

Amended Agenda
Sacramento Suburban Water District
Regular Board Meeting

3701 Marconi Avenue
Sacramento, California 95821

Monday, August 19, 2024
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/86264861637?pwd=gCWcNfDAAacyHJRhvHizQ333DPcfkC.1>

Meeting ID: 862 6486 1637

Password: 966854

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 July 15, 2024, Regular Board Meeting
Recommendation: Approve the Draft Minutes of the July 15, 2024, Regular Board Meeting.
2. Draft Minutes of the July 29, 2024, Special Board Meeting – Strategic Plan Workshop
Recommendation: Approve the Draft Minutes of the July 29, 2024, Special Board Meeting – Strategic Plan Workshop
3. Treasurer's Report
Recommendation: Approve the items in the report as recommended.
4. August 2024 Legislation Update
Recommendation: Approve staff's recommendations regarding the legislative bills.
5. Policy Review – Environmental Sustainability Policy (PL – Adm 005)
Recommendation: Ratify Environmental Sustainability Policy (PL – Adm 005) without changes.
6. Policy Review – Budget Policy (PL – Fin 012)
Recommendation: Ratify Budget Policy (PL – Fin 012) without changes.

7. Policy Review – Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL – HR 012)
Recommendation: Approve the Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL – HR 012) with changes.
8. Resolution No. 24-09 Amending Reserve Policy (PL – Fin 004)
Recommendation: Adopt Resolution No. 24-09 and approve the amended Reserve Policy – PL-Fin 004.

Items for Discussion and/or Action

9. Urban Water Use Objective Update
Recommendation: Receive report regarding the State Water Resources Control Board’s urban water use objective regulations as required by Senate Bill 606 and Assembly Bill 1668.
10. 2024 Mid-Year Budget Update
Recommendation: No action. Review staff report on the first-half financial results of the Calendar Year 2024 Budget.
11. Calendar Year 2025 Budget Assumptions
Recommendation: Approve 2025 Budget Assumptions as a reasonable starting point in preparing the Calendar Year 2025 Budget.
- 11.5 Committee and Liaison Appointments – Board Consideration of a Production Capacity Ad Hoc Committee
Recommendation: Consider a Production Capacity Ad Hoc Committee and appoint committee members.

General Manager’s Report

12. General Manager’s Report
 - a. SSWD Facilities Consolidation

Department/Staff Reports

13. Groundwater Well Status Report
14. Engineering Report
 - a. Major Capital Improvement Program Projects
 - b. Planning Documents
 - c. Other Projects

15. Financial Report
 - a. Financial Highlights
 - b. Financial Statements
 - c. Budgets
16. District Activity Report

Information Items

17. Sacramento Regional Water Bank Update
18. Upcoming Water Industry Meetings/Conferences
19. Upcoming Policy Review
 - a. Public Works Contracting Policy (PI – Eng 002)

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

20. a. Regional Water Authority (Director Wichert)
None.
- b. Sacramento Groundwater Authority (Director Boatwright)
Agenda from the August 8, 2024, meeting.
- c. Director Reports – AB 1234

Joint Board Meeting Items

21. a. Sacramento Suburban Water District and San Juan Water District Joint Special Board Meeting
Agenda from the July 31, 2024, meeting.
- b. Sacramento Suburban Water District/Del Paso Manor Water District Joint Special Board Meeting
Draft Minutes from the July 30, 2024, meetings.

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.

Adjournment

Upcoming Meetings

Wednesday, September 11, 2024, at 6:00 p.m., SSWD/DPMWD Joint Special Board Meeting

Monday, September 16, 2024, at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the August 19, 2024, meeting of the Sacramento Suburban Water District Board of Directors was posted by August 9, 2024, 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: August 19, 2024

Subject: Draft Minutes of the July 15, 2024, Regular Board Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the Draft Minutes of the July 15, 2024, Regular Board Meeting.

Attachment:

1 – Draft Minutes of the July 15, 2024, Regular Board Meeting.

Minutes

Sacramento Suburban Water District

Regular Board Meeting

July 15, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #812 6180 4509

Call to Order

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

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Hector Segoviano, Mitchell McCarthy, Jeff Ott, Dana Dean, and Julie Nemitz.

Public Present: Kamal Razavi, Roger Krier, Sheri Weigt, Lindsey Smith, Brooklinn Fryer, Kyler Rayden, Greg Zlotnick, Jennifer Harris, Brett Ewart, Tony Firenzi, Mark Hildenbrand, and Christine Kohn.

Announcements

None.

Public Comment

None.

Consent Items

1. **Draft Minutes of the June 17, 2024, Regular Board Meeting**
2. **Draft Minutes of the June 24, 2024, Special Board Workshop – Rate Study**
3. **Treasurer’s Report**
4. **Policy Review – Employee Standards of Conduct and Discipline Policy (PL – HR 011)**

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

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

Public Hearing

5. Public Hearing on the Report of Delinquent Water Charges as of June 1, 2024

President Thomas opened the Public Hearing.

General Manager Dan York (GM York) provided a summary of the need for the Public Hearing and summarized the procedures of the Public Hearing.

President Thomas opened the public protest section of the Public Hearing.

Kamal Razavi protested and explained his situation.

Director Wichert expressed due to the circumstances, staff would look into his situation and if warranted, his property would be removed from the list.

Roger Krier protested and explained his situation.

Director Wichert expressed staff would look into his situation and if warranted, his property would be removed from the list.

Sheri Weigt protested and explained her situation.

Director Wichert expressed staff would look into her situation and if warranted, her property would be removed from the list.

President Thomas closed the Public Hearing.

Jeff Ott (Mr. Ott) expressed that he tabulated all of the valid protests received and determined that a total of 3 valid protests were filed. A total of 50% plus 1 protests must be filed to constitute a valid protest vote. Because the number of protests received was less than the 50% plus 1 required of the total of listed accounts, the protest failed.

Items for Discussion and/or Action

6. Resolution No. 24-06 – A Resolution of the Board of Directors of the Sacramento Suburban Water District Authorizing Collection and Requesting Inclusion of Delinquent Rates, Charges, Interest and Penalties for Water Service on the Sacramento County Tax Roll for the 2024-2025 Fiscal Year

Julie Nemitz (Ms. Nemitz) presented the staff report.

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

Legal Counsel Josh Horowitz pointed out to the Board that it would be appropriate to amend the motion to include allowing staff to work with any protesters to either validate or deny their claims, which would either remove or keep them on the Delinquent Rates, Charges, Interest and Penalties list.

Director Locke agreed to the amendment, Director Wichert agreed as well.

The motion passed by unanimous vote.

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

7. **Water Forum 2.0 Update**

SSWD GM York presented the staff report and introduced Jessica Law, Executive Director with the Water Forum, who presented the PowerPoint presentation, and answered clarifying questions.

8. **RiverArc Project Update**

Assistant General Manager Matt Underwood (AGM Underwood) presented the staff report, PowerPoint presentation, and answered clarifying questions.

Lindsey Smith, with West Yost, answered additional clarifying questions.

Jennifer Harris inquired how the Sites Reservoir impacted this effort and expressed she was generally not in favor of Joint Powers Associations as she felt they were not efficient.

Tony Firenzi provided additional information on the RiverArc Project from PCWA’s perspective.

The Board agreed not to bring this item back at this time, but to keep the Board apprised of future potential to participate.

9. **2024 Comprehensive Water Rate Study – Final Draft**

Mr. Ott presented the staff report and introduced Mark Hildebrand (Mr. Hildebrand) with Hildebrand Consulting, LLC, who presented the PowerPoint presentation, and answered several clarifying questions.

Director Wichert pointed out that the presentation included two additional staff positions and he felt the Board should not be moving ahead without justification for those positions. He recommended the Rate Study be redone with the two positions not included. Additionally, Director Wichert requested staff look into options for the

Butterball main replacement project and recommended staff provide additional possibilities for efficiencies and improvements.

Director Boatwright expressed he felt Director Wichert had valid concerns and that there would still be time to review those concerns.

Director Locke pointed out that staff was setting the maximum limit of what they felt they could do, noting that it was not solidified yet, and additionally pointed out how much project costs have increased and was doubting that the proposed rate increases were enough.

Mr. Ott clarified that the presentation did not include two specific additional staff positions, but rather it was an estimated increase in labor, and benefit costs associated with potential increases in authorized headcount in addition to increases for merit and COLA for existing authorized positions.

Director Locke inquired what the impact to the rates would be for the increase in operations, labor, and benefits.

Mr. Hildenbrand expressed it would be an increase of a tenth of a percent each year over the 5 years, or a one-time half of a percent, noting that the Board could implement the increase all at once, or however they decided.

Director Wichert expressed he would be in favor of implementing it all at once in the first year.

AGM Underwood provided a summary of the Butterball project, noting it was a phased project and that staff was taking the most conservative approach.

Mr. Hildenbrand continued with the PowerPoint presentation and answered clarifying questions.

Director Wichert moved to approve Item 3 in the Recommended Board Action, to accept the 2024 Capacity Fee study report outlined in the 2024 Comprehensive Water Rate Study report as the basis for approving Resolution No. 24-07 – A Resolution of the Board of Directors of the Sacramento Suburban Water District Amending Regulation No. 7 of the Regulations Governing Water Service. Director Jones seconded.

The motion passed by unanimous vote.

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

Discussion ensued on Items 1 and 2 of the Recommended Board Action, pointing out how much inflation has risen.

GM York expressed that staff would conduct an assessment on the Butterball project, noting that slip lining the pipe will reduce the fire flow, and staff is not in favor of that.

Director Locke moved to approve Item 1 in the Recommended Board Action, to accept the attached 2024 Comprehensive Water Rate Study report as the basis for the proposed water rate changes for the years 2025 to 2029 to be discussed at a Public Hearing scheduled for October 14, 2024. Director Jones seconded.

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

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

Director Locke moved to approve Item 2 in the Recommended Board Action, to accept the proposed Water Shortage Surcharge policy outlined in the 2024 Comprehensive Water Rate Study report to be discussed at the Public Hearing scheduled for October 14, 2024. President Thomas seconded.

The motion passed by unanimous vote.

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

10. Resolution No. 24-07 Amending Regulation No. 7 of the Regulations Governing Water Service

Mr. Ott presented the staff report.

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

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

11. Resolution No. 24-08 A Resolution of the Board of Directors of the Sacramento Suburban Water District Declaring Certain Real Estate Exempt Surplus Land and Authorizing Its Sale

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

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

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

12. **Distribution Main Asset Management Plan – Status Update**
 Mitchell McCarthy presented the staff report and answered clarifying questions.

General Manager’s Report

13. **General Manager’s Report**
 GM York presented the staff report and answered clarifying questions.
- a. *Grant of Easement and Right of Way at 3936 Dudley Boulevard*
 GM York presented the staff report.
 - b. *American Water Works Association - Top Ops Competition*
 GM York presented the staff report.

