6 BEING THE LEAST

Sean Bigley, City of Roseville

Ron Greenwood, Carmichael Water District

Bruce Kamilos, Elk Grove Water District

William Roberts, City of West Sacramento

Michael Saunders, Georgetown Divide Public Utility

Robert Wichert, Sacramento Suburban Water District

I certify that I have been identified by my agency as the member representative of my agency as outlined in the RWA election policy. Please consider this completed ballot as my agency's vote.

Agency Representative Signature

Date



Agenda Item: 12

Date: November 20, 2023

Subject: State Urban Water Use Objective Update

Staff Contact: Greg Bundesen, Conservation and Communications Supervisor

Recommended Board Action:

Receive report regarding the implementation of the State Urban Water Use Objectives required by SB 606 and AB 1668.

Background:

In 2018, the California Legislature passed SB 606 and AB 1668 establishing the basis for urban water use objective standards. The legislation calls on the State Water Resources Control Board (SWRCB) to work with the Department of Water Resources (DWR) to generate the regulatory rules for legislative implementation by 2023. Mandatory reporting begins January 1, 2024.

Discussion:

On August 18, 2023, the SWRCB released the Proposed Text of Regulation outlining the calculations each retail urban water supplier shall use to calculate their Urban Water Use Objective (Objective). The Objective is based on the sum of five different water use standards: (1) residential indoor water use, (2) outdoor water use, (3) efficient water losses, (4) approved variances, (5) bonus incentives. Water agencies are not expected to meet each individual water use standard, only the total water use Objective.

$$\text{Variances} + \text{Water Use Standards} + \text{Bonus Incentives} = \text{Objective}$$

Reporting

Every water agency shall submit to the SWRCB, not later than January 1, 2024, and by January 1st every year thereafter, the report required by Water Code Section 10609.24. Starting January 1, 2025, the SWRCB will provide a form for annual reporting. Reports are to reflect the conditions of the previous state fiscal year. The Objective is calculated as follows:

Residential Indoor Water Use Standard

The Residential Indoor Standards (R-indoor) is based on an allocation for water use in gallons per capita per day (gpcd). Until 2025, the indoor gpcd (ID-gpcd) used in the calculation is 55. From 2025 through 2029, the gpcd will be 47 and the gpcd starting in 2030 is 42. The calculation for R-indoor is as follows:

$$ID-gpcd \times Population \times Number\ of\ Days\ in\ Year = R-indoor$$

There are some variances the SWRCB offers to water utilities in unique situations such as accounting for seasonal population variances (i.e., South Lake Tahoe) and significant use of evaporative coolers. Staff will evaluate the possibility of utilizing the evaporative cooler variance.

Outdoor Water Use Standard

The Outdoor Water Use Standards are based on two outdoor water use types: (1) Residential Outdoor Water Use Standard (R-outdoor) and CII Dedicated Irrigation Meters (DIM-outdoor). The standards are generated from a calculation for efficient water use based on a function of efficient water use, weather, and landscape size. The calculation utilized a residential outdoor landscape water efficiency standard (LEF), annual net evapotranspiration (Net ETo, evapotranspiration in inches less effective rainfall), landscape area expressed in square feet (LA, irrigable landscape areas as measured by DWR in 2018), and a unit conversion factor changing inches to gallons (0.62). The calculation is as follows:

$$LEF \times Net\ ETo \times LA \times 0.62 = R-outdoor\ (gallons\ per\ year)$$

The number for LEF for the 2024-2029 reports is 0.80, 0.63 from 2030 to 2035, and 0.55 starting on 2035. DWR provided two landscape types listed as “irrigable”, irrigable irrigated (ii) and irrigable not irrigated (ini). From 2024 through 2027, water agencies can use 20% of the ini landscape area in their R-outdoor standard if their overall water use for the year is greater than their overall Objective.

There are variances for the R-outdoor standard. Water agencies can apply for variances if they have significant populations of horses or other livestock, use water for dust control, water for irrigating agricultural landscapes in residential areas, water used for emergency events (i.e., firefighting), water for landscapes irrigated with non-potable water containing high levels of total dissolved solids, and water to supplement ponds and lakes to sustain wildlife. Staff is researching which variances the District will qualify for and will add the variances to the annual reports.

The calculation for the DIM-outdoor is similar to the R-outdoor standard with one change. The LEF starting in 2035 for DIM-outdoor is 0.45 instead of 0.55. There is also consideration for special landscapes (SLA, such as sports fields and recreation areas). The special landscape area LEF used in the calculation is 1.0, meaning that the SLAs get a full allocation of water. Staff will be calculating SLAs to ensure the District is getting the appropriate amount of water allocated for those SLAs.

Since DWR has not provided water agencies with their DIM landscape areas, the water use standards for calculating the Objective for DIM-outdoor will equal the actual deliveries to DIM customers from 2024 through 2028. DWR is expected to provide DIM landscape areas so water agencies can calculate their DIM-outdoor standard by 2029.

The water use variances for DIM-outdoor are landscapes with edible plants, recreational areas, area irrigated with recycled water, slopes with vegetation that stabilizes soil, ponds or lakes using

water to sustain wildlife or recreation, plant collections (botanical gardens, arboretums, etc.), public swimming pools, and cemeteries built before 2015.

Water Loss Water Use Standard

The Water Loss Water Use Standard (WL) is based on the real loss gallons per connection per day generated from a water agency's annual water loss audit. The calculation is as follows:

$$WL\text{-gpcd} \times \text{number of service connections} \times \text{number of day in the year} = WL$$

The District's current WL-gpcd, 20.2, is based on water loss audits submitted to DWR from 2017 through 2020. The District's 2022 real loss gallons per capita per day has been calculated and validated as 11.7 WL-gpcd, well under WL-gpcd standard of 20.2.

Bonus Incentives

The bonus incentive is a function of the outdoor water use standard and potable water reuse. Water utilities that provide potable water reuse can receive a bonus incentive added to their overall objective; however, the bonus incentive cannot exceed 15% of the overall objective. The District will not qualify for any bonus incentive as it does not offer potable water reuse.

Other Requirements

Here are some other requirements for compliance with the regulations. There are several performance measures with which water agencies will have to comply for their CII customer classes. Each water agency will have to classify their CII accounts in accordance with the Energy Star Manager's broad categories and communicate a report to the property owner regarding their status.

Water agencies will also have to decide whether to separate CII mixed use meter (MUM) customers (domestic water use and landscape water use from the same service connection) or implement several different in-lieu best management practices including but not limited to water budget-based management programs, communications, information regarding efficient landscape maintenance practices and providing appropriate irrigation schedules, estimating how much water a CII MUM customer is using for outdoor water use, performing specific outreach to CII customers at or above the 80th percentile and at or above the 97th percentile for water use, and banning the irrigation of non-functional turf. Implementation of meter separation or in-lieu practices will be required for all CII MUM customers by 2030.

Compliance

As written, the urban water use objectives would require the District to reduce water use by 8% by 2030 and an additional 12% by 2035 for a total water reduction of 20% by 2035.

Fiscal Impact:

The fiscal impact is still being evaluated; however, preliminary estimates show that, as written, compliance with the Objectives would result in a 21% reduction in water demand. A 20% reduction in water demand would result in a revenue reduction of 20% by 2035. Staff is estimating an increase to the water conservation budget by 100% per year for implementation of various programs to comply with the Objective's requirements.

The fiscal impact of non-compliance could result in civil liability assessments of up to \$10,000 per day (\$3.65 million per year).

Attachment:

1 – Power point presentation

Urban Water Use Objective Update

November 20, 2023





Legislation



SB 606 & AB 1668

“Making Water Conservation a California Way of Life”

Establishes foundation for long-term water conservation programs and drought planning

2017 Framework of Implementation

- Use Water More Wisely
- Eliminate Water Waste
- Strengthen Local Drought Resilience

Use Water More Wisely

- Water budget-based method for quantifying efficient urban water use objectives.
- Urban retail water use efficiency standards adoption.
- Urban retail water use objective implementation, reporting, and enforcement
- Expanded civil liability for violations.

Eliminate Water Waste

- Affirmation for continued implementation of existing requirements for setting urban retail water loss standard, methodology, and reporting requirements.
- Recommendations to legislature on expanding water loss reporting requirements for urban wholesale water suppliers.

Strengthen Local Drought Resilience

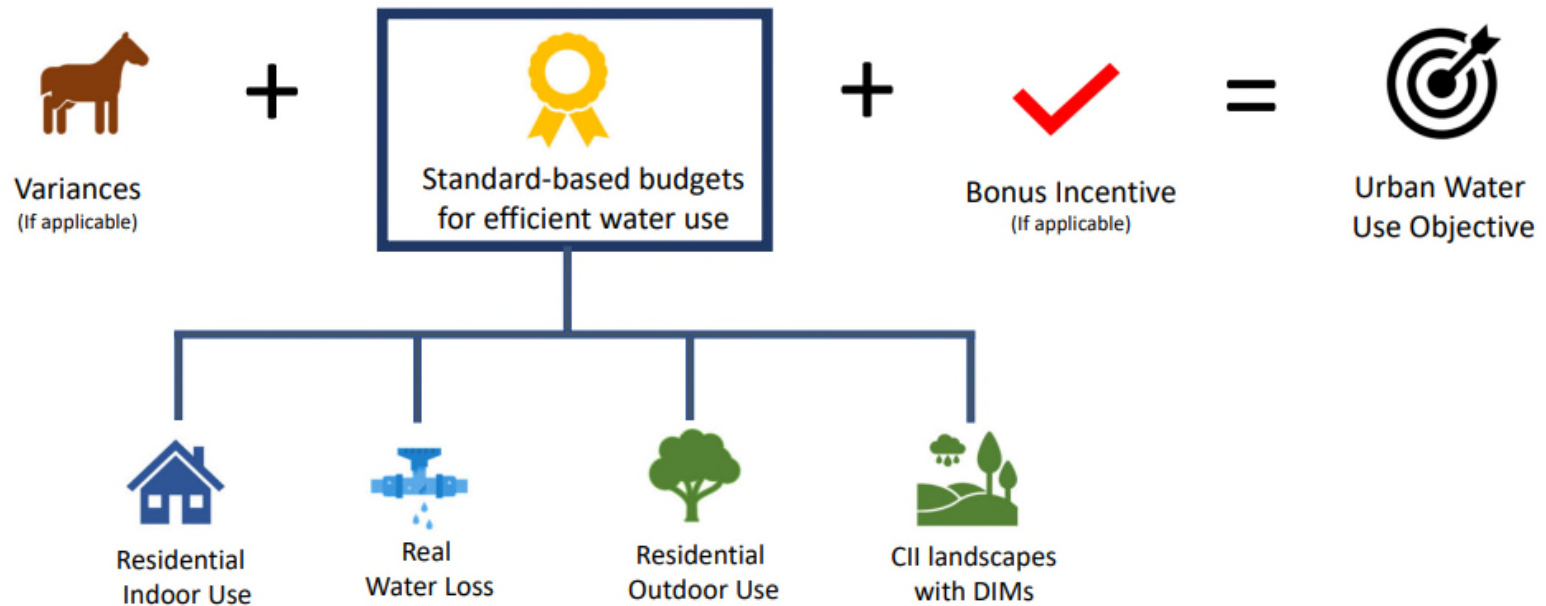
- Emergency declaration based on local water shortage.
- Urban water shortage contingency planning, methodology, reporting and enforcement.
- Amendments to existing urban water management reporting and enforcement.

Urban Water Use Objectives

Reporting

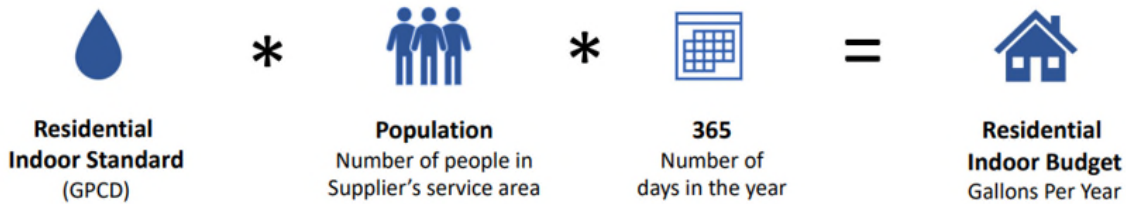
- Reporting begins January 1, 2024.
 - January 1 every year thereafter.
- Calculation based on conditions for previous FISCAL Year.
 - Example: The January 1, 2024, report is the data from the July 1, 2022, through June 30, 2023.

Urban Water Use Objectives



Urban Water Use Objectives

Residential Indoor Standard



Year	Standard
2020	55 GPCD
2025	47 GPCD
2030	42 GPCD

Urban Water Use Objectives

Residential Indoor Variances

- Significant use of evaporative coolers
- Significant fluctuations in seasonal population
- Staff is evaluating if District will qualify for the evaporative cooler variance
 - Specific criteria need to be met to qualify
- The District will not qualify for the seasonal population fluctuation
 - Tahoe is an example of a qualifying service area

Urban Water Use Objectives

Residential Outdoor Standard



Existing landscapes

Year	Standard
2020	0.80
2030	0.63
2035	0.55
Special Landscape Areas	1.00

Urban Water Use Objectives

Residential Outdoor Variances

- Populations of horses and other livestock
- Water for dust control on horse corrals or other animal exercise arenas
- Water for irrigating ag landscapes in residential areas not classified as irrigable irrigated landscapes
- Water used for responding to an emergency event (i.e. fire fighting), not including drought
- Water for landscapes irrigated with recycled water containing high levels of TDS
- Water to supplement ponds and lakes to sustain wildlife as required by existing regs or local ordinances

Staff is researching the possibility of applying for variances.

Urban Water Use Objectives

Residential Outdoor Temporary Provisions

- Water for existing pools, spas, and similar water features
 - January 1, 2035, until January 1, 2040
 - $\text{Pr-Pool} = \sum \text{pool area} \times 0.08 \times \text{Net ETo} \times 0.62$
- Water for the planting of new, climate-ready trees
 - Trees that, when established, are well-adapted to face current and future climate challenges
 - $\text{Pr-Trees} = \text{New Trees} \times 0.85 \times \text{Net ETo} \times 0.62$
- Water for the establishment of qualifying landscapes
 - Require temporary irrigation
 - $\text{Pr-Land} = \text{Area-climate ready landscapes} \times 0.85 \times \text{Net ETo} \times 0.62$

Urban Water Use Objectives

CII Landscapes with DIMs



Existing landscapes

Year	Standard	INI Buffer
2020	0.80	NA
2030	0.63	NA
2035	0.45	NA
Special Landscape Areas	1.00	NA

Landscapes associated with new construction

Year	Standard	INI Buffer
Any	0.45	NA

Urban Water Use Objectives

CII Landscapes with DIMs

- Through June 30, 2028, CII DIM budget = actual deliveries
- July 1, 2028, CII DIM Budget based on listed efficiency factors
- Variances
 - Water used to respond to emergencies other than drought
 - Landscapes irrigated with recycled water with high TDS
 - Water used to supplement ponds/lakes to sustain wildlife
- Temporary Provisions
 - Planting new climate ready trees
 - Establishment of qualified landscapes

Existing landscapes

Year	Standard	INI Buffer
2020	0.80	NA
2030	0.63	NA
2035	0.45	NA
Special Landscape Areas	1.00	NA

Landscapes associated with new construction

Year	Standard	INI Buffer
Any	0.45	NA

Urban Water Use Objectives

CII Special Landscape Areas With DIMs

- **Efficiency Factor of 1.0 in calculation**
- Landscape Types
 - Landscapes with edible plants
 - Recreational areas
 - Areas irrigated with recycled water
 - Slopes with live vegetation that stabilizes the soil
 - Ponds or lakes receiving supplemental water for sustaining wildlife, recreation, or other public benefit
 - Plant collections, botanical gardens, and arboretums
 - Public swimming pools or similar recreational water features
 - Cemeteries built before 2015

Urban Water Use Objectives

Water Loss



System-Specific Standard
Gallons Per Connection per Day
(or Gallons Per Mile per Day)



Connections
Number of connections
served by Supplier



365
Number of days
in the year

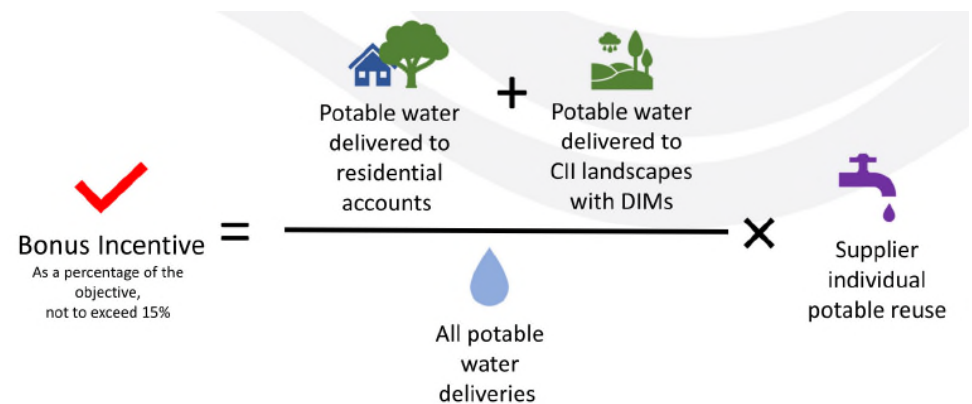


**Water loss
Budget**
Gallons Per Year

Urban Water Use Objectives

Bonus Incentives

- Potable water reuse only
 - Existing facilities can use up to 15%
 - All other facilities can use up to 10%
- Potable Resuse Includes
 - Microfiltration
 - Reverse osmosis
- Applies to residential and CII DIM landscapes



Urban Water Use Objectives

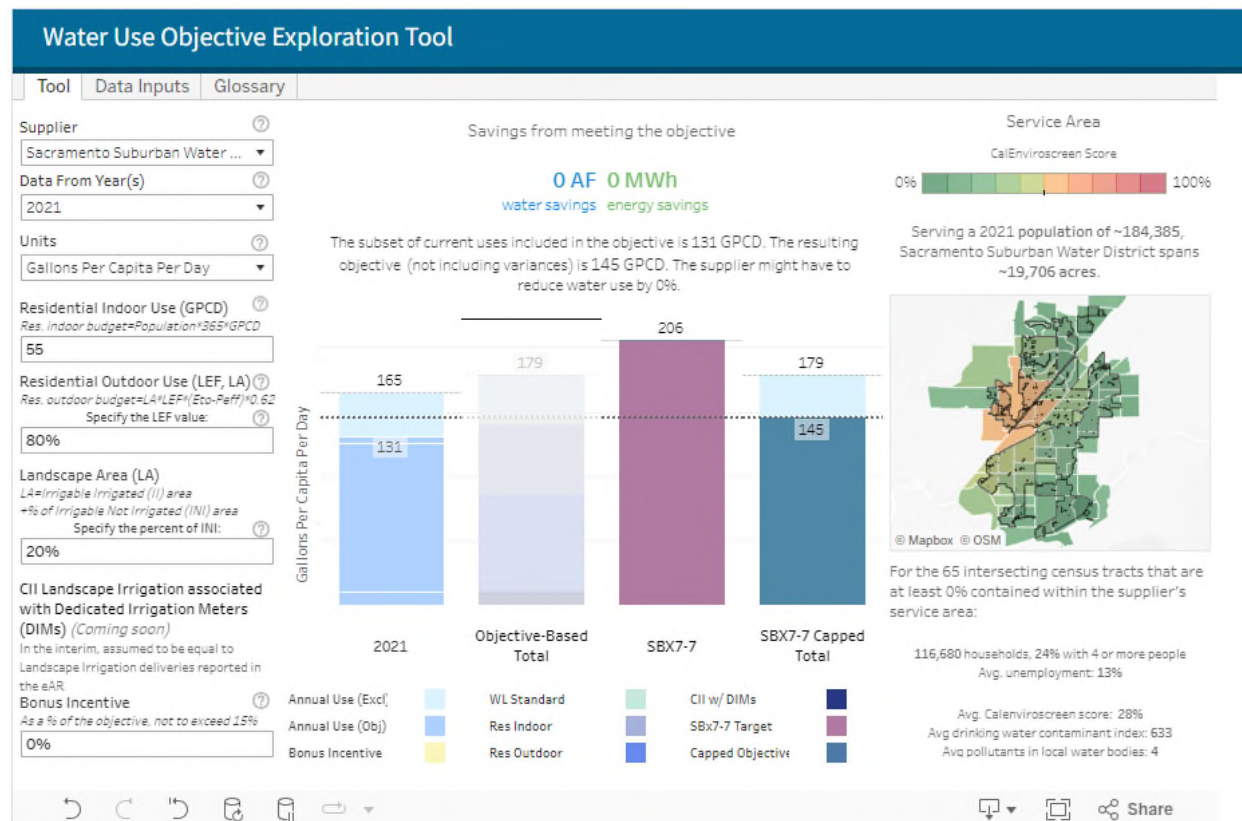
- CII Classification System
 - Classify CII accounts by 2030.
- CII Mixed Use DIM Conversion
 - Convert mixed use meters to DIM and domestic or implement in-lieu technologies.
- CII Best Management Practices
 - Annually classify CII customers in accordance with Energy Star portfolio Manager's broad categories by 2030 and offer outreach programs to disclosable businesses.

Urban Water Use Objectives

Enforcement

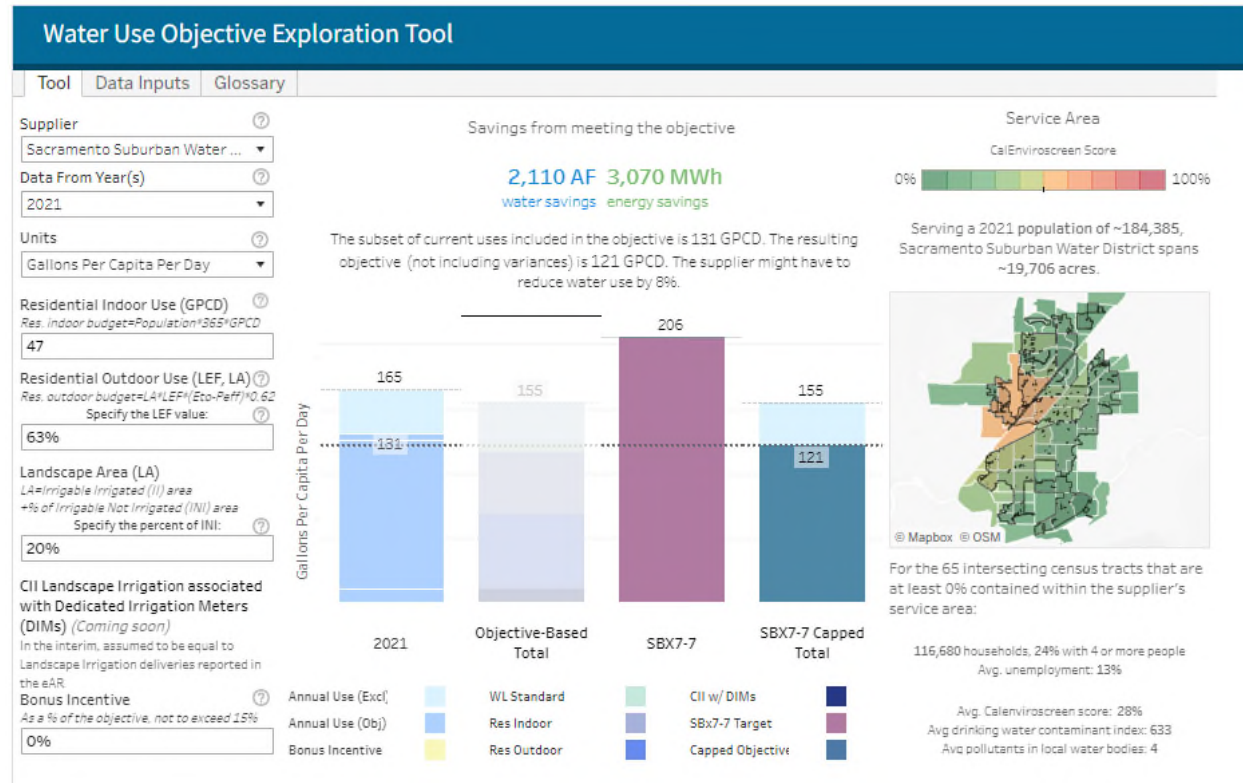
- Failure to provide the requested information is a violation subject to civil code liability in accordance with Water Code section 1846 or 1846.5
 - 1846 – \$500 per day
 - 1846.5 - \$10,000 per day during a critically dry year preceded by two or more dry years
 - \$1,000 per day otherwise

Where Do We Stand? 2025 – In compliance



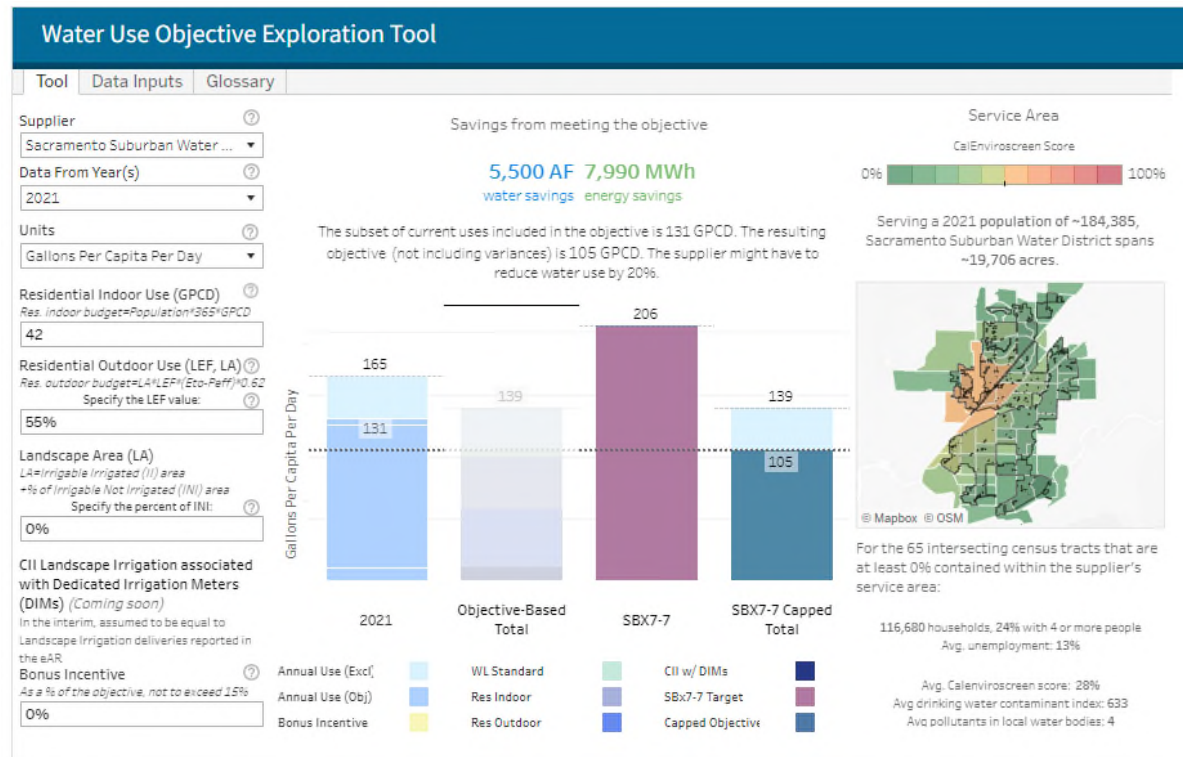
Where Do We Stand?

2030 – Reduce water use by 8%



Where Do We Stand?

2035 – Reduce water use by 20% (an additional 12% from 2030)



Questions?



Agenda Item: 13

Date: November 20, 2023

Subject: Groundwater Well Asset Management Plan Implementation Status

Staff Contact: Matt Underwood, Assistant General Manager

Recommended Board Action:

Receive status update from staff and provide appropriate direction.

Summary:

Implementation is moving forward, but overall is behind the schedule contained in the 2020 Groundwater Well Asset Management Plan. Staff has developed a plan to put greater focus on implementation and maintaining steady progress.

Background:

The Sacramento Suburban Water District (District) Board of Directors adopted the first Groundwater Well Asset Management Plan (GWAMP) on January 26, 2009. The 2009 GWAMP focused primarily on the borehole and well casing (below ground components) as these are the most expensive components of a groundwater well facility. An updated GWAMP was adopted by the Board on November 16, 2020.

The 2020 GWAMP is more than just an update of the 2009 GWAMP, as it was completely revised to focus on managing groundwater wells as well as all of their components and considers all factors pertaining to maintenance, repair, and replacement decisions. These factors include the District's well inventory, system wide risk and reliability, maintenance plan requirements, and consideration for rehabilitation and replacement cost decisions.

Discussion:

The GWAMP documents the existing groundwater wells and components, documents Levels of Service and Performance Measures, and provides a Risk Assessment to help the District prioritize maintenance, repair, and replacement needs. Additionally, the GWAMP includes Condition Assessment (CA) framework to help optimize operations and maintenance of groundwater wells.

The GWAMP serves several purposes; the main ones are:

1. Provide improved long-term planning for the maintenance, repair, and replacement of groundwater wells.
2. Bring focus to existing strategy for maximizing useful life of groundwater wells.

3. Provide an overarching framework for achieving the GWAMP purpose and vision using the Goals of the District's 2019 Strategic Plan.
4. Transition from a reactive to a proactive posture for maintenance, repair, and replacement of groundwater well components.

The goals of the GWAMP are to:

- Continue providing a reliable and safe supply of groundwater.
- Optimize capital investments for groundwater well facilities.
- Prioritize the need for maintenance, repair, and replacement of groundwater well facilities based on CA.
- Provide an assessment and monitoring tool that is adaptable to new and evolving technologies, management practices, and District needs.
- Inform the District's Capital Improvement Program (CIP).

Implementation

In April 2021 a team of stakeholders was assembled to begin implementation of the GWAMP. This "Implementation Team" reviewed the 21 implementation recommendations and identified the following 13 recommendations as priority (see Table 1 on page 3). The full implementation schedule can be accessed in the GWAMP (link below) in Section 8-5:

<https://www.sswd.org/departments/engineering/reports/groundwater-well-facility-asset-management-plan>

Groundwater Well Asset Management Plan Implementation Status

November 20, 2023

Page 3 of 5

Table 1. GWAMP Table 8-4 (“Implementation Plan” excerpt)

ID #	Recommendation	Estimated Completion Date	Implementation Status
GWI-1	Implement GWAMP asset and object hierarchy updates to create a complete asset list in the proper hierarchy.	Q4 2020	Implemented: Completed
GWI-2	Implement GWAMP asset and object inventory updates to populate appropriate data fields associated with assets.	Q1 2021	In-Process
LOS-1	Begin collecting data in support of current priority performance measures	Q1 2021	Implemented: Ongoing
RM-2	In coordination with development of AWIA RRA/ERP, document existing and develop (if not previously developed) risk mitigation strategies	Q4 2020, Update Annually	Implemented: Completed
CA-1	Create standardized data collection framework, reports, and tools.	Q4 2020	Note 1
CA-2	Develop and implement a plan to visually inspect the remaining 66 wells whose condition was not assessed under the GWAMP.	Q3 2021	Note 1
CA-3	Develop, document, and implement condition monitoring plan described in Section 5 to conduct condition monitoring of high consequence objects.	Q2 2021	Note 1
MM-1	Enter current PM Activities in CMMS	Q4 2020	Implemented: Ongoing
MM-2	Develop PM SOP template and use template to consistently document PM activities for objects	Q2 2022	Implemented: Completed
MM-3	Develop Annual Maintenance Schedule	Q4 2020, Update Annually	Implemented: Completed
MM-4	Document all Maintenance Activities on completed work	Q4 2020	Implemented: Ongoing
RR-1	Develop asset and object commissioning and decommissioning process.	Q1 2021	Note 1
IM-1	Form SSWD AM Team	Q3 2020	Implemented: Completed

Note 1. These four items will be top priority when the updated Implementation Team is ready, which is discussed in more detail below.

Since the inception of the Implementation Team in 2021, four of the six key members are no longer in the same roles or have left the District. Moreover, leadership has turned over in the Production group and this resulted in progress on the GWAMP being slower than is preferred and was planned. To get back on-track, beginning in Q1 2024, the Implementation Team will be reassembled to

include the new Production Superintendent (who starts in November this year), both new Production Foremen, and the new IT Manager (who started in August this year), all of whom will join the remaining members of the initial Implementation Team.

KPM Long-Term Contract

As reported to the Board periodically, the exclusive, long-term contract with Kirby's Pump and Mechanical, Inc. (KPM) has proven very effective at reducing the backlog of outstanding maintenance and repair activities which moves operation of groundwater facilities closer to a proactive posture. Operating in a proactive maintenance posture is an underlying fundamental of the GWAMP.

Well Pump and Motor Standardization Project

This project, which will enter its second of three phases in 2024, will add a significant level of standardization to some of the equipment at production facilities. As a result, over time, equipment will be less heterogeneous and more similar which will make maintenance more streamlined and thus easier and more efficient.

2024 GWAMP Implementation Project

This project will utilize a consultant and focus on two components of the larger implementation effort: a) groundwater well performance monitoring and assessment, and b) management of that data for effective use. Performance monitoring is a fundamental aspect of managing any asset and this project will take us a step further to a more comprehensive asset management program. This project is anticipated to initiate this part of the overall implementation effort, and a 2025 follow-on project is likely.

Next Update

Like most AMPs, the GWAMP is on a 4 to 6 year update cycle with the next scheduled update in 2026. However, due to the slower pace of implementing the 2020 GWAMP, the schedule for the next update may be adjusted for better alignment with implementation progress. If the next update is to begin in 2026, staff would plan to begin soliciting consultant interest in the AMP update project in the mid/late-2025 time-frame with the intent to have a consultant under contract very early in 2026. Staff's experience is that AMP updates require a significant commitment of staff time and, combined with a complex AMP like the GWAMP, staff considers a 1-1/2 year project duration appropriate for scheduling purposes. As such, staff would anticipate completing the project in the second half of 2027.

For the next update, as with the last update, staff plans to retain the services of a subject matter expert (consultant). The District's Mission Statement and Values contribute to staff's plan to utilize a consultant.

- **Mission Statement:** With increased cost in every aspect of operations, receiving an outside recommendation from a consultant will provide supporting direction on how the District should consider managing groundwater facility assets based on the completion of the current implementation recommendations, allowing SSWD to provide water at the lowest responsible water rate.
- **Value:** Having the support of a consultant will allow staff to continue to operate the District's groundwater facilities more efficiently, therefore continue to ensure assets, resources, and finances are maintained and sustainable through cost effective business practices, thus providing superior customer service.

Conclusion

While the overall schedule established in GWAMP is behind, substantial progress has been made to improve managing the District's groundwater facilities. Additionally, staff has a plan to re-constitute the Implementation Team following the loss of some key personnel earlier this year. Staff anticipates preparing another update for the Board in the Fall of 2024.

Fiscal Impact:

There is no fiscal impact related to the reporting of the GWAMP implementation status.

Strategic Plan Alignment:

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

Goal B: Optimize Operational and Organizational Efficiencies



Agenda Item: 14

Date: November 20, 2023

Subject: General Manager's Report

Staff Contact: Dan York, General Manager

a. Regional General Manager & Utility Directors Workshop

The District hosted the subject meeting held on November 13, 2023.

There were twenty regional leaders in attendance to discuss the following topics:

- Leadership Training
- Regional Purchasing Program
- Collaboration with Local Fire Departments – Fire Flow Information
- Electric Vehicle Regulation
- Sacramento County Paving Issues



Agenda Item: 15

Date: November 20, 2023

Subject: Groundwater Well Status Report

Staff Contact: Tommy Moulton, Senior Project Manager

Introduction

The purpose of this report is to give a comprehensive overview of the current condition and capacity of the Active groundwater wells within the District. Historically, many of the Active but off-line wells in the District did not fit into any of the existing regular/standing reporting categories. This report aims to identify all of the off-line Active sources, their project status, and when they are expected to be operational (on-line). This information is categorized by the following sections: A) Capacity Status Summary; and B) Off-Line Capacity Detail.

NOTE: New capacity projects in construction are addressed in the Engineering Report. This report addresses projects pertaining to existing Active sources.

Definitions

Active – A well is defined as an Active source within the District’s Drinking Water Permit.

On-line – A well is considered on-line when it is Active and available for operation into the distribution system.

Off-line – A well is considered off-line when it is Active and locked-out and tagged-out. As a result, it cannot and will not be used as a source of supply. There are various reasons why a well may be off-line, such as maintenance, power supply, water quality, among others.

Background

Groundwater well contractor availability was a critical challenge facing the District given its dependence on groundwater. The lack of availability of groundwater well contractors has been a chronic problem, not only for the District, but for all public and private water agencies operating groundwater pumping facilities throughout the state of California. Many of these agencies operate wells that are of a similar age to the District’s, and therefore require a similar level of maintenance and repair to maintain both their production capacity and reliability to serve customer demands and provide return on investment.