Department/Staff Reports

14. **Groundwater Well Status Report**
 Mr. Dean presented the staff report and answered clarifying questions.
- Director Wichert requested staff provide the Board with the targeted goal on the Capacity vs. Demand by Service Area schedule. AGM Underwood stated that the current goal was a minimum of 70% of Active wells on-line.

15. **Engineering Report**
 Mr. Dean presented the staff report.
- Director Wichert requested staff place a marker at the current position on the Progressive Desing-Build Projects Milestone schedule.
- 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.

16. **Financial Report**

Mr. Ott presented the staff report.

a. *Financial Highlights*

A written report was provided.

b. *Financial Statements*

A written report was provided.

c. *Budgets*

A written report was provided.

17. **District Activity Report**

Hector Segoviano presented the staff report.

Information Items

18. **Urban Water Use Objective Update**

Ms. Nemitz presented the staff report.

19. **Annual Water Supply and Demand Assessment**

Ms. Nemitz presented the staff report.

20. **Upcoming Water Industry Meetings/Conferences**

A written report was provided.

21. **Upcoming Policy Review**

A written report was provided.

a. *Environmental Sustainability Policy (PL - Adm 005)*

b. *Budget Policy (PL – Fin 012)*

c. *Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL – HR 012)*

d. *Reserve Policy (PL – Fin 004)*

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

22. a. Regional Water Authority (Director Wichert)

The Agenda for the July 11, 2024, Regular Board Meeting was provided.

b. Sacramento Groundwater Authority (Director Boatwright)

None.

c. Director Reports – AB 1234

Director Jones provided an oral report of the meeting he had with the General Manager on June 14, 2024; and the RWA Water Efficiency Program meeting he attended on June 18, 2024.

President Thomas provided an oral report of the DPMWD Board meeting he attended on June 4, 2024; the Protecting Water from Cyber Threats meeting he attended on June 6, 2024; the Meeting he had with the General Manager on June 14, 2024; the EPA Webinar he attended on June 27, 2024; and the meeting he had with Director Locke on June 30, 2024.

Joint Board Meeting Items

- 23. a. Sacramento Suburban Water District/San Juan Water District Joint Special Board Meeting
The Agenda from the June 25, 2024, meeting was provided.
- b. Sacramento Suburban Water District/Del Paso Manor Water District Joint Special Board Meeting
The Agenda from the July 10, 2024, meeting was provided.

Director’s Comments/Staff Statements and Requests

None.

Adjournment

President Thomas adjourned the meeting at 8:43 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 2

Date: August 19, 2024

Subject: Draft Minutes of the July 29, 2024, Special Board Meeting – Strategic Plan Workshop

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the Draft Minutes of the July 29, 2024, Special Board Meeting – Strategic Plan Workshop.

Attachment:

1 – Draft Minutes of the July 29, 2024, Special Board Meeting – Strategic Plan Workshop

Minutes

Sacramento Suburban Water District
Special Board Meeting – Strategic Plan Workshop
Monday, July 29, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting Id #823 6031 8629

Call to Order

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

Roll Call

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

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Heather Hernandez-Fort, Jeff Ott, Mike Simi, Dana Dean, Greg Bundesen, Julie Nemitz, Susan Schinnerer, and the Safety/Risk Officer.

Public Present: Ted Costa and Paul Helliker.

Announcements

None.

Public Comment

None.

Items for Discussion and/or Action

1. **Strategic Plan Status Update**

General Manager Dan York (GM York) introduced the staff report and began presenting the PowerPoint Presentation.

Assistant General Manager Matt Underwood, Dana Dean, Julie Nemitz, Jeff Ott, Greg Bundesen (Mr. Bundesen), Susan Schinnerer, and the Safety/Risk Officer collectively presented the PowerPoint presentation and answered clarifying questions.

Director Wichert suggested staff have a forensic analysis conducted on the PVC pipe that has been failing.

Director Wichert expressed his displeasure with the requirement of a California contractor license in order to be reimbursed for the labor portion of the leak rebate program.

Mr. Bundesen expressed that it was his understanding by the recommendation from legal counsel that, in an effort to protect the District from any possible liability issues, any rebate reimbursements that include labor shall only be provided for labor charged by contractors that have a California contractor's license.

GM York explained that staff will look into what options were available.

Director Wichert commented that there are Toastmasters programs available for staff to participate in.

Director Wichert expressed his appreciation for staff's efforts with the presentation, noting that he was very appreciative of the "Opportunities for Efficiencies" sections in the presentation.

President Thomas expressed he was not sure there were many changes needed for any future Strategic Plan updates, as he felt it was a great presentation. He additionally thanked staff for the hard work.

GM York thanked the Board for allowing the presentation and thanked staff for the presentation.

Director's Locke and Boatwright echoed President Thomas and Director Boatwright's comments, noting that staff truly lead by example.

Adjournment

President Thomas adjourned the meeting at 7:35 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 3

Date: August 19, 2024

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 Sacramento Suburban Water District (SSWD) Warrant Register as submitted for the period July 1, 2024, through July 31, 2024.
2. Accept the credit card expenditures listing for the period July 1, 2024, through July 31, 2024.
3. Ratify the Investment Activity register for the period July 1, 2024, through July 31, 2024.
4. Ratify the Quarterly Directors Compensation and Expense Register for the 2nd Quarter of 2024.

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:

Four (4) registers are included for Board review and acceptance or ratification:

- Cash Expenditures (AP Warrants) Register – July 2024
- Credit Card Expenditures Register – July 2024
- Investment Activity Register – July 2024
- Directors Compensation and Expense Register – 2nd Quarter 2024

Cash Expenditures (AP Warrants) Register– July 2024

During the month of July 2024, the District made cash payments totaling \$5.6 million. The primary expenditures were \$1.5 million for capital improvement projects, \$1.3 million for water costs, \$0.7 million for payroll, \$1.3 million for pension and health benefits, \$0.2 million for engineering, construction, contract & financial services, \$0.3 million for SGA & RWA annual membership, and \$0.3 million for all other O&M expenses. Per District Policy PL – Fin 014, the District Treasurer confirms that the cash expenditures contained in this register conform to the approved 2024 Annual Budget. The Cash Expenditures (AP Warrants) Register is included as Attachment 1.

Credit Card Expenditures Register – July 2024

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 \$15,756 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 – July 2024

During the month of July 2024, the District purchased one US Treasury Note for \$0.6 million (par), Bank Note for 0.4 million (par), and one Asset-Backed Security Obligation for \$0.2 million (par). The District received principal pay downs on twelve Asset-Backed Security Obligations for \$0.1 million (par) and four Federal Agency Commercial Mortgages-Back Securities for \$1,751 (par). One Corporate Note matured at \$0.4 million (par), and one Asset-Backed Security Obligation matured at \$0.4 million (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.

Directors Compensation and Expense Register – 2nd Quarter 2024 and YTD

Director meetings attended for the 1st quarter of 2024 (that Directors have reported to staff and have been compensated for attending) and expense reimbursements are attached in accordance with the District's Directors' Compensation and Expense Reimbursement Policy (PL – BOD 003) and Government Code Section 53065.5. Directors who have not reported their meeting attendance to District staff are not included in this report and are expected to make an oral report at the Board

meeting. Director's Compensation and Expense Register is included with this report as Attachment 4.

Attachments:

1. Cash Expenditures (AP Warrants) Register – July 2024
2. Credit Card Expenditures Register – July 2024
3. Investment Activity Register – July 2024
4. Directors Compensation and Expense Register – 2nd Quarter 2024

**Cash Expenditures
JULY 2024**

AP Warrant List From: 7/1/2024 To: 7/31/2024

VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
A1 FABRICATION & WELDING	86310	7/10/2024	\$625.00	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$625.00		
ACS CONSTRUCTION	000008819	7/10/2024	\$410.00	Maintenance	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$410.00		
ACWA JPIA INSURANCE AUTHORITY	86337	7/18/2024	\$28,613.26	District General	ACCRUED WORKERS' COMPENSATION INSURANCE
		TOTAL	\$28,613.26		
ADP, INC	ACHS&CHECKS	7/12/2024	\$637,376.45	District General	PAYROLL
		TOTAL	\$637,376.45		
	ACH0086883	7/26/2024	\$1,968.50	Finance	FINANCIAL SERVICES
		TOTAL	\$1,968.50		
	ACH0086884	7/26/2024	\$417.60	Finance	FINANCIAL SERVICES
		TOTAL	\$417.60		
AFLAC	86432	7/24/2024	\$601.27	District General	ACCRUED SUPPLEMENT INSURANCE - AFLAC
		TOTAL	\$601.27		
AIRGAS USA LLC	000008845	7/24/2024	\$51.64	Maintenance	OPERATING SUPPLIES
		TOTAL	\$51.64		
ALL PRO BACKFLOW	000008814	7/10/2024	\$4,653.00		BACKFLOW SERVICES
		TOTAL	\$4,653.00		
ALLIED UNIVERSAL	86330	7/10/2024	\$44.42	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$44.42		
	86455	7/24/2024	\$922.79	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$922.79		
AMAZON BUSINESS	000008803	7/3/2024	\$445.66	Production	OPERATING SUPPLIES
		TOTAL	\$445.66		
	000008817	7/10/2024	\$72.26	Finance	OFFICE SUPPLIES
			\$37.70	Maintenance	OPERATING SUPPLIES
		TOTAL	\$109.96		
	000008846	7/24/2024	\$60.26	Maintenance	OFFICE SUPPLIES
			\$137.93	Field Ops	OPERATING SUPPLIES
		TOTAL	\$198.19		
AMERICAN RIVER PARKWAY FOUNDATION	86436	7/24/2024	\$1,000.00	Comm Outreach	COMM OUTREACH - PUBLIC RELATIONS
		TOTAL	\$1,000.00		
AMERITAS (VISION)	86343	7/18/2024	\$2,249.40		EMPLOYEE BENEFITS - VISION INSURANCE
		TOTAL	\$2,249.40		
ANSWERNET	000008799	7/3/2024	\$721.00	Distribution	DISTRIBUTION - COMMUNICATION
		TOTAL	\$721.00		
AT&T	86291	7/3/2024	\$6,149.49	IT	IT - COMMUNICATION
		TOTAL	\$6,149.49		
	86351	7/18/2024	\$301.00	IT	IT - COMMUNICATION
		TOTAL	\$301.00		
	86453	7/24/2024	\$4,822.80	IT	IT - COMMUNICATION
		TOTAL	\$4,822.80		
ATLAS DISPOSAL	86295	7/10/2024	\$386.72	Maintenance	MAINT. - BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$386.72		
ATLAS FENCE	86314	7/10/2024	\$5,150.00	District General	PROJECT: WELL SITE FENCE/GATE REPAIR
		TOTAL	\$5,150.00		
AUBURN CONSTRUCTORS	86293	7/10/2024	\$425,908.17	District General	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$425,908.17		
	86294	7/10/2024	\$190,672.14	District General	PROJECT: WELL 84 ANTELOPE/DON JULIO
		TOTAL	\$190,672.14		
	86336	7/18/2024	\$9,500.00	District General	PROJECT: WELL 41 - PUMP STATION IMPROVE
		TOTAL	\$9,500.00		
AUTOMATION DIRECT	86288	7/3/2024	\$699.30	District General	PROJECT: 2023 SCADA NETWORK IMPROVEMENT
		TOTAL	\$699.30		
BADGER METER INC	000008804	7/10/2024	\$823.22	District General	PROJECT: 6105-6125 VERNER AVE2200031030
		TOTAL	\$823.22		
BARTKIEWICZ KRONICK & SHANAHAN	000008822	7/18/2024	\$10,055.01	Admin	LEGAL SERVICES
		TOTAL	\$10,055.01		
BAY ALARM COMPANY	86296	7/10/2024	\$1,253.71	Maintenance	MAINT. - BUILDING SERVICE EXPENSE - OFFICE & YARD