At the August 2022 regular Board meeting, all five Directors supported the approach presented by staff to enter into a long-term contract with a groundwater well contractor to help ensure an ongoing and adequate groundwater supply for the District to meet system demands.

On September 29, 2022, the District executed a long-term exclusive work contract (Agreement) with Kirby’s Pump and Mechanical, Inc. (KPM). The Agreement provided the District a dedicated crew and equipment to perform well rehabilitation, maintenance, and destruction services. In return, the District pays a daily rate to KPM for their exclusive service to the District during the term of the Agreement.

KPM started work for the District under the Agreement on March 1, 2023. Work has been initiated on numerous facilities and steady progress is underway as indicated below in Section B. Unless specified differently, KPM is the contractor for a project.

A. CAPACITY STATUS SUMMARY

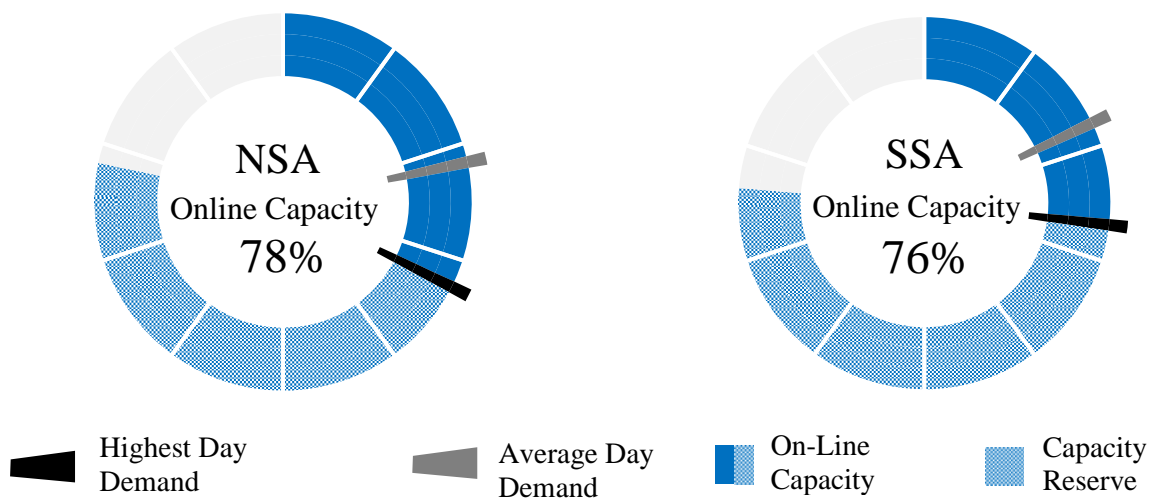
Table 1 below lists the District’s groundwater supply capacity for Active wells, the On-Line amount and percentage, the current month’s projected daily demand based on a 3-year rolling average (*Average Day*), and the current month’s projected highest day demand calculated using a factor of 1.5 applied to the Average Day demand (*Highest Day*). Figure 1 below presents the capacity and demand data graphically.

Table 1. Status Summary of Groundwater Supply Capacity by Service Area

Area	Groundwater Supply Capacity			Monthly Demand Projection	
	Active (MGD)	On-Line (MGD)	On-Line (%)	Average Day (MGD)	Highest Day (MGD)
NSA	58.9	46.1	78%	12.7	19.1
SSA	57.6	43.9	76%	10.3	15.5
Total	116.5	90.0	77%	23.0	34.6

MGD = Million Gallons per Day

Figure 1. Capacity vs. Demand by Service Area



B. OFF-LINE CAPACITY DETAIL

The District generally has numerous wells undergoing some type of typical lifecycle activity – from preventive maintenance to component repair/replacement. Current off-line wells are listed below:

NORTH SERVICE AREA

Total Active capacity off-line for listed projects: 8,800 gpm / 12.8 MGD
(9,700 gpm last report)

Summary of Change in Well Status		
<u>Well</u>	<u>Status</u>	<u>Capacity (gpm)</u>
N10 Walnut	On	900
Net Change in Capacity:		900

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 is used in planning any further work efforts.

Projects in this category frequently move to the *Repair and Rehabilitation Projects* or the *Water Quality* category following completion of the CA and/or investigative project before moving to the *Completed* category.

In-Progress Projects: 800 gpm

52 Weddigen/Gothberg

Capacity / Status: 800 gpm / Off-line 5/16/2023

Reason: Pump noise

Project Phase: Pump rebuilt and converted to water pre-lube. Well disinfection being scheduled.

Expected Completion: November 2023

Planned Projects: 0 gpm

None

REPAIR AND REHABILITATION PROJECTS

Listed below are current projects of well casing repair / rehabilitation, pump repair / replacement, and other significant activities.

In-Progress Projects: 1,100 gpm

N7 Rosebud

Capacity / Status: 1,100 gpm / Off-line 9/24/2021

Reason: Electrical upgrade (incoming power from 3- to 4-wire)

Project Phase: Construction complete. Performing water quality testing prior to returning to service.

Expected Completion: November 2023

Planned Projects: 0 gpm

None

HYDRO-PNEUMATIC TANK PROJECTS

Background

In 2012, the District's insurance carrier, ACWA/JPIA, alerted its member agencies of the hazards concerning aging hydro-pneumatic (HP) tanks and the potential for catastrophic failure (with potential for major damage, injury, and death). They recommended regular preventive maintenance and inspections be conducted.

The process of performing HP tank inspections involves the following. The well and tank are isolated from the distribution system and the tank is drained. The tank is then cleaned and an inspection is performed which consists of visual inspection and metal thickness measurements. If needed, appurtenances like safety relief valves are replaced and coating repairs are completed.

Tanks are returned to service if the inspection shows that it is in serviceable condition. However, a tank may need to be recoated and/or repaired, or even replaced.

Projects

Listed below are current HP tank projects and inspections. An inspection is the initial step in assessing a tank's coating and physical condition and is used in planning work efforts.

Recent inspections have revealed significant deficiencies in several HP tanks that may have reached the end of their service life and require removal from service or need to be remediated prior to returning to service. District staff and KPM have been evaluating facilities with HP tanks where inspections have identified deficiencies. To determine the optimum solution for each facility, various factors are taken into consideration, including: coating composition, tank age and structural certification, operational considerations, as well as the cost and lead-times for new tanks.

In-Progress Projects: 900 gpm

N3 Engle

Capacity / Status: 900 gpm / Off-line 1/13/2023

Reason: HP tank structural deficiencies. (offline due to safety concerns). Pump needs to be replaced.

Project Phase: HP tank has been replaced. Discharge pipe modifications are underway. Replacement pump is on order.

Expected Completion: February 2024

Planned Projects: 0 gpm

None

WATER QUALITY PROJECTS

Listed below are current water quality investigation and remediation projects.

Wells in this category tend to require significant downhole modifications, chemical rehabilitation, and/or treatment plants. The probability of inactivation is higher for a well in this category than for those in the previous categories.

In-Progress Projects: 3,800 gpm

N6A Palm

Capacity / Status: 1,700 gpm / Off-line 3/4/2020

Reason: Bacteriological

Project Phase: Well disinfection and treatment plant conditioning complete. Minor equipment to be replaced are on order.

Expected Completion: December 2023

N20 Cypress

Capacity / Status: 1,100 gpm / Off-line 8/23/2018

Reason: Manganese

Project Phase: Well rehabilitation started.

Expected Completion: December 2023

N23A Freeway

Capacity / Status: 1,000 gpm / Off-line 7/6/2023

Reason: Bacteriological

Project Phase: Disinfection in progress.

Expected Completion: January 2024

Planned Projects: 2,200 gpm

N1 Evergreen

Capacity / Status: 1,100 gpm / Off-line 6/1/2021

Reason: PFAS

Contractor: Roadrunner

Project Phase: Project is well modification in an attempt to mitigate PFAS contamination. Ready for construction; waiting for well contractor availability.

Tentative Start: April 2024

Expected Completion: May 2024

N8 Field

Capacity / Status: 1,100 gpm / Off-line 5/2/2023

Reason: Bacteriological

Project Phase: Lab results received. Currently evaluating water quality data.

Tentative Start: December 2023

Expected Completion: April 2024

COMPLETED PROJECTS

Restored Capacity: 900 gpm

N10 Walnut

Capacity / Status: 900 gpm / Off-line 8/17/2023

Reason: VFD's A/C failure

Resolution: Replaced A/C unit

SOUTH SERVICE AREA

Total Active capacity off-line for listed projects: 9,500 gpm / 13.7 MGD
(8,900 gpm last report)

Summary of Change in Well Status

<u>Well</u>	<u>Status</u>	<u>Capacity (gpm)</u>
26 Greenwood/Marconi	Off	(600)
Net Change in Capacity:		(600)

CONDITION ASSESSMENT AND INVESTIGATIVE PROJECTS

In-Progress Projects: 600 gpm

28 Red Robin/Darwin

Capacity / Status: 600 gpm / Off-line 9/21/2020

Reason: Capacity loss (pump breaking suction)

Project Phase: Well cleaning complete. Awaiting pump delivery.

Expected Completion: January 2024

Planned Projects: 0 gpm

None

REPAIR AND REHABILITATION PROJECTS

In-Progress Projects: 1,000 gpm

41 Albatross/Iris

Capacity / Status: 500 gpm / Off-line 11/5/2018

Reason: Site electrical power supply line replacement

Contractor: Auburn Constructors

Project Phase: Contractor has installed new conduit. Currently waiting for SMUD to install new power pole (to connect well site to SMUD's pole-mounted transformer). Operational testing to follow.

Expected Completion: December 2023 (based on SMUD anticipated schedule to install new power pole and conductors)

60 Whitney/Concetta

Capacity / Status:

500 gpm / Off-line 5/13/2021

Reason:

Motor failure and pump worn out (Loewen); and station improvements (KPM)

Contractor:

Loewen; followed by KPM

Project Phase:

Water pre-lube plumbing

Expected Completion:

November 2023 (Loewen: pump, motor, and discharge modifications)

Planned Projects:

3,200 gpm

13 Calderwood/Marconi

Capacity / Status:

700 gpm / Off-line 7/16/2020

Reason:

Capacity loss (pump breaking suction)

Project Phase:

Condition assessment completed. In work queue for well cleaning.

Tentative Start:

December 2023

Expected Completion:

February 2024

20A Watt/Arden

Capacity / Status:

1,100 gpm / Off-line 3/1/2022

Reason:

Electrical service failure (SMUD requires upgrade from 3- to 4-wire)

Project Phase:

Plan has been approved by SMUD. In work queue for construction of upgraded electrical lines.

Tentative Start:

January 2024

Expected Completion:

April 2024 (based on anticipated SMUD schedule)

35 Ulysses/Mercury

Capacity / Status:

800 gpm / Off-line 6/7/2023

Reason:

Electrical service failure (SMUD requires upgrade from 3- to 4-wire)

Contractor:

Frisch Engineering (design); KPM (construction)

Project Phase:

Scoping/contracting with designer and contractor

Tentative Start:

December 2023 (design)

Expected Completion:

December 2025 (est. 24-month project duration)

70 Sierra/Blackmer

Capacity / Status:

600 gpm / Off-line 5/10/2019

Reason:

Capacity loss (total). Additionally, HP tank has structural deficiencies (removed from service due to safety concerns)

Project Status:

Well condition assessment completed. In work queue for well cleaning.

Tentative Start:

February 2024

Expected Completion:

April 2024

HYDRO-PNEUMATIC TANK PROJECTS

In-Progress Projects: 600 gpm

26 Greenwood/Marconi

Capacity / Status: 600 gpm / Off-line 10/16/2023

Reason: Relocation of one HP tank to well N3 Engle

Project Phase: Discharge pipe modifications

Expected Completion: November 2023

Planned Projects: 1,300 gpm

18 Riding Club/Ladino

Capacity / Status: 900 gpm / Off-line 4/8/2022

Reason: HP tank inspection (off-line due to safety concerns)
Additionally, fluoride injection system is malfunctioning.

Project Phase: Site access alternatives assessment

Tentative Start: December 2023 (for assessment)

Expected Completion: September 2024

77 Larch/Northrop

Capacity / Status: 400 gpm / Off-line 12/21/2022

Reason: HP tank inspection (off-line due to safety concerns)

Project Phase: Pump testing to assess well condition

Tentative Start: December 2023 (for well condition assessment)

Expected Completion: December 2023

WATER QUALITY PROJECTS

In-Progress Projects: 0 gpm

None

Planned Projects: 2,800 gpm

46 Jonas/Sierra

Capacity / Status: 700 gpm / Off-line 7/16/2018

Reason: PFAS

Contractor: N/A

Project Phase: Evaluation for inactivation

Tentative Start: N/A

Expected Completion: November 2023

68 Northrop/Dornajo

Capacity / Status:

1,600 gpm / Off-line 11/3/2021

Reason:

Entrained gas; manganese

Project Phase:

Condition assessment completed. In work queue for well cleaning.

Tentative Start:

May 2024

Expected Completion:

July 2024

69 Hilldale/Cooper

Capacity / Status:

500 gpm / Off-line 1/25/2017

Reason:

Bacteriological

Contractor:

N/A

Project Phase:

Evaluation for inactivation

Tentative Start:

N/A

Expected Completion:

November 2023

COMPLETED PROJECTS

Restored Capacity:

0 gpm

None



Agenda Item: 16

Date: November 20, 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) Planning Documents; and C) 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 the 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	Complete	n/a
	FACILITY COMMISSIONING		
	Start	End	Notes
	May 2023	December 2023	Completion moved from November to December (see Note 1)

Note 1. Commissioning began in May, however a delay with the integrator for final programming and sourcing a replacement for a defective flow meter slowed progress substantially. The flow meter has been replaced and programming has been completed. Operational testing has been initiated with the contractor, the integrator, and District Operations staff.

During start-up testing in August the generator was found to have a faulty part. In late September the contractor procured a replacement part, however, it turned out to be an incorrect part. The correct part has been procured and installed. Final testing and

training with District Operations staff will be scheduled after programming issues are resolved.

Currently, an issue with the control programming related to the two chemical feed pumps is the only outstanding issue. It is being worked on by the integrator. As a result, Facility Commissioning is now expected to be completed in December 2023.

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	<i>May 2023 (original)</i>	No Change
		December 2023	
	FACILITY COMMISSIONING		
	Start	End	Notes
December 2023	May 2024	see Note 1	

Note 1. The electrical power component supplier reports delivery of the backup electrical power generator's Automatic Transfer Switch (ATS) has been delayed until April (from January 2024). The shortage of electrical power components industry-wide has been a persistent issue impacting this project's schedule. While this new issue will delay overall project completion by three months (into late May from February 2024) remaining portions of the project will move ahead independent of the ATS. The facility is expected to be operational in March, but without backup electrical power.

Wells 81, 82, and 83 Antelope North / Poker	DESIGN AND CONSTRUCTION		
	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
	<i>Production Wells</i>		
	Complete	Complete	n/a
	<i>Pump Station</i>		
	Complete	December 2024 (original)	No Change
		October 2025	
	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>		
	Complete	Complete	n/a
	<i>Pump Station</i>		
	Complete	June 2024 (original)	No Change
		March 2025	
	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.

Project	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
Watt Main Extension	Complete	Complete	Project has been completed

B. PLANNING DOCUMENTS

The District has planning documents (e.g., Asset Management Plans (AMPs) and Master Plans (MPs)) for all of its infrastructure categories. AMPs are generally updated on a staggered schedule and the update frequencies range from 4 to 6 years.

The table below lists all of the District's AMPs and MPs and their update status.

Plan	Last Update	Next Update	Comment
Buildings and Structures AMP	2020	2026	
Distribution Main AMP	2019	2024	
Fleet AMP	2020	2025	
Groundwater Well AMP	2020	2026	
Meter AMP	2023	2028	
Reservoir and Booster Pump Station AMP	2011	n/a	Note 1
SCADA AMP	2021	2026	
Transmission Main AMP	2020	2024	
Water System MP	2017	n/a	Note 2

Note 1. Updating has been deferred until resolution of the Combination Study with Carmichael Water District.

Note 2. Updating has been deferred pending further progress of the Combination Study with Carmichael Water District.

C. OTHER PROJECTS

Enterprise Reservoir and Booster Pump Station – 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. Based on information gained during field testing with the integrator and District Operations staff in October 2023, programming modifications have been requested by the District to enhance operational flexibility. As a result of the request for additional programming, anticipated project completion has been extended from October 2023 into January 2024. Start-up and testing are now anticipated to begin mid-December and, barring any complications, the project is expected to be complete in January 2024.



Agenda Item: 17

Date: November 20, 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 September 31, 2023.

- Financial Statements – September 2023
- Budget to Actual Reports – September 2023

Financial Statements

Financial Statement Highlights – September 2023

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.

	Statement of Net Position		
	Year-To-Date 9/30/2023	Year-To-Date 9/30/2022	Variance
LIQUIDITY	\$16,363,290.35	15,589,154.08	774,286.19
INVESTMENT	36,950,012.07	39,020,639.81	(2,070,627.74)
CAPITAL ASSETS	330,869,535.85	315,390,060.47	15,479,475.38
DEBT	54,324,527.98	60,502,510.86	(6,177,982.88)
NET POSITION	313,252,385.69	292,620,621.65	20,631,764.04

Statements of Revenues, Expenses and Changes in Net Position

	Year-To-Date 9/30/2023	Year-To-Date 9/30/2022	Variance
Operating Revenue	39,196,345.04	38,374,562.19	821,782.85
Operating Expense	(18,581,894.50)	(16,218,504.27)	(2,363,390.23)
Other, Net	(9,818,410.73)	(13,236,992.68)	3,418,581.95
NET INCOME	10,796,039.81	8,919,065.24	1,876,974.57

Key information from this report indicates that combined the District’s cash balance is \$0.8 million more than the balance on September 30, 2022, while investments are \$2.1 million less than on September 30, 2022; long-term debt has decreased by \$6.2 million; and net position has increased by \$20.6 million in the last 12 months as the District continues to invest in capital infrastructure replacements while decreasing its outstanding debt. Operating revenues increased \$0.8 million, operating expenses increased \$2.4 million and other, net expenses decreased \$3.4 million, year to date compared to the same period a year ago. Increase in operating revenues primarily due to the 3% rate increase that occurred on January 1 of this year and water wheeling income from Cal-American Water Company. The year-over-year operating expense increase of \$2.4 million is primarily related to \$1.5 million increase in surface water costs as more surface water was taken, transmission and distribution construction cost increases of \$0.2 million, conservation costs increase \$0.1 million and G&A increases of \$0.4 million. Other, net expenses decreased \$3.4 million net from 2022 primarily related to the combination of a \$2.8 million net increase in investment income/loss and unrealized gains/losses of the investment portfolio from the previous year and \$0.4 million increase in capital developer contributions.

Budgets:

Budget Item	Actual Amount YTD	Budget Amount YTD	Variance YTD
Revenues and Sources of Funds	40,121,164	39,800,400	320,764
Operations and Maintenance	18,581,895	18,857,504	(275,609)
Capital Expenditures *	16,006,662	22,036,104	(6,029,442)
Debt Service - Interest	1,563,669	1,563,660	9

*Capital budget includes rollover budget from previous years.

The District’s revenues for first nine months of 2023 were \$0.3 million more than budgeted amount primarily due to the net effects of: 1) water consumption sales were less than budgeted amount due primarily to cooler temperatures and Spring rains that resulted in a corresponding reduction in demand; 2) water wheeling income from Cal-American Water Company were more than the budgeted amount and 3) investment losses resulting from investment repurchases discussed in previous reports.

The District's operating and maintenance expenditures as of September 30, 2023, came in less than the approved budget by \$0.3 million. Most of this positive variance is due to timing differences. Staff still anticipates that a budget amendment will be needed prior to year-end to cover the increase in surface water costs over budget.

The District's adjusted Capital Improvement Program (CIP) budget for 2023 is \$24.0 million plus \$5.2 million in rollover funds from previous years' budgets for a total of \$29.2million. As of September 30, 2023, \$15.1 million has been spent while an additional \$9.2 million is under commitment. Expenditures continue to be primarily in new well construction, well rehabilitation, and distribution system replacements.

The District's adjusted Operating Capital Program (OCP) for 2023 is \$0.7 million plus \$1.4 million in rollover funds from previous years' budgets for a total of \$2.1 million. As of September 30, 2023, \$0.9 million has been spent while an additional \$0.6 million is under commitment.

Scheduled 2023 principal payments of \$4.9 million are not due until the end of October. Total principal outstanding as of September 31, 2023, is \$54.8 million. The District's debt service budget for 2023 is \$7.0 million consisting of \$4.9 million for principal and \$2.1 for interest payments. Interest payments are in line with the 2023 budget.

Attachments:

1. Financial Statements – September 30, 2023
2. Budget to Actual Reports – September 30, 2023

Financial Statements
September 30, 2023

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

	As Of	Month End <u>9/30/2023</u>	Month End <u>9/30/2022</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$16,363,263.53	\$15,583,091.51
Restricted Cash and cash equivalents		26.82	6,062.57
Accounts receivable, net of allowance for uncollectible accounts		4,535,561.27	3,831,727.46
Interest receivable		137,761.73	170,045.57
Grants receivables			7,296.94
Other receivables			24.42
Inventory		904,471.63	1,155,705.49
Prepaid expenses and other assets		1,814,345.07	1,365,280.27
TOTAL CURRENT ASSETS		<u>23,755,430.05</u>	<u>\$22,119,234.23</u>
NONCURRENT ASSETS			
Investments		36,950,012.07	39,020,639.81
TOTAL NONCURRENT ASSETS		<u>36,950,012.07</u>	<u>39,020,639.81</u>
Property, plant and equipment		565,261,673.02	537,610,777.66
Accumulated depreciation		(234,392,137.17)	(222,220,717.19)
TOTAL CAPITAL ASSETS		<u>330,869,535.85</u>	<u>315,390,060.47</u>
TOTAL ASSETS		<u>391,574,977.97</u>	<u>376,529,934.51</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on long-term debt refunding		3,410,559.87	4,369,038.27
Pension contribution subsequent to measurement date		4,842,834.00	1,720,366.00
Other post-employment benefits		1,300,500.00	578,563.00
Deferred outflow of Asset Obligation		981,339.87	966,186.87
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u>402,110,211.71</u>	<u>384,164,088.65</u>
LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term debt and capital leases		4,910,000.00	5,390,000.00
Current portion of Compensated Absences		1,000,000.00	1,000,000.00
Accounts payable		1,754,728.85	1,249,447.83
Accrued interest		868,705.03	913,188.76
Deferred revenue and other liabilities		4,140,815.93	5,171,141.75
Accrued expenses		2,053,911.54	616,565.63
TOTAL CURRENT LIABILITIES		<u>14,728,161.35</u>	<u>14,340,343.97</u>
NONCURRENT LIABILITIES			
Long-term debt		49,414,527.98	55,112,510.86
Compensated absences		288,931.61	201,546.17
Net pension liability		12,721,219.00	5,806,835.00
Net other post-employment benefits liability		3,139,340.00	3,590,451.00
Asset Retirement Obligation		5,133,984.00	5,080,865.00
TOTAL NONCURRENT LIABILITIES		<u>70,698,002.59</u>	<u>69,792,208.03</u>
TOTAL LIABILITIES		<u>85,426,163.94</u>	<u>84,132,552.00</u>
DEFERRED INFLOWS OF RESOURCES			
Employee pensions		705,650.00	5,448,430.00
Other post-employment benefits		2,726,012.00	1,962,485.00
NET POSITION			
Invested in capital assets, net of related debt		270,541,612.06	247,827,877.16
Restricted		2,358.84	15.77
Unrestricted		42,708,414.87	44,792,728.72
TOTAL NET POSITION		<u>313,252,385.77</u>	<u>292,620,621.65</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		<u>402,110,211.71</u>	<u>384,164,088.65</u>

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

	<u>Year-To-Date</u> <u>9/30/2023</u>	<u>Year-To-Date</u> <u>9/30/2022</u>
OPERATING REVENUES		
Water consumption sales	\$ 11,699,393.81	\$ 12,069,327.04
Water service charge	26,466,496.79	25,589,112.39
Wheeling water charge	284,080.59	5,612.10
Other charges for services	746,373.85	710,716.43
TOTAL OPERATING REVENUES	39,196,345.04	38,374,767.96
OPERATING EXPENSES		
Source of supply	2,999,936.19	1,544,455.75
Pumping	3,935,198.06	3,797,260.99
Transmission and distribution	3,391,764.62	3,151,444.07
Water conservation	537,290.41	394,430.04
Customer accounts	1,261,776.62	1,286,134.30
Administrative and general	6,455,928.52	6,044,779.12
TOTAL OPERATING EXPENSES	18,581,894.42	16,218,504.27
Operating income before depreciation	20,614,450.62	22,156,263.69
Depreciation and amortization	(10,302,598.12)	(10,333,131.01)
OPERATING INCOME	10,311,852.50	11,823,132.68
NON-OPERATING REV. (EXP.)		
Rental income	244,458.79	239,365.92
Interest and investment income	820,349.45	(1,987,809.49)
Interest expense and debt related costs	(1,691,540.64)	(2,000,298.90)
Other non-operating revenues	195,324.01	36,072.49
Other non-operating expenses	(20,746.80)	(0.10)
NON-OPERATING REV. (EXP.)	(452,155.19)	(3,712,670.08)
NET INCOME (LOSS) BEFORE CAPITAL	9,859,697.31	8,110,462.60
CAPITAL CONTRIBUTIONS		
Capacity fees	390,388.00	26,935.00
Developer contributions	545,954.58	781,667.64
TOTAL CAPITAL CONTRIBUTIONS	936,342.58	808,602.64
CHANGE IN NET POSITION	10,796,039.89	8,919,065.24
Net position at beginning of year	302,456,345.88	283,701,556.41
NET POSITION AT END OF PERIOD	\$ 313,252,385.77	\$ 292,620,621.65

**Budget to Actual Reports
September 30, 2023**

**Sacramento Suburban Water District
Budget to Actual As Of
Period Ended**

	9/30/2023 - YTD			2023
	Actual	Budget	Variance	Annual Budget
REVENUES				
Water consumption sales	\$11,699,393.81	\$11,780,000.00	(\$80,606.19)	\$15,248,000.00
Water transfer sales				
Water service charge	26,466,496.79	26,109,000.00	357,496.79	35,556,000.00
Wheeling water charge	284,080.59	5,400.00	278,680.59	7,000.00
Other charges for services	746,373.85	786,000.00	(39,626.15)	1,115,000.00
Capacity fees	390,388.00	490,000.00	(99,612.00)	1,000,000.00
Interest and investment income	94,909.41	369,000.00	(274,090.59)	484,000.00
Rental & other income	439,521.40	261,000.00	178,521.40	350,000.00
Grant income				900,000.00
TOTAL REVENUES	40,121,163.85	39,800,400.00	320,763.85	54,660,000.00
EXPENSES				
Board of Directors	60,516.44	66,714.24	6,197.80	98,552.32
Administrative	1,849,605.07	1,984,215.05	134,609.98	2,650,665.40
Finance	852,708.17	987,180.13	134,471.96	1,312,902.84
Customer Services	1,068,276.44	1,267,001.19	198,724.75	1,689,344.92
Field Operations	372,388.16	415,350.36	42,962.20	553,798.44
Production	6,348,357.97	5,836,034.61	(512,323.36)	7,552,330.79
Environmental Compliance	586,776.28	666,934.28	80,158.00	889,248.04
Distribution	2,401,438.73	2,095,656.21	(305,782.52)	2,794,208.64
Field Services	990,325.89	1,158,847.42	168,521.53	1,545,130.12
Maintenance	633,816.20	545,492.52	(88,323.68)	727,324.00
Water Conservation	537,290.41	555,661.10	18,370.69	683,394.80
Engineering	1,094,021.77	1,328,839.43	234,817.66	1,768,859.24
GIS/CAD	335,929.40	357,586.92	21,657.52	476,770.56
Human Resources	281,958.26	316,244.16	34,285.90	421,672.88
Information Technology	974,985.05	1,019,645.01	44,659.96	1,359,526.68
Community Outreach	193,500.26	256,101.00	62,600.74	336,450.00
TOTAL OPERATING EXPENSES	18,581,894.50	18,857,503.63	275,609.13	24,860,179.67

**Sacramento Suburban Water District
Capital Budget
9/30/2023**

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	\$3,801,000.00	\$2,248,000.00	\$947,482.84	\$3,195,482.84	\$222,887.49	\$1,203,429.38	\$1,326,658.50	\$665,394.96
CIP-SCADA/Com. Improv	266,000.00	237,000.00	195,497.03	432,497.03	38,095.00	166,509.21	145,086.80	120,901.02
CIP-Well Destruction	253,500.00	-	-	-	-	-	-	-
CIP-Well New Construction	13,898,500.00	16,096,668.00	1,835,195.67	17,931,863.67	1,426,922.83	10,843,054.94	5,983,837.98	1,104,970.75
CIP-Trans & Dist Improvements	1,847,750.00	2,213,750.00	632,313.17	2,846,063.17	1,042,940.58	1,123,793.77	1,303,989.96	418,279.44
CIP-Meter Retrofit Program	5,000.00	5,000.00	-	5,000.00	-	-	100.00	4,900.00
CIP-Reservoir/Tank Improv	337,000.00	508,000.00	170,506.67	678,506.67	27,868.31	306,205.20	155,298.74	217,002.73
CIP-Corrosion Control	57,000.00	57,000.00	16,800.00	73,800.00	-	-	62,450.00	11,350.00
CIP-Valve/Hydrant/Service Repl	380,000.00	652,006.50	24,882.75	676,889.25	17,096.34	444,712.04	208,017.66	24,159.55
CIP-Large Meter Replacement	38,000.00	46,000.00	-	46,000.00	-	44,801.42	-	1,198.58
CIP-Meter Replacement PM	294,500.00	294,500.00	-	294,500.00	28,067.76	140,289.59	2,674.45	151,535.96
CIP-AMI Endpoints	665,000.00	384,849.50	-	384,849.50	-	331,953.58	-	52,895.92
CIP-Special Projects	14,250.00	14,250.00	33,913.81	48,163.81	-	33,153.00	510.57	14,500.24
CIP-Water Related Street Imprv	237,500.00	517,832.00	12,665.46	530,497.46	211,433.20	437,139.20	18,765.46	74,592.80
CIP Subtotal	\$22,095,000.00	\$23,274,856.00	\$3,869,257.40	\$27,144,113.40	\$3,015,311.51	\$15,075,041.33	\$9,207,390.12	\$2,861,681.95
OCP - Equipment	0	0	\$6,100.00	\$6,100.00	-	\$6,026.67	\$0.00	\$73.33
OCP - Fleet & Facilities	\$118,000.00	\$230,144.00	\$169,000.00	\$399,144.00	-	\$289,539.40	\$73,276.43	36,328.17
OCP - Information Technology	\$316,000.00	\$242,000.00	\$111,269.27	\$353,269.27	\$3,250.00	\$303,729.27	\$15,772.14	33,767.86
OCP - Maintenance	\$20,000.00	0	\$250,000.00	\$250,000.00	-	\$28,529.91	\$33,566.59	187,903.50
OCP - Operations	\$256,000.00	\$258,000.00	\$375,219.15	\$633,219.15	\$19,511.34	\$261,093.71	\$128,110.34	244,015.10
OCP - Property Acquisition	-	0	\$437,818.15	\$437,818.15	-	\$42,701.75	\$359,780.75	35,335.65
OCB Subtotal	\$710,000.00	\$730,144.00	\$1,349,406.57	\$2,079,550.57	\$22,761.34	\$931,620.71	\$610,506.25	\$537,423.61
Total	\$22,805,000.00	\$24,005,000.00	\$5,218,663.97	\$29,223,663.97	\$3,038,072.85	\$16,006,662.04	\$9,817,896.37	\$3,399,105.56



Agenda Item: 18

Date: November 20, 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

	October 2023	Monthly Average CY 2023	Total CY 2023	Total # in System	Goal CY 2023	% of Goal Completed in CY 2023
Preventive Maintenance Program - Distribution						
Fire Hydrants Inspected	227	130	1298	6490	1298	100%
Fire Hydrant Valves Inspected	159	117	1174	5869	1174	100%
Mainline Valves Inspected	181	225	2250	11255	2251	100%
Blow Off Valves Inspected	4	28	281	1049	210	134%
ARV/CARV Inspected	14	3	31	283	57	55%
Preventive Maintenance Program - Meters						
Meters Tested (3 - 10 inch)	-	12	120	450	120	100%
Meters Replaced (⁵ / ₈ - 1 inch)	229	79	790	41167	826	96%
Meter Re-Builds (1 ¹ / ₂ - 2 inch)	-	25	245	2449	245	100%
Preventive Maintenance Program - Production						
Air Release Valves	-	3	32	96	32	100%
Chemical Systems - Sodium Hypochlorite	-	7	67	67	67	100%
Chemical Systems - Hydrofluorosilicic Acid	1	2	17	29	29	59%
Generator Inspection & Maintenance	14	2	23	23	23	100%
Generator Load Bank Testing	10	1	10	23	10	100%
Generator Battery Replacement	6	1	6	23	6	100%
Hydraulic Control Valves	2	5	48	48	48	100%
Level Transducers	-	4	35	35	35	100%
Motors (Vertical Turbine)	10	8	81	81	81	100%
Pressure Transducers	-	10	95	95	95	100%
Sumps and Associated Pumps	-	2	17	17	17	100%
	October 2023	Monthly Average	YTD Completed	Total With GPS	Total Assets	Percentage Completed
Global Positioning System						
GPS Coordinates Marked	682	446	4461	25945	84541	31%

	October 2023	Monthly Average CY 2023	Total CY 2023
Service Requests			
Main Leaks	12	7	65
Service Line Leaks	9	5	50
Customer Pressure Inquiries	2	9	87
Water Main Shutdown			
-- Unscheduled	6	5	49
-- Scheduled	1	5	49
Customer Service			
Calls Received Distribution	31	45	447
Calls Responded Distribution	17	30	298
Calls Received Production	33	31	312
Calls Responded Production	3	4	36
Water Quality			
Complaints	-	2	15
Taste & Odor Complaints	-	0	1

2. District Claims Update Report

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

CLAIMS UNDER REVIEW/INVESTIGATION

Update: Claim # 23-0186. The claim was for damages incurred to homes, vehicles and infrastructure on Mt. Auburn Ct., Sacramento, from a water main leak that occurred on September 19, 2022. JPIA provided reimbursement to the District for contracted pavement repairs in the amount of \$179,900. This closes out this claim.

3. Customer Service Monthly Activity Report

Customer Service Activity Report.

	Total calls	Calls Abandoned	% of Calls Abandoned	Avg. Wait on Queue	Max. Wait on Queue	Avg. Talk Time
October	1721	18	1.05%	13s	5m, 14s	3m, 7s
September	1864	29	1.56%	21s	6m,31s	3m,11s
August	2543	41	1.61%	20s	6m, 41s	2m, 48s
July	2281	42	1.84%	27s	6m, 31s	3m, 14s
June	2636	47	2.00%	33s	6m, 48s	2m, 57s
May	2084	27	1.31%	21s	6m, 49s	2m, 58s

4. Community Outreach Report

December Bill Insert

A sample of the December 2023 bill insert is shown below.

00281492



H₂O on the GO

December 2023



Happy Holidays!

Working Together | How to Clean and Replace Aerators

An aerator is a simple device that can make a big difference in how much water you use on a daily basis. Aerators are small screens that fit over the end of a kitchen or bathroom faucet and add air to the flow of water. This mixing of air and water helps reduce the amount of water used and improves the water flow. They only cost a few dollars to purchase and can help you save about 5,000 gallons of water a year.

Over time, an aerator can become clogged by debris or the build up of mineral deposits, which can reduce water pressure and cause water to flow erratically from the faucet. Fortunately, it's easy to clean the aerator and get it back in great working order. Here's how:

- 1 First block the drain of the sink so that when you remove the aerator none of its parts can fall down the drain.

[Working Together | page 2](#)

SSWD Receives National Honor from WaterSense

Sacramento Suburban Water District (SSWD) was honored this past October by the U.S. Environmental Protection Agency's WaterSense Program for the SSWD's work at promoting water conservation and the WaterSense label.

WaterSense is a partnership program sponsored by EPA that seeks to protect the future of our nation's water supply by offering people a simple way to use less water with water-efficient products, services, and home specifications. Since the program's inception in 2006, WaterSense has helped consumers save trillions of gallons of water and billions of dollars in water and energy bills.

[National Honor | page 2](#)

There's No Place Like a Water-Wise Home for the Holidays

Here are some simple ways to make sure your holidays are not only happy, but also water-efficient.