AP Warrant List

From: 7/1/2024 To: 7/31/2024

VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
		TOTAL	\$1,053.71		
BENJAMIN HENDERSON	86447	7/24/2024	\$320.00	Environ Comp	ENVIRON COMP - TRAINING
		TOTAL	\$320.00		
BROADRIDGE MAIL LLC	86316	7/10/2024	\$3,881.66	Comm Outreach	COMM OUTREACH - PRINTING
		TOTAL	\$3,881.66		
	86439	7/24/2024	\$9,232.05	Cust Serv	CUST SERV - CONTRACT SERVICES
			\$413.78	Cust Serv	CUST SERV - POSTAGE/SHIPPING/UPS/FED EX
			\$3,881.66	Conservation	CONSERVATION - PRINTING
		TOTAL	\$13,527.49		
	ACH0086878	7/11/2024	\$14,731.63	Cust Serv	CUST SERV - POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$14,731.63		
	ACH0086879	7/12/2024	\$1,398.08	Cust Serv	CUST SERV - POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$1,398.08		
	ACH0086880	7/15/2024	\$699.97	Cust Serv	CUST SERV - POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$699.97		
	ACH0086881	7/15/2024	\$3.28	Cust Serv	CUST SERV - POSTAGE/SHIPPING/UPS/FED EX
		TOTAL	\$3.28		
BROWER MECHANICAL	000008809	7/10/2024	\$620.00	Maintenance	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$620.00		
BROWN & CALDWELL	86305	7/10/2024	\$7,916.89	District General	PROJECT: CIP DELIVERY PERFORMANCE
		TOTAL	\$7,916.89		
BUD'S TRI COUNTY TREE SERVICE	000008834	7/24/2024	\$4,280.00	Production	CONSTRUCTION SERVICES
		TOTAL	\$4,280.00		
BURTON ROBB /BURT'S LAWN & GARDEN SERVICE	000008805	7/10/2024	\$2,325.00	Production	PRODUCTION - CONTRACT SERVICES
		TOTAL	\$2,325.00		
	000008835	7/24/2024	\$10,065.00	Production	PRODUCTION - CONTRACT SERVICES
		TOTAL	\$10,065.00		
CALIFORNIA LABORATORY SERVICES	86307	7/10/2024	\$5,888.00	Engineering	ENGINEERING - INSPECTION & TESTING
		TOTAL	\$5,888.00		
CAPITAL SWEEPER SERVICE	86329	7/10/2024	\$184.00	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$184.00		
CDWG	000008823	7/18/2024	\$84.90	IT	IT - LICENSES, PERMITS & FEES
			\$409.40	IT	IT - OPERATING SUPPLIES
		TOTAL	\$494.30		
	000008836	7/24/2024	\$39,489.31	District General	IT - PREPAID LICENSES & PERMIT
		TOTAL	\$39,489.31		
CHAD JIVIDEN	86313	7/10/2024	\$45.00	Distribution	DISTRIBUTION - OTHER TRAINING
		TOTAL	\$45.00		
CHASE PAYMENTECH	ACH0086895	7/3/2024	\$18,457.14	Cust Serv	CUST SERV - FINANCIAL SERVICES
		TOTAL	\$18,457.14		
CIGNA-DENTAL INS	86344	7/18/2024	\$16,027.91		OPEB - RETIREE BENEFITS PREMIUM
		TOTAL	\$16,027.91		
CINTAS	86297	7/10/2024	\$449.64	Maintenance	BUILDING MAINTENANCE - OFFICE & YARD
			\$608.70	Maintenance	UNIFORMS
		TOTAL	\$1,058.34		
CITY OF SACRAMENTO DEPT OF UTILITIES	86304	7/10/2024	\$30.32	Production	PRODUCTION - UTILITIES
		TOTAL	\$30.32		
	86435	7/24/2024	\$9.39	Production	PRODUCTION - UTILITIES
		TOTAL	\$9.39		
CITY OF SACRAMENTO WATER	86340	7/18/2024	\$500.68	Production	PURCHASED WATER-CITY OF SACRAMENTO
		TOTAL	\$500.68		
COMCAST	86332	7/18/2024	\$100.84	Maintenance	MAINT - COMMUNICATION
		TOTAL	\$100.84		
CONSOLIDATED COMMUNICATIONS	86335	7/18/2024	\$645.27	IT	IT - COMMUNICATION
		TOTAL	\$645.27		
COUNTY OF SAC DEPT OF FINANCE	86456	7/24/2024	\$50.00	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$50.00		
COUNTY OF SAC ENVIRO MGT DEPT	86308	7/10/2024	\$2,696.00	Environ Comp	ENVIRON COMP - LICENSES, PERMITS & FEES
		TOTAL	\$2,696.00		

AP Warrant List From: 7/1/2024 To: 7/31/2024

VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
COUNTY OF SAC PUBLIC WORKS	86423	7/24/2024	\$448.00	Distribution	DISTRIBUTION - LICENSES, PERMITS & FEES
		TOTAL	\$448.00		
COUNTY OF SACRAMENTO WEB	86338	7/18/2024	\$6,321.32	IT	IT - LICENSES, PERMITS & FEES
		TOTAL	\$6,321.32		
CULLIGAN	86312	7/10/2024	\$44.75	Maintenance	OPERATING SUPPLIES
		TOTAL	\$44.75		
CUSTOMER REFUNDS	Multiple Payments	7/18/2024	\$20,154.13		CUSTOMER REFUNDS: 67
		TOTAL	\$20,154.13		
DIGIKEY ELECTRONICS	86289	7/3/2024	\$1,443.13	Production	PRODUCTION - OPERATING SUPPLIES
		TOTAL	\$1,443.13		
	86449	7/24/2024	\$80.51	Production	PRODUCTION - OPERATING SUPPLIES
		TOTAL	\$80.51		
DITCH WITCH EQUIPMENT CO	86302	7/10/2024	\$8,035.13	Maintenance	MAINT - EQUIPMENT MAINTENANCE SERVICES
		TOTAL	\$8,035.13		
DOMCO PLUMBING	86341	7/18/2024	\$125.00	Maintenance	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$125.00		
DOUG VEERKAMP GENERAL ENGR	000008844	7/24/2024	\$55,615.94	District General	PROJECT: 2023 VALVE/HYDRANT/SERV REPL
		TOTAL	\$55,615.94		
EISNER ADVISORY GROUP LLC	86327	7/10/2024	\$6,096.00	Admin	ADMIN - LEGAL SERVICES
		TOTAL	\$6,096.00		
EMIGH ACE HARDWARE	000008837	7/24/2024	\$8.43	Distribution	OPERATING SUPPLIES
		TOTAL	\$8.43		
ERC CONTRACTING	000008816	7/10/2024	\$5,875.00	District General	PROJECT: WATT AVE COMPLETE STREETS PRJ
		TOTAL	\$5,875.00		
	000008828	7/18/2024	\$4,700.00	District General	PROJECT: WELL N20 - CA & MN MITIGATION
		TOTAL	\$4,700.00		
FASTRAK INVOICE PROCESSING DEPARTMENT	86444	7/24/2024	\$14.00	Maintenance	OPERATING SUPPLIES
		TOTAL	\$14.00		
FLEETWASH INC	000008829	7/18/2024	\$78.55	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$78.55		
FLOWLINE CONTRACTORS INC	000008802	7/3/2024	\$24,886.88	District General	PROJECT: AC OVERLAY PRJ 2023 - PHASE F
		TOTAL	\$24,886.88		
	000008812	7/10/2024	\$128,352.12	District General	PROJECT: WATT AVE COMPLETE STREETS PRJ
		TOTAL	\$128,352.12		
	000008827	7/18/2024	\$53,513.50	District General	PROJECT: AC OVERLAY PRJ 2023 - PHASE F
		TOTAL	\$53,513.50		
GEI CONSULTANTS	86440	7/24/2024	\$110.50	District General	PROJECT: BSAMP IMPLEMENTATION
		TOTAL	\$110.50		
GREEN MEDIA CREATIONS INC	000008832	7/18/2024	\$6,324.71	Conservation	CONSERVATION - CONTRACT SERVICES
		TOTAL	\$6,324.71		
HACH COMPANY	000008806	7/10/2024	\$1,428.72	Environ Comp	ENVIRON COMP - OPERATING SUPPLIES
		TOTAL	\$1,428.72		
HARRINGTON PLASTICS	86424	7/24/2024	\$316.65	Production	PRODUCITON - OPERATING SUPPLIES
		TOTAL	\$316.65		
HILDEBRAND CONSULTING LLC	86324	7/10/2024	\$27,750.00	Finance	FINANCE - CONSULTING SERVICES - RATE STUDY
		TOTAL	\$27,750.00		
HOLT OF CALIFORNIA	86433	7/24/2024	\$2,046.44	Production	PRODUCITON - CONTRACT SERVICES
		TOTAL	\$2,046.44		
ICONIX WATERWORKS (US) INC	000008830	7/18/2024	\$586.10	District General	PROJECT: WATT AVE COMPLETE STREETS PRJ
		TOTAL	\$586.10		
IN COMMUNICATIONS	86306	7/10/2024	\$4,526.94	Comm Outreach	COMM OUTREACH - PUBLIC RELATIONS
		TOTAL	\$4,526.94		
INTEGRA CLEAR CO	86446	7/24/2024	\$15,096.75	Field Ops	FIELD OPS - OPERATING SUPPLIES
		TOTAL	\$15,096.75		
INVOICE CLOUD INC	86445	7/24/2024	\$24,384.05	Cust Serv	CUST SERV - FINANCIAL SERVICES
		TOTAL	\$24,384.05		
JAY BOATWRIGHT	86281	7/2/2024	\$170.92	Board of Directors	DIRECTORS - TRAVEL CONFERENCES