- 1 Check your toilets, faucets, and showerheads for leaks, and try to fix any leaks you find within 48 hours. **Leak repair rebates** of up to \$500 are available.

[Home for the Holidays | page 2](#)



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 | from page 1

- 2 Remove the aerator by twisting it counterclockwise. If you can't remove it by hand carefully grab it with a pair of pliers or a wrench and slowly twist it. Be careful not to damage the aerator by applying too much pressure. You could also put a cloth around the aerator or some tape around the teeth of the plier or wrench to stop it from scratching the surface of the aerator.
- 3 Check the inside of the aerator for any debris or residue. Try using your finger or a small screwdriver to gently remove any build up and then disassemble the aerator.
- 4 Rinse out each part and check for any signs of wear or damage. If it looks like the aerator is damaged, replace it with a similar model.
- 5 Fill a bucket or bowl with white vinegar. Make sure there is enough to completely cover all parts of the aerator. Allow it to soak for around 20 to 30 minutes
- 6 Scrub out the aerator with an old toothbrush and rinse out the sediment from all of the different parts.
- 7 Carefully reassemble it and reattach it to the faucet.

It's recommended that you clean the aerator a couple of times a year to keep it working its best.

National Honor | from page 1

SSWD was presented with a 2023 WaterSense Excellence in Education, Outreach, and Promoting WaterSense Labeled Products award at the WaterSmart Innovations Conference and Exposition in Las Vegas. This is the second Excellence in Education Award SSWD has been honored with by WaterSense for its public awareness efforts.



Home for the Holidays | from page 1

- 1 Do some early shopping for yourself and upgrade your home with WaterSense-labeled fixtures and appliances. **SSWD has rebates available.**
- 2 Add WaterSense-labeled aerators to your kitchen and bathroom faucets.
- 3 Give your sprinklers a winter break. With winter's shorter and colder days, your sprinklers shouldn't need to run. If it hasn't rained for a while check the soil first with a moisture meter or screw driver to see if the soil is really dry, and then water as needed. **Moisture meters are available** at the Marconi office.
- 4 Use the dishwasher for washing plates and dishes instead of handwashing. Make sure to run full loads.
- 5 Save the water used to clean your fruits and vegetables and use it to water your house plants.
- 6 Use the right size pots for cooking so that you don't use more water than necessary for cooking.
- 7 Instead of pouring everyone a glass of water, put a pitcher on the table and let people fill up their glasses themselves.

SSWD 2024 Calendar Magnets

SSWD's 2024 calendar magnets are in stock at the District office. Stop by to pick one up. You'll stay in the know on important District dates, and they look great on any fridge.





Agenda Item: 19

Date: November 20, 2023

Subject: Carmichael Water District/Sacramento Suburban Water District - Combination Discussion

Staff Contact: Dan York, General Manager

Carmichael Water District (CWD) and Sacramento Suburban Water District (SSWD) held a Joint Board meeting on October 24, 2023, to discuss and approve the following items:

Public Outreach – Discussion ensued on the continued communication and outreach materials/efforts that CWD and SSWD have conducted to date. In addition, staff provided a Summary Report, Public Outreach and Engagement document that was approved by both Boards and passed on a 10-0 vote.

Draft Further Analysis of Combining CWD and SSWD – The subject report was developed internally and addressed specific areas that needed to be analyzed/compared for both CWD and SSWD that provides guidance to the Board of Directors of SSWD and CWD on the decision to make a final determination on whether to proceed with a combination. The items addressed were; History and Background, Communications and Outreach Approach, Districts’ Current Business & Operations, Model Merged District, How Combination Could Affect Customers, Employees and Other Stakeholders, Governance – Board of Directors, Lessons Learned from Arcade/Northridge Consolidation, and Recommendations of the 2X2 Committee. Report was approved by both Boards and passed on a 10-0 vote.

Direction was provided to staff to conduct an employee survey of both districts. The survey will be conducted by a consultant. Questions will be developed by the consultant and provided to both Boards for final input.

Consolidation or Reorganization – The 2X2 Committee recommended a consolidation to both Boards. After discussion, a motion was made to conduct a consolidation. CWD passed it on a 4-1 vote and SSWD passed it on a 4-1 vote. Passed on a majority vote.

Final Number of Board Members – After a lengthy discussion among the Boards, a motion was made to have 7 Board of Directors by 2026. CWD passed on a 5-0 vote and SSWD passed on a 4-1 vote. Passed on a majority vote.

LAFCo Application Process – After a lengthy discussion among both Boards, direction was provided to staff to continue drafting a resolution and application to LAFCo and bring the draft documents to the CWD and SSWD regular Board meetings in November and December, with the plan to have the resolution and application to LAFCo approved at the January 8th Joint Board meeting. The Boards will also discuss conducting another Public Information Workshop.

Powers of Authority – Discussion ensued regarding which Powers of Authority would be approved for a newly combined district, an Irrigation District (CWD) or a County Water District (SSWD). The 2x2 Committee recommended County Water District. Motion was made to approve a County Water District. CWD passed on a 3-2 vote and SSWD vote passed on a 4-1 vote. Passed on a majority vote.



Agenda Item: 20

Date: November 20, 2023

Subject: Carmichael Water District/Sacramento Suburban Water District - Major Themes Document

Staff Contact: Dan York, General Manager

At the August 9, 2023, 2x2 Committee (Committee) meeting, discussion ensued over how to finalize and present a summary of the comments, questions and discussions that were received from each of the Public Information Workshops. The Committee members expressed interest in providing their edits to the materials. Staff has received the edited materials from the Committee members.

At the October 11, 2023, Committee meeting, Director Locke requested staff bring the edits that he and Director Jones had to the Major Themes Document to SSWD's November Regular Board meeting.

Attached are those edits for review and discussion.

One of the early public information pieces included a list of ‘Pros and Cons’ to combination and the comments made at the public workshops can generally be tied back to these questions. The following is the Pro and Con statement, and the corresponding themes expressed by attendees at the CWD Workshop (in black) and those expressed by attendees at the SSWD Workshop (in blue). The responses from your elected representatives are in italics

1 Ability to achieve greater scale efficiencies through a larger organization: Each organization has areas of strength, as well as under- and over-utilized staff. Combining the two entities could provide efficiencies if resources are used strategically.

Data to support increased efficiency: Attendees inquired about the efficiency data that would result from the combination. They expect that merging the districts should lead to increased efficiency, but they sought clarification on specific data regarding the anticipated efficiencies. *This information is in the Raftellis report and more data will be provided in the combination technical study*

Water pressure for fire protection: An attendee asked which water district, SSWD or CWD had better water pressure for fire protection. *Both districts have similar pressures. The State regulate a district’s ability to deliver adequate flow and pressure*

2 Greater water resource sharing and utilization: Maximizing the use of water resources is a complex process filled with regulatory and political hurdles. However, there are significant opportunities to maximize water resources with a combined portfolio of groundwater, imported, remediated, and surface water assets possessed by both Districts.

Surface water availability: There was a concern about whether the combination would result in decreased surface water availability for CWD customers, especially if there was a water shortage situation and SSWD required more water. *Carmichael customers will have all of the surface water that they have had historically plus greater access to ground water. Putting unused rights to beneficial use helps secure them as the State contemplates reexamining water rights.*

Water quality: Some individuals express their satisfaction with the current water quality, particularly with the absence of fluoride. They emphasized the importance of maintaining the same water quality. *Carmichael customers will continue to receive the same surface water they are used to since they are closest to the plant. The only time they would receive ground water is during curtailments when access to ground water will be an advantage indeed.*

The cost of inaction: Concerns were expressed about future water reliability and cost if the combination does not proceed. The Boards and general managers were commended for their efforts, and attendees were encouraged to consider the benefits of moving forward. *One concern driving this effort is the hope that by putting unused Carmichael water rights to beneficial use they will be secured for the region.*

Previous consolidation talks and water rights: The past experience of potential consolidation with other districts was mentioned, highlighting concerns about losing water rights. The possibility of CWD annexing SSWD was suggested, and the idea of a combination of equals was discussed. *The districts are equal in many ways, differing only in water supply and size.*

Potential cost savings: Attendees questioned whether proceeding with the combination would result in unnecessary expenses and suggested that savings could be achieved by not merging. *The main driver for this combination investigation is increased reliability, which will ultimately save money. The study indicates cost savings and other advantages as well.*

Maintaining water rights: Attendees raised concerns about curtailment and the need to demonstrate use of water rights to avoid potential loss. The challenges of perfecting water rights were emphasized. *More likely to maintain water rights if they are put to beneficial use*

Groundwater accounting and excess water: Questions were asked about the Groundwater Sustainability Agency groundwater accounting system, SSWD's usage percentage, and the possibility of selling excess stored water. *SSWD is one of the most sustainability managed ground water districts. If a combination with CWD is approved, the combined district can manage groundwater more sustainably and have a secure water source for all customers in wet and dry years*

Surface water rights and diversification: Attendees discussed the potential benefits for SSWD in gaining surface water rights through the combination with CWD. *The combined district will share surface water rights and ground water reserves for all customers. The resulting combined district will be able to operate more sustainably and reliably*

Water supply reliability: Questions were raised about how the combination of different water supplies, rights, permits, and distribution systems would affect water supply reliability. *The studies completed so far indicate that a combination would benefit both districts water reliability*

Contracts and expansion: Attendees expressed concerns about the impact from combination on contracts with the City of Sacramento and PCWA if they were curtailed, and inquired about the benefits of the combination if the place of use could not be expanded. *Both boards are optimistic that the place of use will be expanded to include the combined district if there is consensus to do so. The State has adopted many policies supportive of the concept of combining water systems.*

Liability and contamination: Attendees inquired about liability issues related to contamination potentially infiltrating wells in CWD and whether such liabilities have been addressed. *Greater resources sharing in a combined district will reduce exposure to contamination risks for all members of a combined district*

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 customer needs are represented.

Influence on the State Water Board: Attendees expressed frustration with the State Water Resource Control Board and suggested that instead of combining, efforts should be made to have someone fight for their interests at the political level. *A larger district usually has a larger voice*

Higher levels of customer service, allowing more specialization of staff, greater levels of scale efficiency, and perhaps new or expanded services

More rate and financial stability with a larger and more stable supply of water resources, a broader customer base, and an improved ability to address changes in operating conditions brought on by water resource challenges, staffing shortages, and inflation.

Infrastructure condition: The fear was expressed that if SSWD's infrastructure was in poor condition, CWD ratepayers would have to bear the cost of fixing it without receiving any advantage. *Both districts are similar in the condition of their infrastructure and finances. LAFCo will ensure that one district's debt is not used applied to other areas.*

Concerns about rate increases: Some attendees expressed their opposition to the combination, citing fears of potential water rate increases. They expressed satisfaction with the current services provided by CWD and question the need for a combination. *Both districts have similar rate structures and similar financial status. There might be small adjustments to develop a uniform rate structure for all customers, but it will be far less than what the responsible annual rate increase would be.*

Considering the bigger picture: One attendee emphasized the importance of taking a long-term perspective, looking ahead 15 years, and considering the implications for rates and pay in the future. *The purpose of this exercise is examined opportunities for regional supply and financial stability*

Cost concerns and rate increases: Concerns were expressed about the cost of studies, potential rate increases, and temporary short-term increases becoming permanent. *Rates will always go up, but there has been no discussion or expectation of short-term rate increases as a result of this merger.*

Cost reductions: Questions were raised about how costs would go down with the combination. *There are advantages to a larger combined agency, and one of those is economies of scale*

Upward mobility for staff at a larger organization.

Employee contracts: The potential combination raised questions about the voiding of current contracts and the need to rewrite them. Attendees sought clarity on this matter. *Both districts have the right number of staff to perform their operations and a reduction in manpower is not anticipated. A combined agency provides more opportunities for specialization and advancement for individual employees*

Transparent and well preceded process with LAFCo and SSWD history of success.

Concerns about the Initial Report: Some individuals expressed their view that the report was high-level and too preliminary. They desired more in-depth analysis and information, including scenarios and potential risks. Another attendee expressed skepticism about the report, questioning the credibility and motivations of the entities involved in its creation. *The requested investigations are underway. Both boards are working diligently to ensure that there are minimal unknowns at the end of the process*

Alternatives to combination: Attendees expressed their desire to explore alternatives to combination such as joint projects through Memorandums of Understanding or Joint Powers Authorities instead of a full combination. *This was investigated in the cooperation study performed prior to this investigation. The majority of the board members think that a higher level of integration might be more desirable.*

Decision-making process and community input: Attendees inquired about who ultimately made the final decision regarding the combination and whether there would be a vote by the community. They expressed a desire for greater involvement. *The process is as transparent as possible. LAFCo's rules for district combination are the rules*

Appreciating the process: Some individuals acknowledged that they entered the meeting without preconceived notions and appreciated that it was the first step in a long process. They expressed willingness to absorb the information and pass it along to others. *The goal is to move forward with everyone involved in full support of the decision*

Timeline for future steps: Attendees inquired about the approximate timeline for steps 3, 4, and 5 of the process, seeking clarity on the timeline for further stages of combination talks. *The timeline is fluid, but everything is on the website including all of the most current estimates for schedule. Both boards are proceeding diligently.*

Public vote on the decision: Concerns were raised regarding whether the decision on the combination or reorganization of the districts would go to a public vote. *There is the potential that a general election might be required. The cost of doing so will have to be considered but ultimately LAFCo will decide if that is necessary*

Financial aspects and consultants: Concerns were raised about the role of consultants and corporations profiting from the project. Attendees requested that financial information and details of consultant fees be made available online. There were also concerns about potential layoffs, benefit cuts, and the overall cost of consultants. *Consultants have been used as much as possible during this process because they provide impartiality, they provide expertise not available in house and the current staff has their hands full just running the water systems they currently operate.*

Debt and combination: Questions were asked about the current debt of each water district and how the debt would be addressed in the event of a combination. *LAFCo requires that the debt of each agency cannot become the liability of the general combined agency and remains with the legacy portion of the district*

Satisfaction with the status quo: An attendee expressed satisfaction with the current state of their water district and a desire to maintain the status quo. *Both districts have done an excellent job managing their resources and operations. It is unlikely this will change. The combination will provide a diversification of resources*

Support for combination and outreach: Some attendees expressed support for the combination and suggested outreach to other jurisdictions, including recreation and park districts. Continued outreach to the public was also encouraged. *This process will continue to be as transparent as possible. Both districts are committed to keeping all information available on the website*

Support for combination but frustration with process: Attendees expressed support for the combination but voiced frustration over the lengthy process involved with LAFCo. *There have been concerns with how long LAFCo may take, but it is a necessary process and they have been supportive so far.*

Support with careful execution: One attendee supported the consolidation effort but emphasized the importance of careful execution, appreciating the opportunity for customer input. *Both districts' staff and elected personnel have endeavored to make the process as methodical and transparent as possible, we have welcomed and solicited customer input all along the way*

Layperson-friendly information: Attendees requested more layperson-friendly information in future reports and studies to help customers understand how water supply reliability could be enhanced. *The data is very technical but both districts are trying to make it as universally intelligible as possible without losing the detail that some customers have requested.*

A perceived loss of local control and the dilution of representation: A combined entity would have Board members representing a larger number of constituents, assuming the Board is the same size as the current Boards.

Representation and Governance: Concerns were raised about the representation of CWD residents in the water district, as they would constitute only 17 percent of the population in a larger district and have only one board member. The desire for more representation from CWD was expressed, and attendees requested clarity on how the pie will be divided to ensure fair representation. *All individual customers have less representation as the organization size increases, but the larger organization has a greater voice within the State and on the larger stage, resulting in more representation where it counts.*

Change in district status: The potential change in CWD's status from an irrigation district to adopting county water was mentioned, and the legal distinction and potential gains or losses from such a change were raised. *This is still being investigated, but the short answer from legal is that both forms of governance provide all of the powers necessary to fulfill either district's current mission and more. Other forms of organization may provide additional advantages such as security.*

Further consolidation and dilution of voice: Attendees discussed the potential for CWD and SSWD to further consolidate beyond the current combination, expressing concern that as districts combine and become larger, the individual voices and influence of ratepayers may diminish. *The combination will give individuals a smaller voice, every member of the board will represent more people, but the combined voice of the board will carry more weight because it represents more people. The real discussions for the future of our water reliability are on the State and Regional level, not on the Carmichael and SSWD level.*

Weighted vote and transparency: Concerns were raised about the concept of a weighted vote, and attendees expressed the need for clear explanations regarding this voting system. *There have been no discussions of diverging from the American tradition of one person one vote. A combined district with more constituents will have more force in the regional and state arenas, but that is due to the greater population that it serves*

More bureaucracy that could come with a larger organization: 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: This will require attention and management effort to effectively navigate and thoughtfully consider as a 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.

There were also comments that didn't fit into one of the anticipated pro and con topics discussed. These are listed below.

Opposition to the combination: Some individuals expressed their opposition to the combination and inquired about any CWD Board members who are in opposition.

Impact on incorporation efforts: Attendees questioned how the combination of water districts would affect the incorporation efforts of Arden Arcade or Carmichael as cities. *No comment.*

Discussions with Del Paso Manor Water District: Attendees inquired about discussions with Del Paso Manor Water District regarding the combination, particularly considering its infrastructure issues. *DPMWD has engaged SSWD in discussions, but they are not at the same stage as those with CWD. If there is a combination with CWD and if DPMWD wishes to join the combined district, then that would be a decision of the combined board.*



Agenda Item: 21

Date: November 20, 2023

Subject: Consolidated District Billing

Staff Contact: Julie Nemitz, Customer Services Manager

Background:

Sacramento Suburban Water District (District) currently bills its customers on a weekly basis. One cycle is billed after month-end, two are billed in the current month, and one is billed in advance (at the end of the month for the upcoming month). While cycle billing was needed in the past, recent changes have made weekly billing unnecessary.

Previous billing functions included: processing and delivering 48-hour service disconnect notices, performing service disconnects for non-payment, and drive-by (AMR) meter reading. These were labor intensive functions that took many hours to complete. In order to distribute the impact these functions had on staff resources, the District was divided into four separate billing cycles. This was a successful and efficient approach as it spread the workload out over the month. Since that time, the District has continually sought to improve efficiency and save resources through process improvements. First, the US Postal Service was utilized to deliver 48-hour disconnect notices. Subsequent to this, the District replaced its legacy drive-by AMR system with an Advanced Metering Infrastructure (AMI) system. The transition of the final flat accounts into their metered cycles took place on November 2, 2023, making the fourth billing cycle (flat rate accounts) obsolete. Additionally, the District's collection process has changed to a direct tax levy, making physical lock-offs a secondary method of collections. All of these improvements have led to improved efficiency in both the Customer Service and Field Services Departments, resulting in the opportunity to consolidate District billing into a single day for all accounts. Accounts will be billed in arrears, on or around the 5th of each month, just like the current Cycle 1 billing. This change will affect current Cycle 2 and Cycle 3 customers, for a total of approximately 35,000 accounts, and is planned to take place on January 5, 2024.

Discussion:

The benefits of billing all accounts at once for the previous month include greater efficiency in the collection of billing reads, now collected automatically by the AMI systems and processed by the Field Operations Coordinator, and in the billing process, since these will now only occur once per month. This proposed change will also simplify regulated reporting tasks by creating closer alignment of production data with metered delivery data. The District's Finance Department will benefit from this change in that all customer billings will be in arrears and at the beginning of the subsequent month which will simplify recording of the monthly revenue amounts. Additionally, this will be a more transparent and understandable billing model for our customers than our current multi-cycle billing. Customers' invoices will include a monthly base charge for the previous

month, and usage read dates that match the previous month's dates, eliminating the confusion that results from a calendar month base charge accompanied by a cyclical usage charge.

Staff recognizes the change will come with challenges and evaluated the following:

Processing a single large monthly import and review of billing reads by the Field Operations Coordinator (OC): In discussions with the OC, he stated that this new process would not result in more work, but rather a consolidation of existing work into the same time period, which he can readily accommodate. Additionally, some steps would be simplified, as they would only have to be performed once per month, which will reduce the overall workload.

Processing a large monthly billing batch: Like the read collection process, this will result in a larger monthly billing process for staff; however, though some billing steps will take more time due to increased data handling, the benefit of performing this task once per month will be much more efficient than repeating most steps four times each month. Staff has confirmed with Broadridge, our bill print provider, that they are able to accommodate the increased volume of the once per month printing. Additionally, staff now accesses a report the day after each billing to confirm that 100% of invoices were mailed; this step will not change.

Processing many payments during the same time period: All customers will have the same due date on their invoices, which will result in a larger number of payments received during the same time of the month. District staff will be impacted by a consolidation of drop box and mailed payments, as well as visitors to the office, but the monthly workflow of the Customer Service team is adjustable to accommodate the change. The District's bank, Westamerica, will be impacted by the change in the cadence of payments mailed to our Post Office Box, which the bank retrieves and processes. Staff has confirmed with the Westamerica work group supervisor that their staff will be able to accommodate the change.

Cash flow: This change, as with the moving from flat rate bill-in-advance to metered bill-in-arrears, will have a one-time effect on cash flows by delaying them for several weeks. The reason for performing this change in January is the lower revenues billed during the winter months will have less impact on this one-time cash flow event. In addition, cash receipts will not flow into the bank as consistently as they had with the 4-cycle billings. Finance will need to monitor cash flow more closely to handle payables for weeks where the District is not receiving larger volumes of payments.

Tiered billing: The District bills residential usage in two tiers. On a one-time basis, Cycles 2 and 3 will be billed for two months' worth of usage, so their Tier 1 allowance will be doubled prior to billing. Cycle 1 will see no change since they are already billed in arrears for the previous month. As mentioned above, the fourth cycle held the accounts transitioning from flat to metered billing, and this cycle is now obsolete.

Outreach to customers will include posting announcements on our website and social media, as well as emailed announcements to paperless customers. Additionally, those customers that receive a paper bill will receive a mailing instead of their usual bill in December. The mailing will be delivered in the same envelope that they are accustomed to receiving and will include their

monthly newsletter. Instead of their invoice, they will receive a notice printed on blue paper advising them of the change. A sample of the notice is included as Attachment 1. On January 5, the bills will also include a message printed on the invoices regarding the change and inviting customers to call or email with any questions.

This change required minor edits to Regulations 3 and 5, which removed language referring to billing in advance. These edits were approved by the Board on March 20, 2023. All other Regulations and policies refer only to monthly billing and do not require edits.

Strategic Plan Alignment:

Goal B – Optimize operational and organizational efficiencies.

Goal D – Maintain excellent customer service.

Attachment:

1. Text of customer notice for December mailing

IMPORTANT NOTICE: YOUR BILL IS CHANGING!

Your December bill, which would normally be in this envelope, will instead be sent on January 5, 2024.

We are excited to share that beginning in January, all customers will be billed on the same day each month. This change will provide greater consistency to meter read cycle lengths, as well as billing and due dates.

Future bills will be generated on or around the 5th of each month and will cover the previous month. Automatic payments will still take place on the due date which will now be on or around the 24th of each month for all customers.

Please contact customer service with any questions at 916-972-7171 or help@sswd.org.



Agenda Item: 22

Date: November 20, 2023

Subject: Fieldman, Rolapp and Associates, Inc. – SEC Settlement

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

On September 26, 2023, staff received a phone call from Robert Porr, of Fieldman, Rolapp and Associates, Inc. (FRA) the District’s municipal advisor for debt. Mr. Porr informed staff that on September 25, 2023, the Securities and Exchange Commission (SEC) accepted offers of settlement from FRA and one of its principals, Anna Sarabian. Neither FRA, nor the principal, admitted or denied the findings described in the settlement. Mr. Porr indicated that the issue involved a California client and particular advice that FRA had provided related to options for financing a project. The SEC asserted that FRA made willful errors in the assumptions used in the analysis. FRA elected to settle rather than defend the charges. Subsequently on October 10, 2023, the District received an email from Michelle Seabrock, of FRA, providing the Municipal Securities Rulemaking Board Rule G-42 disclosure of the event which also listed a link to the disclosure on the SEC’s EDGAR website. An excerpt of the administrative proceeding with more detailed information is included as Attachment 1.

The District has worked with Mr. Porr and his associates in the most recent 2022 debt refinancing and previous District debt issuances, and has always been satisfied with FRA’s services and the quality and accuracy of its information. The District has not worked with Anna Sarabian, the principal referred to in the attached excerpt of the settlement disclosure. The District has not had any negative encounters with FRA, nor had any issues with the advice FRA has provided the District. Staff understands that there are many assumptions that go into the financial analyses used to ascertain the most economical option to finance a project and determine the net present value of each option. These complex scenarios involve estimated borrowing costs, estimated earnings on cash reserves, timing of the paydown and other intricate assumptions and variables. While the District does not engage in complex financing arrangements for its projects, other agencies do. As stated previously, the District has been pleased with the service and advice that FRA has provided and staff desires to continue its relationship with FRA. District general counsel was made aware of the situation and had no recommendation to discontinue the relationship with FRA. Staff therefore recommends that the District continue its relationship with FRA, particularly given the facts disclosed and the complexities inherent in financial analyses for debt financing and refinancings.

Attachments:

1. SEC Administrative Proceeding Announcement

SEC Charges Municipal Advisor and Its Principal with Breach of Duty of Care

ADMINISTRATIVE PROCEEDING

File No. 3-21717

September 25, 2023 –The Securities and Exchange Commission today announced settled charges against registered municipal advisor Fieldman Rolapp & Associates, Inc. (“FRA”) and one of its principals, Anna Sarabian, concerning a breach of its duty of care.

The SEC’s [order](#) finds that between October 2018 and July 2019, FRA and Sarabian made a series of presentations to a California city (the “City”) regarding cost analyses of funding options for a community project. The presentations contained comparisons of several alternatives for funding the project, including funding it entirely with available cash, entirely with new debt with various maturity dates, and several hybrid options consisting of both cash and new debt with various maturity dates. According to the order, FRA’s model for calculating the net present value costs of the different financing options contained flawed assumptions that made it appear the 100% debt option with the longest maturity was the least expensive option for financing when, in fact, other options would have been less expensive on a net present value basis. The City ultimately decided to finance the project entirely with new debt.

The SEC’s order finds that FRA and Sarabian willfully violated Section 15B(c)(1) of the Securities Exchange Act of 1934, and Rules G-17 and G-42(a)(ii) of the Municipal Securities Rulemaking Board. Without admitting or denying the findings in the order, FRA and Sarabian agreed to settle the charges and cease-and-desist from future violations of those provisions. FRA agreed to pay a civil penalty of \$60,000, disgorgement of \$56,548.50, and prejudgment interest of \$11,368.77, and Sarabian agreed to pay a civil penalty of \$30,000.

The SEC’s investigation was conducted by Brian P. Knight, Creighton Papier, and Joseph Chimienti and supervised by David Zhou and Rebecca Olsen, all of the Enforcement Division’s Public Finance Abuse Unit.



Agenda Item: 23

Date: November 20, 2023

Subject: Upcoming Water Industry Meetings/Conferences

Staff Contact: Heather Hernandez-Fort, Executive Assistant to the General Manager

Note that the Board adopted Policy PL – BOD 003 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/SGA Holiday Social
December 6, 2023
Blue Goose Event Center in Loomis
2. LAFCo Meeting
December 6, 2023
In-Person and Virtual
<https://saclafco.saccounty.gov/Pages/default.aspx>
3. SGA Board Meeting
December 14, 2023
In-Person for voting Board Directors, virtual option for all public
<https://www.sgah2o.org/meetings/board-meetings/>

Upcoming Conferences:

4. ACWA 2023 Fall Conference & Exhibition
November 27 - 30, 2023
Indian Wells, CA
<https://www.acwa.com/events/page/3/>

Upcoming Water Industry Meetings/Conferences

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5. ACWA 2024 Spring Conference & Exhibition
May 7-9, 2024
Sacramento, CA
<https://www.acwa.com/events/page/3/>
6. ACWA 2024 Fall Conference & Exhibition
December 3-5, 2024
Palm Desert, 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.
- Rio Linda/Elverta Community Water District: <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: 24 a

Date: November 20, 2023

Subject: Upcoming Policy Review – Water Banking and Transfer Policy
(PL - BOD 006)

Staff Contact: Matt Underwood, Assistant General Manager

The subject Policy is scheduled for its biennial review. The Policy was adopted by the Board on October 17, 2011, and was last reviewed by the Board and ratified without changes on September 20, 2021.

Staff and legal counsel have reviewed the Policy recommend several changes in terminology for clarification.

The Policy is scheduled for Board review and approval at the December 16, 2023, regular Board meeting. If a Director desires to comment on the policy, staff requests that they do so by November 27, 2023. If no comment is received, this policy will be placed as a Consent Item on the December 18, 2023, regular Board meeting agenda.

This Policy update was reviewed by legal counsel.

Attachment:

- 1 – Water Banking and Transfer Policy – BOD 006 – redline version
- 2 – Water Banking and Transfer Policy – BOD 006 – clean version

Sacramento Suburban Water District

Water Banking and Transfer Policy

Adopted: October 17, 2011

~~Ratified-Approved~~ without changes: ~~September 20, 2021~~ December 16, 2023

100.00 Purpose of the Policy

The primary purpose of this policy is to establish the parameters that will govern the actions of staff in the pursuit of water banking and transfer opportunities and agreements.

100.10 Definitions

Water is considered a public resource, and its use is permitted through water rights and contractual entitlements. The following definitions are used in this policy:

Aquifer Storage and Recovery (ASR) – Means injecting water into an underground aquifer through wells or by surface spreading and infiltration and then pumping it out when needed. The aquifer essentially functions as a reservoir.

Conjunctive Use – Means the joint use of surface water and groundwater to more effectively manage water resources. Typically, during average or wet hydrologic years, surface water is used in lieu of groundwater, allowing the groundwater to remain in the aquifer for future use.

Water Banking – Means the practice of actively using surface water supplies in lieu of available groundwater and leaving the groundwater in the basin for later extraction and use by the storing party. Banking generally involves active management of the basin and accounting of the water supplies stored and withdrawn from underground storage. ~~Water Banking~~ Conjunctive Use and ASR are two means of conducting a ~~Conjunctive Water Banking Use~~ program.

Water Transfer – Means a transaction in which a holder of a surface water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water that would have been consumptively used under that water right or entitlement, provided the transfer does not injure another water right holder or unreasonably affect instream beneficial uses. The transferor retains title to the surface water right or entitlement, which distinguishes a Water Transfer from a sale or assignment of a water right or entitlement in which the buyer obtains the title or right. Under California Law, a Water Transfer is either short-term, i.e., a transfer of

the right of use for one year or less, or long-term, i.e., for a period of more than one year. Water Transfers may occur between a transferor and transferee in the same watershed or basin or between parties in different watersheds.

200.00 Policy

Sacramento Suburban Water District has invested considerable resources in a Conjunctive Use water supply system and Water Banking in an effort to ameliorate declining groundwater levels in the groundwater basin beneath its service area. This investment has created opportunities for the District to partner with others to utilize District water supply assets during periods when such asset capacity is excess to the immediate needs of District customers. Allowing these available assets to be used by others can create a financial benefit to the ratepayers of the District while providing needed water supplies to agencies whose water supplies have been reduced.

It is the policy of the Board of Directors to authorize Water Banking and Water Transfer actions whenever prudent and to more fully utilize excess water supply asset capacity to benefit District ratepayers and to maximize water use efficiency on a regional and statewide basis. The Board of Directors will protect the long term interests of the District and its ratepayers first by maintaining and defending the District's:

1. Water rights and contractual entitlements,
2. Groundwater quality,
3. Groundwater resource sustainability, and
4. The condition of physical assets.

300.00 Policy Review

This Policy shall be reviewed at least biennially.

Sacramento Suburban Water District

Water Banking and Transfer Policy

Adopted: October 17, 2011

Approved with changes: December 16, 2023

100.00 Purpose of the Policy

The primary purpose of this policy is to establish the parameters that will govern the actions of staff in the pursuit of water banking and transfer opportunities and agreements.

100.10 Definitions

Water is considered a public resource, and its use is permitted through water rights and contractual entitlements. The following definitions are used in this policy:

Aquifer Storage and Recovery (ASR) – Means injecting water into an underground aquifer through wells or by surface spreading and infiltration and then pumping it out when needed. The aquifer essentially functions as a reservoir.

Conjunctive Use – Means the joint use of surface water and groundwater to more effectively manage water resources. Typically, during average or wet hydrologic years, surface water is used in lieu of groundwater, allowing the groundwater to remain in the aquifer for future use.

Water Banking – Means the practice of actively using surface water supplies in lieu of available groundwater and leaving the groundwater in the basin for later extraction and use by the storing party. Banking generally involves active management of the basin and accounting of the water supplies stored and withdrawn from underground storage. Conjunctive Use and ASR are two means of conducting a Water Banking program.

Water Transfer – Means a transaction in which a holder of a surface water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water that would have been consumptively used under that water right or entitlement, provided the transfer does not injure another water right holder or unreasonably affect instream beneficial uses. The transferor retains title to the surface water right or entitlement, which distinguishes a Water Transfer from a sale or assignment of a water right or entitlement in which the buyer obtains the title or right. Under California Law, a Water Transfer is either short-term, i.e., a transfer of the right of use for one year or less, or long-term, i.e., for a period of more than one

year. Water Transfers may occur between a transferor and transferee in the same watershed or basin or between parties in different watersheds.

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1. Water rights and contractual entitlements,
2. Groundwater quality,
3. Groundwater resource sustainability, and
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300.00 Policy Review

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Agenda Item: 24 b

Date: November 20, 2023

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

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

Summary:

Investment Policy (PL – Fin 003) (Policy) is scheduled for its annual review. The Policy was adopted by the Board on December 16, 2002, and was last updated and reviewed by the Board on December 19, 2022.

Staff are recommending changes based upon recommendations provided by the District's investment advisor, PFM Asset Management, LLC (PFMAM) and staff review.

The Policy is scheduled for Board review and approval at the December 18, 2023, regular Board meeting. If a Director desires to comment on the Policy, staff requests that they do so by November 27, 2023. If no comment is received, this Policy will be placed as a Consent Item on the December 18, 2023, regular Board meeting agenda. The recommended changes were reviewed by District legal counsel.

Background:

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

Discussion:

Staff is recommending certain Policy changes based upon recommendations provided by the District's investment advisor PFMAM and from staff review. The Policy is in compliance with the California Government Code (Code) that governs the investment of public funds. Policy changes are in response to changes to Code that will go into effect on January 1, 2024, following the passage of Senate Bill 882 (SB 882). SB 882, also known as the Local Government Omnibus Act of 2023, made a number of changes to Code, including several that impact the investment of public funds.

Language was added to Code Section 53601(o), the subdivision that allows investment in assets-backed and mortgage-backed securities, to state that securities allowed under 53601(o) that are issued by the U.S. Treasury, federal agencies, or United States government-sponsored enterprises are exempt from the credit and diversification requirements included in 53601(o).

The suggested Policy changes are summarized below:

1. **Section 709.00 – Mortgage Obligations and Asset Backed Securities:** Staff recommends replacing the last sentence with the following language:

For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision 701.00, restrictions are as follows:

2. **Section 1300.00 – Policy Review:** The last sentence is being replaced with the following language due to the change in policy review adopted by the Board of Directors:

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.

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

Fiscal Impact:

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

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachments:

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

Sacramento Suburban Water District

Investment Policy

Adopted: December 16, 2002

Approved with changes on: December ~~1918~~, ~~2022~~2023**100.00 Investment Authority**

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

200.00 Scope

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

300.00 Statement of Objectives

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

310.00 Safety of Principal

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

320.00 Liquidity

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

330.00 Interest Rate Risk Hedging

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

340.00 Return on Investment

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

400.00 Prudent Investor Standard

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

500.00 Authorized Financial Dealers and Institutions

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

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

600.00 Portfolio Management

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

610.00 Maturity Limitations

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

620.00 Diversification

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

630.00 Purchase and Sale of Securities

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

will be, to the extent possible, purchases from a firm designated as a Primary Dealer (dealers) by the Federal Reserve Bank of New York.

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

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

- g. If the District uses a professional portfolio manager, the portfolio manager may use its own list of approved brokers, dealers, and financial institutions to conduct security transactions on behalf of the District subject to the provisions of Government Code section 53601.5.
- h. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

640.00 Exchange of Securities

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

650.00 Portfolio Adjustments

- a. District portfolio percentage limitations for each category of investment are applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity, if deemed necessary, to avoid losses.
- b. In the event a security held by the District is subject to a ratings change that brings it below the minimum ratings specified in this Policy, the Director of Finance and Administration/District Treasurer shall notify the Board of the change. The course of action to be followed will be decided on a case-by-case basis, subject to Board approval, considering such factors as the reason for the ratings drop, prognosis for recovery or further ratings drops, and the market price of the security.
- c. The Director of Finance and Administration/District Treasurer may at any time further restrict the securities approved for investment as deemed appropriate.

660.00 Safekeeping

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

670.00 Review of Investment Portfolio

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

report to the Board major and critical incidences of noncompliance identified through the review of the portfolio.