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
			\$827.87	Board of Directors	DIRECTORS - TRAVEL CONFERENCES
		TOTAL	\$998.79		
KIRBY PUMP AND MECHANICAL	86311	7/10/2024	\$216,762.91	District General	PROJECT: KPM CONTRACT - 2024 TERM 2
		TOTAL	\$216,762.91		
	86342	7/18/2024	\$62,325.12	District General	PROJECT: KPM CONTRACT - 2024 TERM 2
		TOTAL	\$62,325.12		
LES SCHWAB TIRE CENTER MADISON	86425	7/24/2024	\$1,083.05	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$1,083.05		
MESSENGER PUBLISHING GROUP	000008813	7/10/2024	\$350.00	Comm Outreach	PUBLIC RELATIONS
		TOTAL	\$350.00		
MICHAEL PHILLIPS LANDSCAPE CORP	000008838	7/24/2024	\$3,535.00	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
			\$3,035.00	Conservation	CONTRACT SERVICES
		TOTAL	\$6,570.00		
MID AMERICA METER INC	86442	7/24/2024	\$800.00	Field Service	EQUIPMENT MAINTENANCE SERVICES
		TOTAL	\$800.00		
MITCH'S CERTIFIED CLASSES	86347	7/18/2024	\$800.00	Engineering	REQUIRED TRAINING
		TOTAL	\$800.00		
MOBILE-MED WORK HEALTH SOLUTIONS INC	86348	7/18/2024	\$407.00	HR	MISCELLANEOUS EMPLOYEE BENEFITS
		TOTAL	\$407.00		
MYFLEETCENTER	86325	7/10/2024	\$275.82	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$275.82		
NAVIANT	86349	7/18/2024	\$615.00	IT	CONSULTING SERVICES
		TOTAL	\$615.00		
NICHOLAS OLEARY	86326	7/10/2024	\$250.00	Maintenance	UNIFORMS
		TOTAL	\$250.00		
	86450	7/24/2024	\$125.00	Distribution	OTHER TRAINING
		TOTAL	\$125.00		
NINJIO LLC	86328	7/10/2024	\$192.15	IT	EQUIPMENT MAINTENANCE SERVICES
		TOTAL	\$192.15		
OFFICE DEPOT INC	86282	7/3/2024	\$189.29	Finance	PRINTING
		TOTAL	\$189.29		
PACE SUPPLY CORP	000008801	7/3/2024	\$497.91	Field Ops	OPERATING SUPPLIES
		TOTAL	\$497.91		
PACIFIC RIVER SUPPLY CO INC	86319	7/10/2024	\$117.31	Maintenance	UNIFORMS
		TOTAL	\$117.31		
	86443	7/24/2024	\$61.69	Maintenance	OPERATING SUPPLIES
		TOTAL	\$61.69		
PEOPLEREADY	86286	7/3/2024	\$2,139.89	Distribution	DISTRIBUTION - TEMPORARY HELP
		TOTAL	\$2,139.89		
	86315	7/10/2024	\$1,131.84	Distribution	DISTRIBUTION - TEMPORARY HELP
		TOTAL	\$1,131.84		
	86438	7/24/2024	\$1,414.80	Distribution	DISTRIBUTION - TEMPORARY HELP
		TOTAL	\$1,414.80		
PERS 457 PLAN	ACH0086887	7/11/2024	\$1,515.38	District General	ACCRUED DEF COMP, PERS ROTH 457B
		TOTAL	\$1,515.38		
	ACH0086959	7/26/2024	\$1,515.38	District General	ACCRUED DEF COMP, PERS ROTH 457B
		TOTAL	\$1,515.38		
PERS HEALTH	ACH0086885	7/5/2024	\$141,073.89		EMPLOYEE BENEFIT - HEALTH INSURANCE
		TOTAL	\$141,073.89		
	ACH0086886	7/5/2024	\$1,876.66	Admin	OPEB - RETIREE BENEFITS PREMIUM
		TOTAL	\$1,876.66		
PERS PENSION	ACH0086888	7/11/2024	\$17,144.10		EMPLOYEE BENEFIT - PERS RETIREMENT
		TOTAL	\$17,144.10		
	ACH0086889	7/11/2024	\$9,763.98		EMPLOYEE BENEFIT - PERS RETIREMENT
		TOTAL	\$9,763.98		
	ACH0086890	7/11/2024	\$27,892.03		EMPLOYEE BENEFIT - PERS RETIREMENT
		TOTAL	\$27,892.03		
	ACH0086891	7/30/2024	\$1,004,512.00	District General	ANNUAL PENSION - PERS UAL ER CONTRIBUTION

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VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
		TOTAL	\$1,004,212.00		
	ACH0086892	7/30/2024	\$50,193.00	District General	ANNUAL PENSION - PERS UAL ER CONTRIBUTION
		TOTAL	\$50,193.00		
	ACH0086893	7/30/2024	\$9,238.00	District General	ANNUAL PENSION - PERS UAL ER CONTRIBUTION
		TOTAL	\$9,238.00		
	ACH0086960	7/26/2024	\$9,763.98		EMPLOYEE BENEFIT - PERS RETIREMENT
		TOTAL	\$9,763.98		
	ACH0086961	7/26/2024	\$27,806.81		EMPLOYEE BENEFIT - PERS RETIREMENT
		TOTAL	\$27,806.81		
	ACH0086964	7/26/2024	\$17,144.10		EMPLOYEE BENEFIT - PERS RETIREMENT
		TOTAL	\$17,144.10		
PEST PROS PEST SOLUTIONS	86320	7/10/2024	\$288.15	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$288.15		
PETERSON BRUSTAD INC	86345	7/18/2024	\$17,803.35	District General	PROJECT: MBP DUDLEY DUDLEY MAIN REPL
		TOTAL	\$17,803.35		
PFM ASSET MANAGEMENT LLC	000008800	7/3/2024	\$3,536.77	Finance	FINANCIAL SERVICES
		TOTAL	\$3,536.77		
PG&E	86299	7/10/2024	\$18.89	Production	UTILITIES
		TOTAL	\$18.89		
	86333	7/18/2024	\$31.66	Production	UTILITIES
		TOTAL	\$31.66		
	86426	7/24/2024	\$311.14	Production	UTILITIES
		TOTAL	\$311.14		
PIP MARKETING SIGNS PRINT	86321	7/10/2024	\$239.65	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$239.65		
PLACER COUNTY WATER AGENCY	86427	7/24/2024	\$281,160.00	District General	ACCRUED PCWA WATER COST
		TOTAL	\$281,160.00		
PSOMAS	000008842	7/24/2024	\$19,188.00	District General	PROJECT: MBP EASEMENTS
			\$5,536.25	District General	PROJECT: PRO ACQU-WALERGA/ANTELOPE-PHAM
		TOTAL	\$24,724.25		
QUADIENT LEASING USA INC	86452	7/24/2024	\$660.81	Cust Serv	EQUIPMENT RENTAL/LEASE
		TOTAL	\$660.81		
R&S OVERHEAD DOORS AND GATES	000008810	7/10/2024	\$285.00	Maintenance	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$285.00		
RAMOS ENVIRONMENTAL SERVICES	86300	7/10/2024	\$1,888.25	Production	HAZARDOUS WASTE DISPOSAL
		TOTAL	\$1,888.25		
RAWLES ENGINEERING	86428	7/24/2024	\$17,901.85	District General	PROJECT: 2023 VALVE/HYDRANT/SERV REPL
		TOTAL	\$17,901.85		
REGIONAL WATER AUTHORITY	86429	7/24/2024	\$41,767.00	District General	PREPAID RWA WATER EFFICIENCY PROGRAM
		TOTAL	\$41,767.00		
RIVER CITY FIRE EQUIP CO INC	86309	7/10/2024	\$185.97	Maintenance	VEHICLE MAINTENANCE SUPPLIES
		TOTAL	\$185.97		
ROBERT ROSCOE	000008797	7/3/2024	\$765.40	Admin	OPEB - RETIREE BENEFITS PREMIUM
		TOTAL	\$765.40		
RODNEY LEE	86284	7/3/2024	\$294.35	Field Ops	TRAVEL CONFERENCES
		TOTAL	\$294.35		
RUE EQUIPMENT INC	86334	7/18/2024	\$7,652.13	District General	PROJECT: ENGINE REPL-WACHS VAL EXE #149
		TOTAL	\$7,652.13		
	86430	7/24/2024	\$150.00	Maintenance	EQUIPMENT MAINTENANCE SUPPLIES
			\$525.00	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$675.00		
SAC VALLEY ELECTRIC INC	86323	7/10/2024	\$833.89	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$833.89		
SACRAMENTO COUNTY UTILITIES	86298	7/10/2024	\$1,182.54	Maintenance	UTILITIES
		TOTAL	\$1,182.54		
	86422	7/24/2024	\$122.14	Production	UTILITIES
		TOTAL	\$122.14		
SACRAMENTO GROUNDWATER AUTHORITY	000008798	7/3/2024	\$255,654.00	District General	PREPAID SGA ADMIN COST
		TOTAL	\$255,654.00		

AP Warrant List

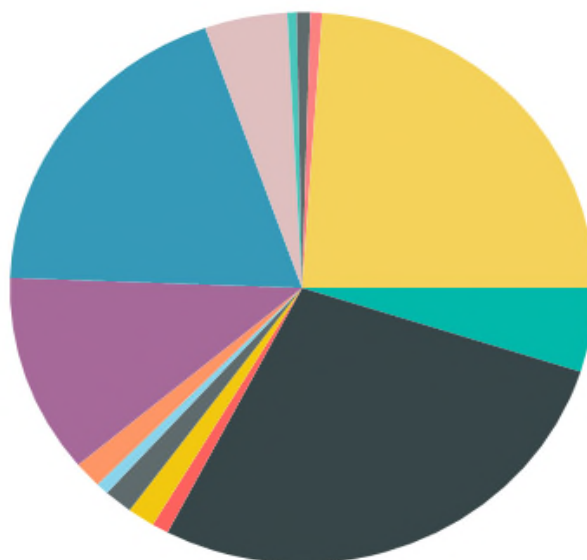
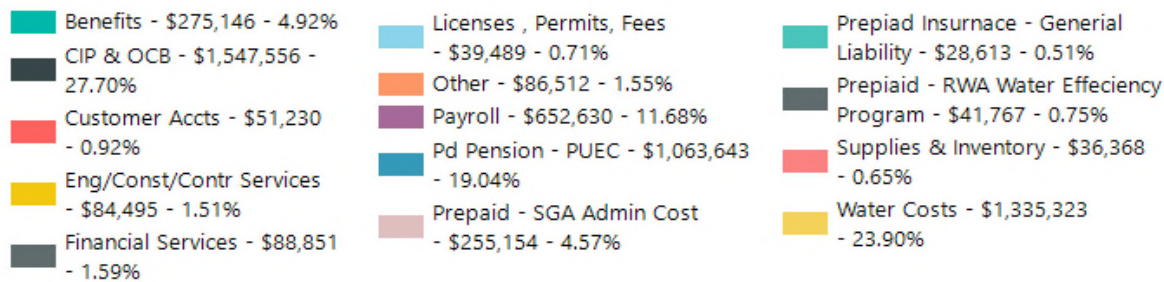
From: 7/1/2024 To: 7/31/2024

VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
SACRAMENTO SUBURBAN WD - PETTY CASH REPLENISHMENT	86346	7/18/2024	\$83.29	Finance	FINANCE LOCAL TRAVEL COST-TRAINING
		TOTAL	\$83.29		
SAN JUAN WATER DISTRICT	000008839	7/24/2024	\$811,248.41	District General	PURCHASED WATER - ACCRUED SJWD TREATMENT COST
		TOTAL	\$811,248.41		
SCHWANINGER LAW INC	86451	7/24/2024	\$19,200.00	Admin	LEGAL SERVICES
		TOTAL	\$19,200.00		
SHAWN CHANEY	86434	7/24/2024	\$340.00	Distribution	DISTRIBUTION - REQUIRED TRAINING
		TOTAL	\$340.00		
SIERRA CHEMICAL COMPANY	000008807	7/10/2024	\$11,912.00	Production	HFA, CHEMICAL & DELIVERY
			\$3,964.00	Production	HYPO, CHEMICAL & DELIVERY
		TOTAL	\$15,876.00		
	000008824	7/18/2024	\$20,875.00	Production	HYPO, CHEMICAL & DELIVERY
TOTAL	\$20,875.00				
SMUD	86301	7/10/2024	\$94,819.42	Production	ELECTRICAL CHARGES
		TOTAL	\$94,819.42		
	86431	7/24/2024	\$110,843.92	Production	ELECTRICAL CHARGES
		TOTAL	\$110,843.92		
SONITROL	000008825	7/18/2024	\$2,026.87	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$2,026.87		
	000008840	7/24/2024	\$2,032.90	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
			\$1,414.20	Maintenance	CONTRACT SERVICES
TOTAL	\$3,447.10				
T&S CONSTRUCTION COMPANY INC	000008831	7/18/2024	\$171,936.59	District General	PROJECT: WELL 78 - RETENTION PAYABLE
		TOTAL	\$171,936.59		
TAK COMMUNICATIONS CA INC	86454	7/24/2024	\$29,144.00	District General	PROJECT: 2023 VALVE/HYDRANT/SERV REPL
			\$5,630.00	Distribution	DISTRIBUTION - CONSTRUCTION SERVICES
		TOTAL	\$34,774.00		
TEE JANITORIAL & MAINTENANCE	86317	7/10/2024	\$4,108.00	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$4,108.00		
TINA LYNN DESIGN	000008811	7/10/2024	\$240.00	Comm Outreach	COMM OUTREACH - CONTRACT SERVICES
		TOTAL	\$240.00		
	000008843	7/24/2024	\$255.00	Comm Outreach	COMM OUTREACH - CONTRACT SERVICES
TOTAL	\$255.00				
TRUE POINT SOLUTIONS LLC	86437	7/24/2024	\$370.00	Cust Serv	CUST SERV - CONTRACT SERVICES
		TOTAL	\$370.00		
UNUM	86292	7/3/2024	\$5,790.14		EMPLOYEE BENEFIT - LTD INSURANCE
		TOTAL	\$5,790.14		
US BANK CORPORATE PAYMENT SYSTEM	86331	7/15/2024	\$15,756.09		JULY CREDIT CARD PAYMENT
		TOTAL	\$15,756.09		
USC UNIVERSITY OF SOUTHERN CA	86285	7/3/2024	\$500.00	Environ Comp	ENVIRON COMP - MEMBERSHIP & DUES
		TOTAL	\$500.00		
VALIC AIG	ACH0086894	7/12/2024	\$5,810.94	District General	ACCRUED DEF COMP, VALIC ROTH 457B
		TOTAL	\$5,810.94		
	ACH0086958	7/26/2024	\$5,810.94	District General	ACCRUED DEF COMP, VALIC ROTH 457B
TOTAL	\$5,810.94				
VALLEY BATTERY	86318	7/10/2024	\$162.55	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$162.55		
	86441	7/24/2024	\$176.51	Maintenance	VEHICLE MAINTENANCE SERVICES
		TOTAL	\$176.51		
VERIZON WIRELESS DALLAS TX	86283	7/3/2024	\$2,394.67	IT	IT - COMMUNICATION
		TOTAL	\$2,394.67		
	86303	7/10/2024	\$3,061.29	IT	IT - COMMUNICATION
		TOTAL	\$3,061.29		
WASTE MANAGEMENT	000008808	7/10/2024	\$259.70	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$259.70		
	000008841	7/24/2024	\$993.39	Maintenance	BUILDING SERVICE EXPENSE - OFFICE & YARD
		TOTAL	\$993.39		
WATERWISE CONSULTING, INC.	000008815	7/10/2024	\$975.00	Conservation	CONSERVATION - CONTRACT SERVICES
		TOTAL	\$975.00		

AP Warrant List From: 7/1/2024 To: 7/31/2024

VENDOR	PAYMENT NO.	DATE	AMOUNT	DEPARTMENT	DESCRIPTION
WATERWISEPRO TRAINING LLC	86448	7/24/2024	\$4,500.00	Production	PRODUCITON - REQUIRED TRAINING
		TOTAL	\$4,500.00		
WCP SOLUTIONS	86350	7/18/2024	\$323.25	Maintenance	BUILDING MAINTENANCE - OFFICE & YARD
		TOTAL	\$323.25		
WEST YOST & ASSOCIATES	000008820	7/18/2024	\$44,674.50	District General	PROJECT: WLS 81/82/83 ANTELOPE N./POKER
		TOTAL	\$44,674.50		
	000008821	7/18/2024	\$15,563.50	District General	PROJECT: WELL 84 ANTELOPE/DON JULIO
		TOTAL	\$15,563.50		
	000008826	7/18/2024	\$16,802.00	District General	PROJECT: AUBURN YARD - WELL SITE EVALUA
			\$6,856.50	District General	PROJECT: WELL 80 WALNUT/AUBURN
TOTAL	\$23,658.50				
WESTAMERICA BANK ANALYSIS FEES	ACH0086963	7/16/2024	\$4,735.71	Finance	FINANCE - FINANCIAL SERVICES BANKING
		TOTAL	\$4,735.71		
WOLF CONSULTING	000008818	7/10/2024	\$4,050.00	IT	IT - CONSULTING SERVICES
		TOTAL	\$4,050.00		
WOOD RODGERS ENGINEERING	86339	7/18/2024	\$1,100.00	District General	PROJECT: WELL 78 BUTANO - PUMP STATION
		TOTAL	\$1,100.00		
XYLEM INC	86290	7/3/2024	\$850.00	Field Ops	FIELD OPS - TRAVEL CONFERENCES REGISTRATION
		TOTAL	\$850.00		
ZORO	86287	7/3/2024	\$269.36	Production	PRODUCTION - OPERATING SUPPLIES
		TOTAL	\$269.36		
	86322	7/10/2024	\$134.67	Production	PRODUCTION - OPERATING SUPPLIES
		TOTAL	\$134.67		
GRAND TOTAL			\$5,585,461.83		

AP Warrant List Summary Chart



**Credit Card Expenditures
JULY 2024**

**Sacramento Suburban Water District
US Bank Purchasing Card Program
CalCard Expenditures
July 2024**

Vendor Name	Description	Amount	Proj/GLAcct
WATER/WASTEWATER JOBS	HR TECH JOB AD	\$185.00	17-51402
CSDA	HR TECH JOB AD	\$175.00	17-51402
YOUR MEMBERSHIP/AWWA	HR TECH JOB AD	\$299.00	17-51402
BC WATER JOBS	HR TECH JOB AD	\$99.00	17-51402
NEOGOV/GOVT JOBS.COM	HR TECH JOB AD	\$199.00	17-51402
ASSOC OF CA WATERASSN	HR TECH JOB AD	\$475.00	17-51402
EMPLOYERCENTRAL.COM	HR TECH JOB AD	\$199.00	17-51402
DIVERSITYJOBS.COM	HR TECH JOB AD	\$295.00	17-51402
YOURMEMBERSHIP/SAHRA	HR TECH JOB AD	\$249.00	17-51402
TRANSIT TALENT.COM	HR TECH JOB AD	\$145.00	17-51402
CWEA/PAYPAL	HR TECH JOB AD	\$315.00	17-51402
IPMA/SAC MOTHER LODE	HR TECH JOB AD	\$65.00	17-51402
CAJAPA	HR TECH JOB AD	\$100.00	17-51402
SURVEYMONKEY.COM	ANNUAL MEMBERSHIP	\$192.00	17-52501
PARTY CITY	SAFETY BBQ REFRESHMENTS	\$104.94	02-51403
ASCE PURCHASING	TRAINING - TOMMY MOULTON	\$105.00	15-51407
ASCE PURCHASING	TRAINING - MITCHELL MCCARTHY	\$85.00	15-51407
WAL-MART	ALL STAFF MEETING REFRESHMENTS	\$28.28	02-51403
NOAH'S BAGELS	ALL STAFF MEETING REFRESHMENTS	\$134.61	02-51403
SAFEWAY	SAFETY BBQ FOOD	\$18.73	02-51403
SAFEWAY	SAFETY BBQ FOOD	\$8.79	02-51403
ACWA	ACWA REGISTRATION FOR JAY BOATWRIGHT	\$50.00	01-55001
ACWA	ACWA REGISTRATION FOR DAN YORK	\$50.00	02-55001
CA WATER EFFICIENCY	JOSH TAYLOR REGISTRATION CAL WEP	\$362.25	13-55001
VISTA PRINT	DOOR HANGERS	\$162.68	19-53002
CPS CONSULTING	TRAINING - HOWARD MORELAND	\$150.00	06-51407
NORTH SHORE COMMERCIAL DOOR	GATE REMOTES - FAC # 14	\$716.54	18-52101
SSL.COM	SSL (WEBSITE) SECURITY CHECK SERVICE	\$14.99	18-54003
DOORDASH	FRAUD CHARGE CREDIT	(\$48.02)	00-59450
DOORDASH	FRAUD CHARGE CREDIT	(\$114.90)	00-59450
DOORDASH	FRAUD CHARGE CREDIT	(\$82.96)	00-59450
DESERT PALMS HOTEL	TRAINING- MARK TAYLOR	\$1,305.72	05-55001
DESERT PALMS HOTEL	TRAINING-MONICA VAZQUEZ	\$1,305.72	05-55001
DESERT PALMS HOTEL	TRAINING-AARON CAUDILLO	\$1,305.72	05-55001
ROUND TABLE PIZZA	INTERVIEW CANDIDATE LUNCHEON	\$204.67	02-56000
SMART AND FINAL	INTERVIEW CANDIDATE LUNCHEON	\$42.84	02-56000
SP DRINK LMNT	WAREHOUSE SUPPLIES	\$270.00	05-52101
MYRON L COMPANY	ENVIRONMENTAL COMPLIANCE SUPPLIES	\$194.95	14-52101
COSTCO	OFFICE SUPPLIES	\$186.60	03-52108
HILTON ANAHEIM	TRAINING-JOE CROCKETT	\$1,218.92	05-55001
HILTON ANAHEIM	TRAINING-HECTOR SEGOVIANO	\$1,218.92	05-55001
HILTON ANAHEIM	TRAINING-SHAWN CHANEY	\$1,218.92	05-55001
HILTON ANAHEIM	TRAINING-SARAH DAINS	\$1,218.92	03-55001
SKILLPATH	TRAINING-WAYNE BELLERT	\$149.00	06-51407

**Sacramento Suburban Water District
US Bank Purchasing Card Program
CalCard Expenditures
July 2024**

Vendor Name	Description	Amount	Proj/GLAcct
LEARNIT	TRAINING- JUSTIN MCGOWAN	\$290.00	07-51407
HOME DEPOT	PRODUCTION SUPPLIES	\$106.67	06-52101
SAC COUNTY EMD	WELL PERMIT WE64	\$217.88	14-54509
UPS STORE	SHIPPING COSTS FOR RIGID FREEZE MACHINES	\$522.86	12-52101
HOME DEPOT	QUICK SPIN DRAIN CLEANER	\$39.85	12-52101
	Totals:	\$15,756.09	

Investment Activity
JULY 2024



Managed Account Security Transactions & Interest

For the Month Ending July 31, 2024

SACRAMENTO SUBURBAN WATER DISTRICT - Combined Portfolio

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
07/01/24	07/03/24	US TREASURY NOTES DTD 06/30/2021 1.250% 06/30/2028	91282CCH2	600,000.00	(529,710.94)	(61.14)	(529,772.08)			
07/18/24	07/19/24	MORGAN STANLEY BANK NA BANK NOTES (CALLA DTD 07/19/2024 4.968% 07/14/2028	61690U8E3	400,000.00	(400,400.00)	0.00	(400,400.00)			
07/23/24	07/30/24	TAOT 2024-C A3 DTD 07/30/2024 4.880% 03/15/2029	89237QAD2	160,000.00	(159,999.90)	0.00	(159,999.90)			
Transaction Type Sub-Total				1,160,000.00	(1,090,110.84)	(61.14)	(1,090,171.98)			
INTEREST										
07/01/24	07/01/24	NJ TURNPIKE AUTHORITY TXBL REV BONDS DTD 02/04/2021 1.047% 01/01/2026	646140DP5	90,000.00	0.00	471.15	471.15			
07/01/24	07/01/24	MONEY MARKET FUND	MONEY0002	0.00	0.00	14,097.94	14,097.94			
07/01/24	07/01/24	FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	380,000.00	0.00	2,390.20	2,390.20			
07/01/24	07/25/24	FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	375,000.00	0.00	1,505.94	1,505.94			
07/01/24	07/25/24	FHMS KJ48 A1 DTD 12/01/2023 4.858% 05/01/2028	3137HBC69	297,559.40	0.00	1,204.62	1,204.62			
07/01/24	07/25/24	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	298,152.69	0.00	1,186.90	1,186.90			
07/01/24	07/25/24	FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	575,000.00	0.00	2,228.13	2,228.13			
07/01/24	07/25/24	FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BODE6	375,000.00	0.00	1,309.38	1,309.38			
07/01/24	07/25/24	FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	135,000.00	0.00	570.26	570.26			
07/01/24	07/25/24	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			
07/01/24	07/25/24	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	256,576.28	0.00	715.63	715.63			



Managed Account Security Transactions & Interest

For the Month Ending July 31, 2024

SACRAMENTO SUBURBAN WATER DISTRICT - Combined Portfolio

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										
07/01/24	07/25/24	FHMS K058 A2 DTD 11/09/2016 2.653% 08/01/2026	3137BSP72	450,000.00	0.00	994.88	994.88			
07/01/24	07/25/24	FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	210,000.00	0.00	850.50	850.50			
07/01/24	07/25/24	FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	375,000.00	0.00	1,481.25	1,481.25			
07/01/24	07/25/24	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	268,255.83	0.00	684.50	684.50			
07/01/24	07/25/24	FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	375,000.00	0.00	1,500.00	1,500.00			
07/01/24	07/25/24	FHMS K064 A2 DTD 05/15/2017 3.224% 03/01/2027	3137BXQY1	375,000.00	0.00	1,007.50	1,007.50			
07/01/24	07/25/24	FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	280,000.00	0.00	1,131.67	1,131.67			
07/01/24	07/25/24	FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	215,000.00	0.00	819.15	819.15			
07/01/24	07/25/24	FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	200,000.00	0.00	457.50	457.50			
07/05/24	07/05/24	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 01/05/2024 4.650% 01/05/2029	89236TLL7	275,000.00	0.00	6,393.75	6,393.75			
07/08/24	07/08/24	CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/10/2022 1.700% 01/08/2027	14913R2U0	325,000.00	0.00	2,762.50	2,762.50			
07/14/24	07/14/24	JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	275,000.00	0.00	6,806.25	6,806.25			
07/15/24	07/15/24	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	5,013.58	0.00	1.42	1.42			
07/15/24	07/15/24	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4	330,000.00	0.00	1,446.13	1,446.13			
07/15/24	07/15/24	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3	400,000.00	0.00	1,646.67	1,646.67			



Managed Account Security Transactions & Interest

For the Month Ending July 31, 2024

SACRAMENTO SUBURBAN WATER DISTRICT - Combined Portfolio

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										
07/15/24	07/15/24	NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	78,260.93	0.00	21.52	21.52			
07/15/24	07/15/24	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	330,000.00	0.00	1,438.25	1,438.25			
07/15/24	07/15/24	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	37,801.04	0.00	23.31	23.31			
07/15/24	07/15/24	DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	250,000.00	0.00	120.83	120.83			
07/15/24	07/15/24	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2	315,000.00	0.00	1,372.88	1,372.88			
07/15/24	07/15/24	BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	135,000.00	0.00	538.88	538.88			
07/15/24	07/15/24	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	95,683.72	0.00	43.86	43.86			
07/15/24	07/15/24	TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	60,000.00	0.00	585.00	585.00			
07/15/24	07/15/24	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	24,515.50	0.00	10.62	10.62			
07/15/24	07/15/24	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	275,262.10	0.00	910.66	910.66			
07/15/24	07/15/24	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	58,602.97	0.00	37.60	37.60			
07/15/24	07/15/24	TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	73,250.49	0.00	15.87	15.87			
07/15/24	07/15/24	AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	150,000.00	0.00	608.75	608.75			
07/15/24	07/15/24	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	3,056.31	0.00	0.97	0.97			
07/15/24	07/15/24	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	350,000.00	0.00	1,341.67	1,341.67			
07/16/24	07/16/24	GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	50,675.48	0.00	20.27	20.27			



Managed Account Security Transactions & Interest

For the Month Ending July 31, 2024

SACRAMENTO SUBURBAN WATER DISTRICT - Combined Portfolio

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										
07/16/24	07/16/24	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	49,199.37	0.00	27.88	27.88			
07/20/24	07/20/24	VWALT 2022-A A4 DTD 06/14/2022 3.650% 01/20/2027	92868AAD7	145,000.00	0.00	441.04	441.04			
07/21/24	07/21/24	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	51,944.80	0.00	38.09	38.09			
07/21/24	07/21/24	FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	500,000.00	0.00	937.50	937.50			
07/21/24	07/21/24	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	70,000.00	0.00	330.75	330.75			
07/27/24	07/27/24	IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	300,000.00	0.00	6,000.00	6,000.00			
07/31/24	07/31/24	US TREASURY NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,325,000.00	0.00	31,968.75	31,968.75			
07/31/24	07/31/24	US TREASURY NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	1,975,000.00	0.00	6,171.88	6,171.88			
Transaction Type Sub-Total				15,218,810.49	0.00	107,684.09	107,684.09			
MATURITY										
07/08/24	07/08/24	GOLDMAN SACHS GROUP INC (CALLABLE) BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	375,000.00	375,000.00	7,218.75	382,218.75	(17,467.50)	0.00	
07/15/24	07/15/24	COMET 2021-A1 A1 (CALLED, OMD 07/15/26) DTD 07/22/2021 0.550% 07/15/2024	14041NFW6	415,000.00	415,000.00	190.21	415,190.21	16.81	0.00	
Transaction Type Sub-Total				790,000.00	790,000.00	7,408.96	797,408.96	(17,450.69)	0.00	
PAYDOWNS										
07/01/24	07/25/24	FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	522.63	522.63	0.00	522.63	16.09	0.00	
07/01/24	07/25/24	FHMS KJ48 A1 DTD 12/01/2023 4.858% 05/01/2028	3137HBC69	551.44	551.44	0.00	551.44	0.00	0.00	

Managed Account Security Transactions & Interest

For the Month Ending July 31, 2024

SACRAMENTO SUBURBAN WATER DISTRICT - Combined Portfolio

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										
07/01/24	07/25/24	FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	193,30	193,30	0,00	193,30	0,00	0,00	
07/01/24	07/25/24	FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	483,20	483,20	0,00	483,20	(23,93)	0,00	
07/15/24	07/15/24	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	4,759.78	4,759.78	0,00	4,759.78	1,06	0,00	
07/15/24	07/15/24	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	5,432.73	5,432.73	0,00	5,432.73	0,10	0,00	
07/15/24	07/15/24	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	1,956.93	1,956.93	0,00	1,956.93	0,39	0,00	
07/15/24	07/15/24	TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	15,321.60	15,321.60	0,00	15,321.60	1,65	0,00	
07/15/24	07/15/24	HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	3,056.31	3,056.31	0,00	3,056.31	0,32	0,00	
07/15/24	07/15/24	NAROT 2021-A A3 DTD 06/23/2021 0.330% 10/15/2025	65480BAC1	15,498.31	15,498.31	0,00	15,498.31	0,26	0,00	
07/15/24	07/15/24	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	5,163.89	5,163.89	0,00	5,163.89	1,11	0,00	
07/15/24	07/15/24	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	9,553.55	9,553.55	0,00	9,553.55	1,57	0,00	
07/15/24	07/15/24	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	15,439.94	15,439.94	0,00	15,439.94	0,36	0,00	
07/16/24	07/16/24	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	4,457.90	4,457.90	0,00	4,457.90	0,11	0,00	
07/16/24	07/16/24	GMCAR 2021-3 A3 DTD 07/21/2021 0.480% 06/16/2026	380140AC7	6,442.16	6,442.16	0,00	6,442.16	0,40	0,00	
07/21/24	07/21/24	HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	5,499.66	5,499.66	0,00	5,499.66	1,16	0,00	
Transaction Type Sub-Total				94,333.33	94,333.33	0.00	94,333.33	0.65	0.00	
Managed Account Sub-Total					(205,777.51)	115,031.91	(90,745.60)	(17,450.04)	0.00	
Total Security Transactions					(205,777.51)	115,031.91	(90,745.60)	(17,450.04)	0.00	