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

680.00 Investment Pools/Mutual Funds

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

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

690.00 Collateralization

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

700.00 Authorized Investments

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

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

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

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

702.00 Municipal Obligations

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

703.00 Bankers' Acceptances

Restrictions are as follows:

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

704.00 Negotiable Certificates of Deposit

Restrictions are as follows:

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

credit union, or a federally- or state-licensed branch of a foreign bank.

- d. Eligible negotiable certificates of deposits will be rated in a rating category of “A” long-term or “A-1” short-term, or its equivalent, or better by at least one NRSRO.
- e. The District’s Board and the Director of Finance and Administration/District Treasurer or other official of the District having legal custody of the moneys are prohibited from investing District funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the District’s Board, or a person with investment decision making authority at the District also serves on the board of directors of the credit union, or any committee appointed by the credit union board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- f. The maximum maturity will be limited to five years.

705.00 Commercial Paper

Restrictions are as follows:

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

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

706.00 Repurchase Agreements

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

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

707.00 Time Deposits

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

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

708.00 Medium-Term Notes

Restrictions are as follows:

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

709.00 Mortgage Obligations and Asset Backed Securities

The District may invest in any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. [For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision 701.00, ~~Restrictions~~ restrictions](#) are as follows:

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

710.00 Local Agency Investment Fund Deposits

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

711.00 Shares of Beneficial Interest (Money Market Funds)

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

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

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

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

713.00 Supranationals

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

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Must be eligible for purchase and sale within the United States.

- c. Notes eligible for investment under this subdivision will be rated in a rating category of “AA”, its equivalent, or better by at least one NRSRO.
- d. Purchases of these securities may not exceed 30 percent of the District’s portfolio.
- e. No more than 10 percent of the District’s portfolio may be invested in the securities of any one supranational issuer.

800.00 Reporting

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

900.00 Performance Standards

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

1000.00 Internal Controls

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

1100.00 Conflicts of Interest

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

1200.00 Conflicts

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

1300.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule ~~at least biennially~~.

APPENDIX A

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

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

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

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

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

APPENDIX B

Glossary

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

ASKED: The price at which securities are offered.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report of the District. It includes the required financial statements prepared in conformity with GAAP. It also includes the audit opinion, supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material including management's discussion and analysis (MDA), required supplemental information (RSI), and a detailed statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

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

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

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

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

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

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

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

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

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

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

Sacramento Suburban Water District

Investment Policy

Adopted: December 16, 2002
Approved with changes on: December 18, 2023

100.00 Investment Authority

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

200.00 Scope

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

300.00 Statement of Objectives

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

310.00 Safety of Principal

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

320.00 Liquidity

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

330.00 Interest Rate Risk Hedging

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

340.00 Return on Investment

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

400.00 Prudent Investor Standard

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

500.00 Authorized Financial Dealers and Institutions

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

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

600.00 Portfolio Management

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

610.00 Maturity Limitations

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

620.00 Diversification

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

630.00 Purchase and Sale of Securities

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

will be, to the extent possible, purchases from a firm designated as a Primary Dealer (dealers) by the Federal Reserve Bank of New York.

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

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

- g. If the District uses a professional portfolio manager, the portfolio manager may use its own list of approved brokers, dealers, and financial institutions to conduct security transactions on behalf of the District subject to the provisions of Government Code section 53601.5.
- h. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

640.00 Exchange of Securities

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

650.00 Portfolio Adjustments

- a. District portfolio percentage limitations for each category of investment are applicable only at the date of purchase. Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity, if deemed necessary, to avoid losses.
- b. In the event a security held by the District is subject to a ratings change that brings it below the minimum ratings specified in this Policy, the Director of Finance and Administration/District Treasurer shall notify the Board of the change. The course of action to be followed will be decided on a case-by-case basis, subject to Board approval, considering such factors as the reason for the ratings drop, prognosis for recovery or further ratings drops, and the market price of the security.
- c. The Director of Finance and Administration/District Treasurer may at any time further restrict the securities approved for investment as deemed appropriate.

660.00 Safekeeping

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

670.00 Review of Investment Portfolio

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

report to the Board major and critical incidences of noncompliance identified through the review of the portfolio.

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

680.00 Investment Pools/Mutual Funds

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

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

690.00 Collateralization

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

700.00 Authorized Investments

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

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

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

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

702.00 Municipal Obligations

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

703.00 Bankers' Acceptances

Restrictions are as follows:

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

704.00 Negotiable Certificates of Deposit

Restrictions are as follows:

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

credit union, or a federally- or state-licensed branch of a foreign bank.

- d. Eligible negotiable certificates of deposits will be rated in a rating category of “A” long-term or “A-1” short-term, or its equivalent, or better by at least one NRSRO.
- e. The District’s Board and the Director of Finance and Administration/District Treasurer or other official of the District having legal custody of the moneys are prohibited from investing District funds, or funds in the custody of the District, in negotiable certificates of deposit issued by a state or federal credit union if a member of the District’s Board, or a person with investment decision making authority at the District also serves on the board of directors of the credit union, or any committee appointed by the credit union board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- f. The maximum maturity will be limited to five years.

705.00 Commercial Paper

Restrictions are as follows:

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

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

706.00 Repurchase Agreements

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

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

707.00 Time Deposits

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

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

708.00 Medium-Term Notes

Restrictions are as follows:

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

709.00 Mortgage Obligations and Asset Backed Securities

The District may invest in any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision 701.00, restrictions are as follows:

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

710.00 Local Agency Investment Fund Deposits

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

711.00 Shares of Beneficial Interest (Money Market Funds)

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

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

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

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

713.00 Supranationals

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

Restrictions are as follows:

- a. A maximum of five years to maturity.
- b. Must be eligible for purchase and sale within the United States.

- c. Notes eligible for investment under this subdivision will be rated in a rating category of “AA”, its equivalent, or better by at least one NRSRO.
- d. Purchases of these securities may not exceed 30 percent of the District’s portfolio.
- e. No more than 10 percent of the District’s portfolio may be invested in the securities of any one supranational issuer.

800.00 Reporting

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

900.00 Performance Standards

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

1000.00 Internal Controls

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

1100.00 Conflicts of Interest

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

1200.00 Conflicts

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

1300.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.

APPENDIX A

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

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

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

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

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

APPENDIX B

Glossary

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

ASKED: The price at which securities are offered.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report of the District. It includes the required financial statements prepared in conformity with GAAP. It also includes the audit opinion, supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material including management's discussion and analysis (MDA), required supplemental information (RSI), and a detailed statistical section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

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

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

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

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

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

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

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

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

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

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



**REGIONAL WATER AUTHORITY
MEETING OF THE BOARD OF DIRECTORS**

Thursday, November 9, 2023 at 9:00 a.m.

**Regional County Sanitation District
10060 Goethe Road
Sacramento, CA 95827
(916) 967-7692**

IMPORTANT NOTICE REGARDING VIRTUAL PUBLIC PARTICIPATION:

The Regional Water Authority currently provides in person as well as virtual public participation via the Zoom link below until further notice. 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.

Join the meeting from your computer, tablet or smartphone

<https://us06web.zoom.us/j/81448543091?pwd=8Mg3OtUzl6JGXA9PK2l8cqytJCwrYa.1>

Phone: 1-669-900-6833

Meeting ID: 814 4854 3091 Passcode: 999340

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.

AGENDA

- 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.

3.1 Approve the draft meeting minutes of September 14, 2023, RWA Board Meeting

3.2 Approve Revisions to Policy 100.3 (RWA Associate Members) and Policy 100.6 (RWA Affiliates)

3.3 Approve Revisions to Policy 200.4 (Conflict of Interest Code)

3.4 Approve no changes to Policy 500.2 (Investment Policy) and California Employee Retirement Benefits Trust (CERBT)

3.5 Approve Proposed Changes Personnel Rules RWA Policy Series 400.1 (Personnel Rules)

3.6 Approve Change Order #11 to Professional Services Agreement with Stantec Consulting Services Inc. to extend the contract term to December 31, 2026

3.7 Approve the 2024 Board of Directors and Executive Committee meeting schedule

Action: Approve Consent Calendar items as presented

4. WATER EFFICIENCY PROGRAM SACRAMENTO REGIONAL INDOOR DIRECT INSTALL PROJECT

Presenter: Amy Talbot, Water Efficiency Program Manager

Discussion/Action: Approve and authorize the Executive Director to enter into a Professional Services Agreement for the Water Efficiency Program Sacramento Regional Indoor Direct Install Project – Phase 2.

5. INFORMATION: VOLUNTARY AGREEMENT UPDATE

Presenter: Michelle Banonis, Manager of Strategic Affairs

6. REVISIONS TO POLICY 400.2 (EMPLOYEE COMPENSATION POLICY) AND APPROVE PAST SALARY SCHEDULES

Presenter: Josette Reina-Luken, Financial and Administrative Services Manager

Action: Approve Revisions to Policy 400.2 and Approve Past Salary Schedules

7. 2024 RWA BOARD ELECTIONS OFFICERS AND EXECUTIVE COMMITTEE

Presenter: Tony Firenzi, RWA Chair

Action: Elect 2024 Chair

8. REPRESENTATION ON REGIONAL MATTERS

Presenter: Tony Firenzi, RWA Chair

Action: Take Appropriate Action

9. EXECUTIVE DIRECTOR'S REPORT

10. DIRECTORS' COMMENTS

ADJOURNMENT

Next RWA Board of Director's Meeting:

January 18, 2024, 9:00 a.m. at to be determined. The location is subject to change.

Next RWA Executive Committee Meeting:

December 19, 2023, 1:30 p.m. at the RWA Office, 2295 Gateway Oaks, Suite 100
Sacramento, CA 95833.

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/>.

Posted on November 6, 2023



Ashley Flores, CMC, Secretary

Craig Locke

**October 30th
SSWD Water Banking Committee
RWA Executive Committee**

**October 27th
SJWD Board Meeting**

**October 25th
SJWD Board Meeting**

**October 24th
Joint SSWD and CWD Board Meeting**

**October 23rd
Discuss Joint and CWD Board Meeting w/ Director Nelson**

**October 20th
Major Improvements to the Sacramento River Flood Control Project**

Staff from the US Army Corp of Engineers (USACE), Department of Water Resources (DWR), and Sacramento Area Flood Control Agency (SAFCA) will discuss the need to expand the conveyance capacity in the Sacramento River Flood Control Project bypass system to protect the Sacramento Valley and the Sacramento metropolitan area from future floods. The bypass system, which is critical in passing large flood events through the Sacramento River Flood Control Project, was designed to convey flows experienced in 1907 and 1909. Since completion of construction in the 1950s, it has experienced flows in excess of the design conveyance capacity, with some distress. Key details of the design and construction of both the DWR setback levee project and the USACE Sacramento Weir extension project will be presented.

**October 19th
SSWD F&O Committee**

**October 17th
CWD Water Treatment Plant Tour**

**October 16th
SSWD Board Meeting**

**October 12th
SGA Meeting**

**October 12th
Creating Tomorrow's Workforce Through Diversity and Inclusion**

As the water industry continues to experience retirements and recruitment challenges, there is a need to invest in the water workforce and support leadership development needs and succession planning efforts. Additionally, research indicates increased DEI within organizations is tied to improved employee retention, productivity and better linkage between service-oriented entities and customers. Join our relaxed and informative discussion, as California water leaders share their vision for building a strong water workforce of the future. Then, we're excited to hear your questions and recommendations. These are popular webinars, register soon and share the invite with fellow team members. The mission of the ACWA Foundation is to serve all Californians by advancing diversity, equity, and inclusion within the water industry through education, research and workforce

development. The ACWA Foundation envisions a California water industry that reflects, embraces, and represents the people it serves.

October 11th
CWD and SSWD 2x2

October 10th
Water Professionals – Path to Power

We are excited to introduce a remarkable panel of women in the water industry who will engage in a thought-provoking dialogue about their accomplished career paths. Come and join us for an enriching discussion as they delve into their strategies for overcoming obstacles, harmonizing their professional and personal lives, dispensing invaluable insights, and answer audience questions. The webinar is part of our series of events celebrating water professionals during California Water Professionals Appreciation Week, October 7-15.

October 4th
SSWD Open House

October 4th
Public Hearing on New State Water Conservation Rules

October 4th
Critical Infrastructure Resiliency and How to Get Dollars to Pay For It

California Water Association and Enchanted Rock co-hosts a webinar “Critical Infrastructure Resiliency and How to Get Dollars to Pay For It.” Speakers will include Scott D. Lipton, Energy Policy Manager, Western Region, Enchanted Rock and Greg Bowen, Vice President, Critical Infrastructure, Enchanted Rock. Ensuring reliable and resilient water service delivery to customers is a paramount responsibility of the utility and that can only be accomplished with uninterrupted power for all the utility’s infrastructure assets. On-site, behind the meter, back-up power generation is a key way to ensure electrical resiliency and over the past six years the state of California and the state’s investor-owned utilities have made billions of dollars available to do exactly that. Join the California Water Association and Enchanted Rock for a virtual webinar to learn more about the utility and State funding programs available, the requirements to participate, and how to use those dollars for your own utility.

October 2nd
SSWD Budget Workshop

Jay Boatwright
Attended meetings.
October 2023

- 10/02/2023: Board budget workshop. Planning session for the 2024 budget.
- 10/04/2023: Attended the SSWD open house for 2023.
- 10/11/2023: Regular board meeting agenda review with GM York. Also, I attended the CWD/SSWD 2x2 meeting.
- 10/16/2023: Attended and chaired both the special and regular meetings for SSWD..
- 10/17/2023: Attended the ACWA seminar on illegal marijuana grows and the environmental damage they cause, particularly to the watershed.
- 10/24/2023: Chaired the SSWD/CWD joint meeting regarding potential combination. All directors from both agencies, as well as the GM's for both were in attendance. Action taken on several items.
- 10/25/2023: Director Wichert requested a meeting with GM York and Jim Peifer and Trevor Joseph from RWA/SGA regarding the water bank accounting framework. The concern had to do with how the banked water was being accounted for and the status of the water previously banked by SSWD. Further information will be provided to the groundwater committee and at a future regular board meeting.
- 10/30/29023: Attended the SSWD Groundwater Banking Committee meeting. I also attended the Fulton-El Camino Park and Rec District dedication of two new bridges located at Howe Park. Met General Manager Emily Ballus, talked with board members Michael Seaman and Kathleen Stricklin.



Minutes

Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting October 11, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #844 9333 1479

Call to Order – Videoconference/Audioconference Meeting

SSWD Director Criag Locke (Chair Locke) called the meeting to order at 3:01 p.m.

Roll Call

SSWD Directors

Present: Dave Jones and Craig Locke.

SSWD Directors

Absent: None.

CWD Directors

Present: Jeff Nelson.

CWD Directors

Absent: Mark Emmerson.

SSWD Staff Present: Sacramento Suburban Water District (SSWD) General Manager Dan York (SSWD GM York), Jeff Ott, Matt Underwood, and Heather Hernandez-Fort.

CWD Staff Present: Carmichael Water District (CWD) General Manager Cathy Lee (CWD GM Lee) and Debbie Martin.

Public Present: Legal Counsel Josh Horowitz, Ellen Cross, Carl Jones, Christine Kohn, Jose Henriquez, Jay Boatwright, Bruce Hartzell, Kevin Thomas, Cody Brown, and Carlton Fisk.

Public Comment

None.

Consent Items

1. **Draft Minutes of the August 9, 2023, Carmichael Water District/Sacramento Suburban Water District 2x2 Committee Meeting**

CWD Director Nelson moved to approve the Consent Item; SSWD Director Jones seconded. The motion passed by unanimous vote.

AYES:	Nelson, Jones, and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Emmerson.		

Items for Discussion and/or Action

2. **Communication Outreach Summary**

CWD GM Lee presented the staff report.

Discussion ensued over the outcome of the community engagement meetings that the General Managers attended.

The Committee agreed to have staff place the meeting summary on each district's website.

The Committee additionally agreed to place the Public Outreach and Engagement Summary Report to the CWD/SSWD Joint Board Meeting taking place on October 24, 2023, for approval.

Chair Locke requested staff bring the edits that he and Director Jones had to the Major Themes Document to SSWD's November Regular Board meeting.

3. **Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District**

SSWD GM York presented the staff report.

The Committee agreed to include the Draft Further Analysis Document at the CWD/SSWD Joint Board Meeting taking place on October 24, 2023, for approval.

The Committee agreed they did not need minor details included, just a broad overview.

CWD Director Nelson requested to include additional information into the Executive Summary section of the report.

Chair Locke noted that the Findings section of the report could include topics such as; water supply reliability, rates, the total amount of registered voters, a comparison of other districts in the local region, water quality, and the 5 key reasons why the study was being conducted in the first place.

CWD Director Nelson expressed concern over the concerned ratepayers that attended CWD’s Public Information Workshop, noting he wanted to make sure Directors had good talking points to help educate customers.

4. **Consolidation or Reorganization**

CWD GM Lee presented the staff report.

Discussion ensued over the difference between reorganization and consolidation, and the different requirements for each.

Jose Henriquez, Executive Officer of Sacramento LAFCo, clarified that if all 10 Directors unanimously voted for a consolidation, a special election would be only triggered if more than 25%, but less than 50%, of the entire proposal area’s registered voters or landowners (meaning, the population of both districts combined) protested. He explained that LAFCo sends out a protest form to the registered voters to provide their vote.

Chair Locke moved to recommend choosing to consolidate the two districts rather than reorganize to the CWD/SSWD Joint Board; CWD Director Nelson seconded. The motion passed by unanimous vote.

AYES:	Nelson, Jones, and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Emmerson.		

5. **Final Number of Board of Directors**

SSWD GM York presented the staff report.

Legal Counsel Josh Horowitz (Mr. Horowitz) clarified the process of how to reduce Board Members.

SSWD Director Jones expressed he would like to see the Board member size go from 11 Directors down to 5.

Chair Locke expressed he was interested in reducing to either 7 or 5 Directors, but was still unclear of the process on how to get there.

Discussion ensued over the process of reducing Director seats.

Mr. Horowitz expressed that he would need to clarify if there was a time frame for when division seat reductions would need to be completed by.

Pending Mr. Horowitz findings, the Committee agreed that their first choice would be to begin the new District with 11 seats, knowing that Director Jones would be willing to excuse himself from the Board, declaring the two seats as vacant. They would then reduce to 9 seats in 2026, 7 seats in 2028, and then ultimately 5 seats in 2030, making for a more gradual reduction.

The Committee also agreed, pending Mr. Horowitz findings, that their second choice, should there be a time frame for when division seat reductions would need to be completed, that they would begin the new District with 11 seats, knowing that Director Jones would be willing to excuse himself from the Board, declaring the two seats as vacant. Then reduce to 7 seats in 2026, and 5 seats in 2028.

GM York pointed out that there was also an option of creating an Advisory Committee to allow any Directors that did not get elected to one of the available seats an opportunity to stay engaged with the District at an advisory capacity.

The Committee agreed to include this option at the CWD/SSWD Joint Board Meeting taking place on October 24, 2023.

6. **LAFCo Application Process**

CWD GM Lee presented the staff report.

The Committee agreed to bring the draft Resolution to the October 24, 2023, CWD/SSWD Joint Board Meeting.

Christine Kohn (Ms. Kohn), with In Communications, recommended addressing the public's questions first by answering them through the Technical Analysis Report, then moving towards considering voting on a resolution. She wanted to be sure to allow enough time to inform the public of milestones and offer an opportunity for the public to provide comments. Ms. Kohn additionally recommended the Boards hold another Public Information Workshop at each agency to address the questions from the public, before voting on a resolution to consolidate.

The Committee agreed with Ms. Kohn's recommendation, and further agreed to hold two separate Public Information Workshops in the first week in December, if possible, to address the public's questions.

CWD Director Nelson pointed out that the draft resolution could still be presented at the CWD/SSWD Joint Board meeting on October 24th for both Boards to provide comments and edits, noting each respective Board could vote on their resolution at their own Board meetings once appropriate to do so.

Chair Locke proposed that each Board could have the draft resolution presented at their November regular Board meetings, and then potentially vote to approve the draft resolutions at their December regular Board meetings.

7. **Joint Board Meeting Agenda**

SSWD GM York presented the staff report.

The Committee agreed to have the following items on the Agenda for the October 24, 2023, CWD/SSWD Joint Board Meeting.

1. Public Outreach
2. Further Analysis Report

3. Consolidation versus Reorganization
4. County versus Irrigation District
5. Final Number of Board Members
6. LAFCo Resolution

SSWD GM York expressed staff would draft the Agenda and send it out to the Committee members for their approval.

Adjournment

Chair Locke adjourned the meeting at 4:34 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

DRAFT

Minutes

Sacramento Suburban Water District
Facilities and Operations Committee Meeting
October 19, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #896 6813 1860

Call to Order

Chair Locke called the meeting to order at 3:00 p.m.

Roll Call

Directors Present: Craig Locke and Dave Jones.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Dana Dean, Tommy Moulton, Mitchell McCarthy, and Jeff Ott.

Public Present: Jay Boatwright and Kevin Thomas.

Public Comment

None.

Consent Items

1. **Draft Minutes of the April 27, 2021, Facilities and Operations Committee Meeting**
2. **Draft Minutes of the March 1, 2023, Facilities and Operations Committee Meeting**

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

AYES:	Locke and Jones.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

3. **Interest in Purchasing Kirby's Pump & Mechanical, Inc.**
Assistant General Manager Matt Underwood (AGM Underwood) presented the staff report and answered clarifying questions.

Director Jones expressed concern over potential flaws, and requested staff look further into Kirby's financial status, credit rating, union status, and requested to bring more information back to the Committee.

Chair Locke expressed he was overall supportive of the staff recommendation, noting Kirby's has already done great work for the District. He suggested contracting them out if the District ever got to a point where they didn't have enough projects to keep them busy. He additionally inquired how Kirby's would fit within the organization, who they would report to, what their employment agreement would be, and requested additional details on those topics.

AGM Underwood expressed staff was requesting Board authorization to engage a consultant to conduct a valuation to assist with placing a value on the purchase of Kirby's, and additionally expressed that staff has already been working on several of the questions the Committee had.

The Committee agreed that it was a great concept, but that they would like some additional detailed information. They also expressed they would like to continue to assess Kirby's progress over time.

General Manager Dan York expressed staff would bring additional information back to the Committee and keep the Board apprised of Kirby's progress.

Adjournment

Chair Locke adjourned the meeting at 3:43 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Minutes

Carmichael Water District/Sacramento Suburban Water District Joint Board Meeting

Tuesday, October 24, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #881 6457 4075

Call to Order – Videoconference/Audioconference Meeting

Sacramento Suburban Water District (SSWD) Board President Jay Boatwright (Chair Boatwright) called the meeting to order at 6:00 p.m.

Carmichael Water District (CWD) Board President Ron Davis (CWD Director Davis) called the meeting to order at 6:01 p.m.

Roll Call

SSWD Directors

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

SSWD Directors

Absent: None.

CWD Directors

Present: Ron Davis, Mark Emmerson, Ron Greenwood, Jeff Nelson, and Paul Selsky.

CWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York (SSWD GM York), Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Abel Ramirez, and Jeff Ott.

CWD Staff Present: General Manager Cathy Lee (CWD GM Lee) and Debbie Martin.

Public Present: Legal Counsel Josh Horowitz, William Eubanks, Ellen Cross, Jennifer Persike, Claudia Richardson, Jennifer Harris, Cody Brown, Jose Henriquez, Carl Jones, Bruce Hartzel, Laurie Bolland, Keith Coolidge, and John Wallace.

Announcements

None.

Public Comment

None.

Consent Items

1. Draft Minutes of the April 10, 2023, Carmichael Water District and Sacramento Suburban Water District Joint Board Meeting

SSWD Director Thomas moved to approve the Consent Item; CWD Director Greenwood seconded. The motion passed by unanimous vote.

SSWD Vote 5/0:

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

CWD Vote 5/0:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

2. Public Outreach

CWD GM Lee presented the staff report.

CWD Director Greenwood inquired if there was a meeting with Supervisor Desmond and asked if the Carmichael Chamber of Commerce was included in the stakeholder outreach.

CWD GM Lee expressed she would double check and reach out to the Carmichael Chamber of Commerce if not, as well as add the meeting that took place with Supervisor Desmond.

John Wallace pointed out that not all CWD customers at their public information workshop provided positive responses to the combination discussion.

SSWD GM York stated that the information provided in the report was directed towards meetings that occurred as well as the outreach materials, not the public information workshops.

SSWD Director Wichert inquired if the Boards felt confident in the credibility of the consultant Raftelis, and if so, he felt they should be acknowledged in the report.

SSWD Director Locke pointed out that Raftelis has performed several different studies with SSWD, including the Regional Collaboration Study, and they were pleased with their work.

CWD Director Emmerson pointed out that the Boards each accepted the Raftelis report, therefore, he felt the Boards were confident in Raftelis credibility.

SSWD Director Wichert requested staff ensure that there is something in the report stating that the Boards believe that the consultant did a good job and that they approved it.

SSWD GM York expressed he believed there was already something similar, but he would double check.

SSWD Chair Boatwright inquired if the report was intended to continue to answer all of the questions.

Bruce Hartzel with In Communications answered that the intent was to answer everything so that the public felt confident in the process, noting there was a revised FAQ that would continue to be updated.

CWD Director Nelson pointed out he would like to see the questions added to the FAQ.

Jennifer Harris (Ms. Harris) encouraged the Boards to utilize social media more with outreach efforts regarding the combination discussions.

SSWD Director Wichert moved to approve the staff recommendation including the additions discussed; CWD Director Greenwood seconded. The motion passed by unanimous vote.

SSWD Vote 5/0:

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

CWD Vote 5/0:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

3. Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District

SSWD GM York presented the staff report.

CWD Director Nelson commended staff for their great effort, noting he felt the report addressed all of the questions they had. He added it was quite comprehensive, noting he felt there were positive net results from a potential combination of the two districts.

SSWD Director Locke expressed there were economies of scale, water supply reliability increases, and noted he was most surprised by how similar the rates and debt were between the two districts, noting it was a fairly comparable rate structure. He pointed out that the larger the organization, the more efficient both agencies could be.

CWD Director Emmerson pointed out that the two agencies have been studying this potential combination for the last few years and noted he was still unsure of his decision on what to support. He stated that he appreciated the process and the information that has been gathered, and expressed he was most interested in starting at the lower levels first and that governance should be the last topic to address. He expressed his disappointment that the two agencies have not already started working on collaborative efforts and combining of projects to show economies of scale in action. He noted he was very pleased with the progress that has been made so far though, and commended staff for their efforts, expressed he was enthusiastic, and want to continue going forward.

SSWD Director Jones pointed out that there was good potential for water reliability for the future of the ratepayers of both districts.

CWD Director Nelson pointed out that the two different types of water resources from both agencies complement each other.

CWD Director Davis pointed out that approving the staff recommendation was not approving a consolidation, but rather using the report as a guiding tool.

CWD Director Nelson recognized that a lot of questions were answered in the report.

SSWD Director Locke stated that he felt the report was complete, but expressed if any other Directors felt like something was missing, they could request to include it.

SSWD GM York noted there were a few minor formatting edits staff still needed to make to the report before it was final.

CWD Director Emmerson requested for a staff survey to be conducted on topics such as what staff expected, what their concerns are, and how, if at all, they would like to see a combination happen.

Both Boards agreed to have staff work with the consultants to conduct an anonymous staff survey.

Ms. Harris reminded the Board to consider the apartment tenants in combination outreach efforts.

SSWD Director Locke moved to approve the Draft Further Analysis of Combining Carmichael Water District and Sacramento Suburban Water District as final; CWD Director Nelson seconded.

CWD Director Selsky requested clarification on the recommendation section of the report, inquiring if accepting the report meant approving the recommendations in the report.

CWD GM Lee expressed she would add a clarifying statement to that section of the report expressing that they are just the recommendations from the 2x2 Committee.

SSWD Director Locke agreed to add that amendment to his motion.

The motion passed by unanimous vote.

SSWD Vote 5/0:

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

CWD Vote 5/0:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

4. Consolidation Versus Reorganization

CWD GM Lee presented the staff report.

Jose Henriquez (Mr. Henriquez) Executive Officer for Sacramento LAFCo, provided a summary of the difference between consolidation and reorganization, noting that either option allows the adoption of a new district name. He additionally provided a summary of the LAFCo process and answered several clarifying questions.

SSWD Director Wichert noted he was in favor of a consolidation rather than a reorganization, as he didn't want the impression to be as if one district was taking over the other.

SSWD Director Locke moved to approve the option of a consolidation of the two Districts rather than a reorganization if a decision is made to combine the two districts, CWD Director Emmerson seconded. The motion passed by the following vote:

SSWD Vote 4/1:

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

CWD Vote 4/0/1:

AYES:	Emmerson, Greenwood, Nelson, and Selsky	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Davis.		

CWD Director Davis noted that after hearing the presentation from Mr. Henriquez, he had a change in his position as he said he was just not ready to take a position.

Chair Boatwright expressed he felt a reorganization required less steps, was less costly, and still allowed the option of a name change and was more in favor of that option.

5. Final Number of Board Members

SSWD GM York presented the staff report.

Legal Counsel Josh Horowitz (Mr. Horowitz) clarified that the statute stated that there are two cycles allowed to get to the ultimate number of Director seats.

Discussion ensued over clarifying the options available.

SSWD Director Wichert supported going to 7 Directors as it allowed an opportunity for CWD to have more seats, and further supported the idea of going to the selected number of Director seats as soon as possible in order to avoid multiple elections.

CWD Director Greenwood echoed SSWD Director Wichert's comment, noting he was in support of 7 Director seats.

SSWD Director Jones expressed he was in favor of 5 Director seats as he felt 7 was too many.

CWD Director Selsky expressed that CWD customers have expressed concerns over the loss of local control, and further expressed he was in support of either 9 or 7 Director seats. He added that the future Boards can decide to decrease the number of Director seats.

Ms. Harris inquired how Directors connected with their constituents.

CWD Director Greenwood expressed he has gone door-to-door in the past, and is in favor of having more Director seats.

Mr. Henriquez and Mr. Horowitz jointly explained the process of going from the current number of Director seats to a reduced number.

SSWD Director Locke pointed out that it is challenging to get the current 10 Directors schedules to align, noting that those challenges would continue if the Boards decided to select 9 Director seats, expressing he would be ok with 7, but that he really preferred 5.

SSWD Director Locke moved to start the consolidated district with a 9-member Board, with SSWD Director Jones stating he would resign from his position.

Discussion ensued over the process for SSWD Director Jones resigning.

The motion died for lack of a second.

SSWD Director Wichert moved for a 7-member Board as the final number, unless a future Board changes it later, the new District would start with the current 10 Director seats, plus the new vacancy to make it an odd number. He further moved that the 10-member Board preside over the redistricting, and then at the next election, the Director seats are reduced to 7 Director seats with staggered terms; CWD Director Greenwood seconded.

SSWD Chair Boatwright added that the Boards should request for an outside consultant to do the redistricting.

The motion passed by the following vote:

SSWD Vote 4/1:

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

CWD Vote 5/0:

AYES:	Davis, Emmerson, Greenwood, Nelson, and Selsky.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

6. LAFCo Application Process

CWD GM Lee presented the staff report.

Mr. Henriquez provided an explanation of the LAFCo process and how to submit resolutions.

CWD GM Lee recommended different options for the Boards to review and consider approving the resolutions.

SSWD Director Wichert pointed out the section on employee benefits and encouraged the Boards to consider putting a limit on the benefits.

Mr. Horowitz expressed that if the Boards want to be clear about that issue, it would be best to state a term for which it would apply, additionally pointing out that certain benefits might be vested.

SSWD Director Locke pointed out that he was not in favor of reducing benefits, but rather looking to equalize them.

SSWD GM York suggested having legal counsel as well as Mr. Henriquez review the draft resolutions and provide them at the CWD and SSWD regular Board meetings in November and December. He pointed out that it would be best not to approve any resolutions until there was an opportunity for additional Public Information Workshops to take place to allow the public to provide input.

SSWD Director Locke recommended to get the application thresholds met first, then go into the details of the resolutions regarding benefits and such.

The Boards agreed to have legal counsel as well as Mr. Henriquez review the draft resolutions and provide them at the CWD and SSWD regular Board meetings in November and December, and at that time decide if the Boards would like to have another public information workshop.

7. Powers of Authority

SSWD GM York presented the staff report.

CWD Director Davis noted he felt the value of a Municipal Water District was more advantageous.

SSWD Director Locke pointed out that he felt the County structure would be an easier process.

Mr. Horowitz clarified that the two districts should focus on one of the existing enabling acts, noting if they wanted to change to a different type of formation, it would require the districts do a study and a business case to present to LAFCo for approval. He further explained that to minimize cost it would make sense to stick with a County formation, given the flexibility it offers.

Mr. Henriques confirmed what Mr. Horowitz stated, further explaining that if the two districts wished to change the structure from what either district currently is, there would need to be a business case for why the new structure would be beneficial for the district. He additionally recommended for the districts to select the formation that they needed to operate.

SSWD Director Thomas moved to approve the staff recommendation, CWD Director Emmerson seconded.

CWD Director Greenwood expressed that an Irrigation District best describes what CWD does on a day-to-day basis.

The motion passed by the following vote:

SSWD Vote 5/0:

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

CWD Vote 3/2:

AYES:	Emmerson, Nelson, and Selsky.	ABSTAINED:	
NOES:	Davis and Greenwood.	RECUSED:	
ABSENT:			

Adjournment

Chair Boatwright adjourned the meeting at 8:23 p.m.

Adjournment

CWD Director Davis expressed his appreciation for staff and Board for their efforts in the meeting.

CWD Director Davis adjourned the meeting at 8:25 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

Minutes

**Sacramento Suburban Water District
Water Banking Committee Meeting
Monday, October 30, 2023**

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #897 2248 3591

Call to Order – Videoconference/Audioconference Meeting

Chair Thomas called the meeting to order at 3:01 p.m.

Roll Call

Directors Present: Kevin Thomas and Robert Wichert.

Directors Absent: None.

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

Public Present: Trevor Joseph, Jay Boatwright, Paul Helliker, Greg Zlotnick, Dave Jones, and Craig Locke.

Announcements

None.

Public Comment

None.

Consent Items

- 1. **Draft Minutes of the February 17, 2021, Ad Hoc Water Banking and Transfer Committee Meeting**

The committee approved the minutes of the February 17, 2023, meeting.

AYES:	Thomas and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

- 2. **Sacramento Regional Water Bank**

Assistant General Manager Matt Underwood summarized the staff report and introduced Trevor Joseph (Mr. Joseph), Manager of Technical Services with the Regional Water Authority, who presented the Power Point Presentation and answered clarifying questions.

Director Wichert asked several clarifying questions and requested to see the Water Accounting Framework document.

Mr. Joseph expressed he would send him the document.

Director Wichert requested to see a complete schedule and budget.

Mr. Joseph expressed he could send him the schedule and budget as well.

Director Wichert requested to have a presentation at the November regular Board meeting.

Adjournment

Chair Thomas adjourned the meeting at 4:36 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

Minutes

Sacramento Suburban Water District
Audit Committee Meeting
Wednesday, November 1, 2023

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #898 3381 0328

Call to Order – Videoconference/Audioconference Meeting

Director Boatwright called the meeting to order at 4:00 p.m.

Roll Call

Directors Present: Jay Boatwright and Craig Locke (arrived at the meeting at 4:09 p.m.)

Directors Absent: None.

Staff Present: General Manager Dan York, Heather Hernandez-Fort, Lynn Pham, and Jeff Ott.

Public Present: David Alvey.

Announcements

Director Boatwright announced that Director Locke was running late and that he would attend the meeting shortly.

Public Comment

None.

Consent Items

1. Draft Minutes of the April 19, 2023, Audit Committee Meeting

Director Boatwright approved the Draft Minutes of the April 19, 2023, meeting.

AYES:	Boatwright.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:	Locke.		

Items for Discussion and/or Action

2. 2023 Audit Engagement Letter and Task Order 4

Director Boatwright announced that he wanted to postpone the presentation on Item 2 until Director Locke joined the meeting.

Chair Locke joined the meeting at 4:09 p.m.

Jeff Ott (Mr. Ott) presented the staff report and introduced David Alvey (Mr. Alvey), with Maze & Associates, the District’s contracted auditor, who presented the Engagement Letter and Task Order 4.

The Committee agreed to continue with the extended audit procedures, as they felt it was a valuable additional layer of transparency.

Director Boatwright moved to provide the staff recommendation, Chair Locke seconded. The motion passed by unanimous vote.

AYES:	Boatwright and Locke.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Adjournment

Director Boatwright adjourned the meeting at 4:23 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 28

Date: November 20, 2023

Subject: Report from Closed Session

Staff Contact: Dan York, General Manager

This is a placeholder in the event there is a report back from Closed Session.