**Directors Compensation and Expense Accounting
Second Quarter 2024**

Sacramento Suburban Water District Board of Directors Meeting Attended - Calendar Year 2024 Pay Rate per Diem is \$136.00										
Meeting Date	Meeting	Payroll Date	K. Thomas	Payroll Date	C. Locke	Payroll Date	D. Jones	Payroll Date	J. Boatwright	R. Wichert
2nd Quarter: 2/1/2023 - 6/30/2023										
4/1/2024	Meet with GM, Dan York, Dan Rich and Ted Costa	5/17/2024	X							
4/2/2024	DPMWD Board Meeting	5/17/2024	X							
4/5/2024	Cap to Cap Premeeting					5/17/2024	X		X	
4/8/2024	Meet with GM, Dan York							5/31/2024	X	
4/9/2024	Satellite Leak Detection				X					
4/11/2024	ACWA Legislative Session			5/17/2024	X			5/31/2024	X	
4/11/2024	SGA	5/17/2024	X						X	
4/12/2024	Cap to Cap Travel				X					
4/13/2024	Cap to Cap			5/17/2024	X	5/17/2024	X	5/31/2024	X	
4/14/2024	Cap to Cap			5/17/2024	X	5/17/2024	X	5/31/2024	X	
4/15/2024	Cap to Cap			5/17/2024	X	5/17/2024	X	5/31/2024	X	
4/15/2024	Meet with GM, Dan York	5/17/2024	X							
4/16/2024	Cap to Cap				X	5/17/2024	X	5/31/2024	X	
4/16/2024	DPMWD Special Board Meeting	5/17/2024	X	5/17/2024	X					
4/17/2024	Cap to Cap Final Reception					5/17/2024	X	5/31/2024	X	
4/17/2024	Cap to Cap Travel				X					
4/22/2024	Presentation to Foothill Highlands Rotary Special Board Meeting							5/31/2024	X	
4/22/2024	SSWD Board Meeting	5/17/2024	X	5/17/2024	X					
4/23/2024	Drinking Water Professional Community Webinar				X					
4/24/2024	Audit Committee			5/17/2024	X			5/31/2024	X	
4/24/2024	SJWD Board Meeting	5/17/2024	X							
4/25/2024	Webinar by AWWA - Insights to prepare	5/17/2024	X	5/17/2024	X					
4/26/2024	Meet with GM, Dan York					5/17/2024	X			
4/26/2024	State Water Resources Control Board	5/17/2024	X							
4/29/2024	SSWD Special Board Meeting	5/17/2024	X	5/17/2024	X	5/17/2024	X	5/31/2024	X	
4/30/2024	EPA Small Drinking Water Systems			5/17/2024	X					
4/30/2024	Special District Advisory Council LAFCo								X	
5/1/2024	LAFCO Meeting	6/14/2024	X							
5/1/2024	LAFCO Meeting watched on Metro Cable 14							6/14/2024	X	
5/6/2024	ACWA Committees							6/14/2024	X	
5/6/2024	ACWA Conference Sacramento			6/14/2024	X	6/14/2024	X			
5/7/2024	ACWA Conference Sacramento					6/14/2024	X			
5/7/2024	DPMWD Board Meeting	6/14/2024	X	6/14/2024	X			6/14/2024	X	
5/8/2024	ACWA Conference Sacramento					6/14/2024	X	6/14/2024	X	
5/9/2024	ACWA Conference Sacramento					6/14/2024	X			
5/9/2024	Flume Household Water Use Index:Q1 2024			6/14/2024	X					
5/9/2024	ACWA JPIA							6/14/2024	X	
5/13/2024	Meeting with GM, Dan York re:Del Paso	6/14/2024	X			6/14/2024	X			
5/14/2024	Meeting with GM, Dan York review agenda							6/14/2024	X	
5/15/2024	Aerojet CAG	6/14/2024	X							
5/16/2024	RWA Board Meeting			6/14/2024	X			6/14/2024	X	
5/17/2024	Meeting with GM review agenda			6/14/2024	X					
5/20/2024	Zoom May Board Meeting					6/14/2024	X			
5/20/2024	Board Meeting	6/14/2024	X	6/14/2024	X			6/14/2024	X	
5/22/2024	Special Board Meeting with Del Paso	6/14/2024	X	6/14/2024	X	6/14/2024	X	6/14/2024	X	
5/26/2024	Meeting with Paul Selsky CWD	6/14/2024	X							
5/28/2024	Ethics Training							7/12/2024	X	
5/29/2024	North American Subbasin Meeting	6/14/2024	X							
5/29/2024	American River Watershed Forest Management			6/14/2024	X					
6/3/2024	Meet with Dan Rich SJWD			7/12/2024	X					
6/4/2024	DPMWD Board Meeting	7/12/2024	X	7/12/2024	X			7/12/2024	X	
6/5/2024	DPMWD SSWD Joint Board Meeting	7/12/2024	X	7/12/2024	X	7/12/2024	X	7/12/2024	X	
6/6/2024	Protecting Water and Wastewater Systems from Cyber Threats	7/12/2024	X	7/12/2024	X					
6/11/2024	Meet with GM York for Agenda Review							7/12/2024	X	
6/12/2024	Agenda Review with GM York			7/12/2024	X					
6/13/2024	ACWA SGMA Implementation Subcommittee Meeting			7/12/2024	X					
6/14/2024	Meeting with Dan York	7/12/2024	X			7/12/2024	X			
6/17/2024	SSWD Regular Board Meeting	7/12/2024	X	7/12/2024	X	7/12/2024	X	7/12/2024	X	
6/18/2024	DPMWD Special Board Meeting							7/12/2024	X	
6/18/2024	RWA Water Technology Alliance			7/12/2024	X					
6/18/2024	RWA Water Efficiency Program at Carmichael					7/12/2024	X			
6/24/2024	Special Board Meeting SSWD Rate Study Workshop	7/12/2024	X			7/12/2024	X	7/12/2024	X	
6/25/2024	Joint Board Meeting SSWD/SJWD	7/12/2024	X			7/12/2024	X	7/12/2024	X	
6/26/2024	NASb Public Meeting - Report							7/12/2024	X	
6/27/2024	EPA Webinar - Renewable Energy Intergration at Water Utilities	7/12/2024	X							
6/29/2024	Stop Chasing Leaks! Ultrasonic Meters w/Embedded Acoustic Leak Detection			7/12/2024	X					
6/30/2024	Met w/President Thomas - Missed Meeting Recap	7/12/2024	X	7/12/2024	X					
2nd Quarter	Total Paid	27	\$ 3,672.00	29	\$ 3,944.00	21	\$ 2,856.00	28	\$ 3,808.00	\$ -

No Pay - Verbal Report

**Directors Expense Report
Calendar Year 2024**

Event/Purpose - 1st Quarter	Jones	Locke	Boatwright	Thomas	Wichert	Total
Local Meeting Expenses & Mileage						-
Reimbursed by District			81.07			81.07
Paid Directly by District						-
Conferences						-
Reimbursed by District		3,072.51	3,214.91			6,287.42
Paid Directly by District	3,125.45		840.00			3,965.45
Total	3,125.45	3,072.51	4,135.98	-	-	10,333.94

Event/Purpose - 2nd Quarter	Jones	Locke	Boatwright	Thomas	Wichert	Total
Local Meeting Expenses & Mileage						-
Reimbursed by District		136.01	62.31			198.32
Paid Directly by District						-
Conferences						-
Reimbursed by District	4,792.47	4,476.56	2,129.01			11,398.04
Paid Directly by District	840.00					840.00
Total	5,632.47	4,612.57	2,191.32	-	-	12,436.36

**Directors Expense Report
2024 Year to Date**

Event/Purpose	Jones	Locke	Boatwright	Thomas	Wichert	Total
Local Meeting Expenses & Mileage						-
Reimbursed by District	-	136.01	143.38	-	-	279.39
Paid Directly by District	-	-	-	-	-	-
Conferences						-
Reimbursed by District	4,792.47	7,549.07	5,343.92	-	-	17,685.46
Paid Directly by District	3,965.45	-	840.00	-	-	4,805.45
Refunded by Director						-
Refunded Directly by Vendor						-
Total	8,757.92	7,685.08	6,327.30	-	-	22,770.30

This report meets the reporting requirements of Government Code sections 53065.5 and 53232.3 and is in conformance with District Policy. Per section 300.10 of the Director's Compensation and Expense Reimbursement Policy (PL-BOD003), a Director's total annual reimburseable expenses, excluding registration fees, may not exceed \$10,000.00.



Agenda Item: 4

Date: August 19, 2024

Subject: August 2024 Legislation Update

Staff Contact: Greg Bundesen, Conservation and Communications Supervisor

Recommended Board Action:

Approve staff’s recommendations regarding the legislative bills listed in Table 1.

Background:

PL – Adm 004 Legislative Response Policy establishes the District’s position relative to legislative proposals, and to respond to requests for support or opposition from various agencies (i.e., the Association of California Water Agencies (ACWA) and the Regional Water Authority (RWA)).

Discussion:

Table 1 shows proposed Assembly Bills (AB) of interest to the District, a summary of the proposed legislative bills, and staff recommended positions. Staff’s recommended positions are based on input from ACWA and the RWA. Legislative bill text can be provided upon request.

Table 1: Legislative Bills of Interest		
Bill Number	Summary	Position
AB 2257 (Wilson D-Fairfield)	Makes changes to how challenges to Prop 218 can be brought.	Support
AB 2060 (Soria D-Fresno)	Regarding lake and streambed alteration requirements: would exempt temporary operation of existing infrastructure to divert flood water to groundwater recharge	Support
AB 1330 (Archuleta D-Pico Rivera)	Would make numerous changes to the calculation and reporting on water efficiency requirements.	Support

Fiscal Impact:

Though there may be a fiscal impact if a legislative bill passes or fails, there is no immediate cost to approving staff’s recommended positions.

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



Agenda Item: 5

Date: August 19, 2024

Subject: Policy Review - Environmental Sustainability Policy (PL – Adm 005)

Staff Contact: Matt Underwood, Assistant General Manager

Recommended Board Action:

Ratify Environmental Sustainability Policy (PL – Adm 005) without changes.

Background:

The Environmental Sustainability Policy (Policy) was adopted by the Board of Directors (Board) on November 12, 2007, and was last reviewed by the Board and approved with minor changes on September 19, 2022. On July 15, 2024, the Policy was brought to the Board for its scheduled review with no recommended changes. No comments from Directors have been received to date.

This Policy update was not reviewed by legal counsel.

Discussion:

Staff have reviewed the Policy and are not recommending any changes to the Policy. A clean version of the Policy is attached to this report for reference (Attachment 1).

Fiscal Impact:

There is no fiscal impact related to ratifying this Policy.

Strategic Plan Alignment:

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

Attachments:

- 1) Environmental Sustainability Policy (PL – Adm 005) – clean

Sacramento Suburban Water District

Environmental Sustainability Policy

Adopted: November 12, 2007
Approved with changes on: September 19, 2022

100.00 Purpose of the Policy

The primary purpose of this policy is to establish Sustainability as a guiding principle for daily operations and as a framework for long term business decisions for the District. The District’s Board of Directors recognizes and accepts its responsibility to support a sustainable community through plans, policies, and procedures that promote clean air, clean water, reduced energy consumption, reduced air pollution, promoting water use efficiency, the use of alternative energy sources, recycling, solid waste management, and provide awareness of sustainable business practices to employees, customers, and the community.

100.10 Definitions

Sustainability is defined as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” (United Nations, 1987)

200.00 Policy

It shall be the Policy of the District to consider the financial, environmental, and social benefits of business practices, to make decisions that are cost effective to ratepayers and responsive to the environment. To support this policy, the District will, when practical and prudent, make best efforts to:

1. Encourage and develop connections between environmental quality and operational efficiency.
2. Include long term and cumulative impacts in decision making and work to protect environmental quality in our community.
3. Ensure commitment to equity so environmental impacts and the costs of protecting the environment do not unfairly burden the District’s ratepayers.
4. Ensure environmental quality and understand environmental linkages when decisions are made regarding project development and implementation, District owned facility use, transportation needs, energy use, water conservation, and air quality impacts.

5. Use resources efficiently and, when possible, reduce demand for natural resources.
6. Use cost effective measures to mitigate additional pollution through planned, proactive measures rather than only corrective action.
7. Act locally to reduce adverse global impacts by supporting and implementing innovative programs that maintain and promote the District as a sustainable business.
8. Purchase products based on long term environmental and operating costs and find ways to include environmental and social costs in short term prices.
9. Purchase products that are made of recycled materials, durable, reusable, biodegradable, and non-toxic.
10. Recycling disposable products is required, when feasible.
11. Educate customers and employees about the District's sustainable programs. Work with other entities, not directly related to water, to implement Best Management Practices if opportunities exist and take advantage of community resources.
12. Encourage customer participation in District policy decisions.
13. Encourage individuals and businesses to take responsibility for their actions that impact water and the environment.

300.00 Policy Review

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



Agenda Item: 6

Date: August 19, 2024

Subject: Policy Review – Budget Policy (PL – Fin 012)

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

Recommended Board Action:

Ratify Budget Policy (PL – Fin 012) without changes.

Background:

The Budget Policy (Policy) was adopted by the Board of Directors (Board) on September 15, 2014, and was last reviewed by the Board on August 15, 2022, with language and definition changes and clarification updates made to sections 200.10, 200.20 and 400.00. On July 15, 2024, the Policy was brought to the Board for its scheduled review with no recommended changes. No comments from Directors have been received to date.

This Policy update was not reviewed by legal counsel.

Discussion:

This Policy is intended to provide guidelines to assist in the formulation of the District’s Annual Budget. Staff have reviewed the Policy and are not recommending any changes to the Policy. A clean version of the Policy is attached to this report for reference (Attachment 1).

Fiscal Impact:

There is no fiscal impact related to ratifying this Policy.

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachments:

- 1) Budget Policy PL – Fin 012 – clean

Sacramento Suburban Water District

Budget Policy

Adopted: September 15, 2014
Ratified without changes on: August 19, 2024

100.00 Purpose:

The District’s annual budget, as approved by the Board of Directors, will serve as the basis for operating the District financially. The Revenue and Other Sources of Funds, Operating, Capital and Debt Service Budgets are developed on an annual basis utilizing the District’s Strategic Plan, Asset Management Plans, Urban Water Management Plan, debt documents and all other District planning documents and as recommended by staff. Together, these documents and activities provide a comprehensive plan to deliver efficient water service to the customers and stakeholders of the District in a manner that aligns resources with the policy, goals, mission and vision for the District.

The formulation of the Revenue and Other Sources of Funds, Operating, Capital and Debt Service Budgets (Annual Budget) is one of the most important financial activities that the District undertakes each year. This policy is intended to provide guidelines to assist in the formulation of the District’s Annual Budget.

100.10 Applicability and Scope:

This policy shall apply to all revenues and expenditures under the budgetary and fiscal control of the Board of Directors.

100.20 Definitions and Terms:

Adopted Budget – The formal budget document approved by the Board of Directors which shows budgeted revenues and expenditures/expenses for the subject calendar year.

Amended Budget – The approved budget after a Board of Directors approved budget amendment.

Budget Amendment – Any adjustment that changes the amount of a budget (operating, capital, debt service or revenues and sources of funds). Budget amendments must be approved by the Board of Directors.

Budget Rollover – Budget amounts allocated to specific capital projects (not master budget amounts) that are unspent at year-end will roll over to subsequent years and be available for spending on the project. Rollover funds may not be transferred to other projects. Unspent rollover funds will be transferred to reserves at project completion.

Capital Budget - The Capital Budget is comprised of two components, Capital Improvements Program (CIP) and Operating Capital Program (OCP). Projects will be segregated and managed separately within these two categories.

Capital Improvement Program (CIP) – The CIP is a component of the Capital Budget and includes a number of general along with specifically identified projects and their projected costs. Projects in the CIP are comprised of the long-term assets generally associated with the water delivery system.

Debt Service – The annual amounts required to satisfy the District’s legal requirements for repaying debt principal, payment of interest and other debt related costs.

Full Accrual Basis of Accounting – Transactions and events are recognized as revenues and expenses when they occur regardless of the timing of related cash flows. This method is consistent with how the District accounts for its normal operational transactions.

Level of Control – The level of budgetary accountability at which the District’s Budget Managers may not reassign resources without approval of the Board of Directors.

Operating Budget – The Operating Budget is comprised expenditures/expenses used to pay for daily operations such as labor costs, materials and supplies, outside services, etc.

Operating Capital Program (OCP) – The OCP will include all Information Technology capital projects, vehicle and fleet capital costs, capitalizable office furniture, and capitalizable costs for operations. Capitalizable costs in the OCP are distinguished from those in the Capital Improvement Program based, generally, on the shorter expected life of the asset and the asset is not part of the general water delivery system.

Rate Covenant – Legal conditions placed on the District as part of obtaining and maintaining debt.

100.30 Related Documents and References:

- Capital Asset Policy PL Fin 002
- Reserve Policy PL Fin 004
- Debt Management Policy PL Fin 011
- Employee Compensation Policy PL – HR 002

200.00 Policy:

It will be the policy of the District to prepare an Annual Budget each year that will be approved by the Board of Directors before the budget year begins. The following sections outline the specific requirements of this policy.

200.10 Basis of Budgeting:

- A. Full Accrual Basis of Accounting will be used for budgeting purposes with the following exceptions:
 1. Changes in fair value of investments are not treated as adjustments to revenue in the annual budget.

2. Debt principal payments are treated as expenditures in the annual budget.
3. Capital lease payments are treated as expenditures in the annual budget.
4. Amortization of debt premiums, discounts and defeasance costs are not recognized in the annual budget.
5. Depreciation expense is not recognized in the annual budget.
6. Capital purchases are recognized as expenditures in the annual budget.
7. Material increases/decreases in holding accounts such as inventory, prepaid expenses, compensated absences, etc. can be recognized as expenditures or sources of funds in the annual budget.
8. Non-cash expenses related to pension, OPEB, and Asset Retirement Obligations are not recognized in the annual budget.
9. Reserve uses or contributions will be recognized as sources of funds or expenditures in the annual budget, respectively.

200.20 Budgetary Control:

- A. The Adopted Budget is not a legally binding appropriation as with other municipal entities. The budget is for cost control and management reporting purposes only. The approved budget is a one-year budget only, however, a subsequent year forecasted budget may be prepared and included for comparison purposes.
- B. Budget Managers will have the authority to reallocate budget amounts within their department/project category budgets without subsequent reporting to the Board. Transfers between departments or project categories must be approved by the General Manager and reported as described in item C below.
- C. The General Manager will have authority to transfer specific budgeted amounts within a particular budget (Operating, Capital, or Debt Service) during the year with subsequent reporting to the Board of Directors.
- D. Amounts to be transferred between budgets (e.g., Operating to Capital) will be approved by the Board of Directors prior to the transfer by means of a Budget Amendment. The General Manager may also request to increase or decrease a specific budget by means of a Budget Amendment.
- E. Unspent budgeted funds at year-end will be transferred to reserves except for planned and active capital projects. Planned and active capital projects with unspent budgeted funds at year-end will have their unspent budgeted funds rollover to the subsequent year.
- F. 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 budget-to-actual expenditures during the year and review of this Policy.

200.30 Balanced Budget:

- A. The District shall adopt a balanced budget. A budget is balanced when the sum of estimated revenues and appropriated reserves is equal to planned expenditures (including reserve contributions).
- B. Minimum reserve levels shall be maintained unless reserves are being used in accordance with purposes permitted by District policy.

200.40 Development of the Budget:

The District's Strategic Plan will serve as a guide/tool in the development of the District's Annual Budget. The District will establish and maintain separate revenue and sources of funds, operating, capital and debt service budgets (collectively – Annual Budget) in order to provide for proper fund management, financial planning and long-term solvency of the District.

On a combined basis, the Budget will comprise or include the following:

- A. Prioritization – In concert with the adopted District's Strategic Plan, Asset Management Plans, Urban Water Management Plan and all other District planning documents and as recommended by staff, the Board of Directors will prioritize projects and expenditures within the constraint of expected revenues and appropriated reserves.
- B. Capital Accounts – Capital sources of funds from facility development charges, grants, loans and other financing mechanisms will be accounted for separately in capital accounts, such that funds dedicated for capital purposes are expended only for capital purposes.
- C. Adequate Funding to Preserve System Assets – Total operating expenditures will be funded at a level that will preserve the intended life and functional requirements of the District's water system and allow the District to remain in compliance with all applicable regulations.
- D. Adequate Funding to Replace System Assets – Total capital expenditures will be funded at a level that will meet the requirements of the District's Asset Replacement Management Plans and/or the Water System Master Plan.
- E. Maintenance of Sufficient Reserves – The District will maintain sufficient reserves in accordance with the District's Reserve Policy (PL Fin 004.).
- F. Annual Net Income – The District will strive to achieve positive annual net income (total revenue less operating expenditures, debt service and capital projects funded from rates) greater than or equal to zero.
- G. Bond/COP Rate Covenant Requirements – The District will budget such that it will exceed the Rate Covenant obligations of its indebtedness, which is a minimum of 115% of the District's annual debt service costs.

- H. Strive for Rate Stability – Rate stability reinforces the concept that costs are being managed and controlled. Rates should be stable in their ability to generate sufficient revenues.
1. Needed rate adjustments will attempt to minimize impacts to customers by phasing-in or transitioning large rate adjustments over time where possible.
 2. Where possible and deemed appropriate, excess fund balances will be used to offset rate increases with any remaining balances being used for approved capital purposes. The use of fund balances (reserves) will not compromise the Reserve Policy regarding minimum targeted reserve levels or adequate funding on a long-term self-sustaining basis.
 3. Annual rate reviews will consider a minimum three-year projected period in an attempt to stabilize and minimize rates over time.
 4. A comprehensive rate study will be conducted at least every five years by an outside party as determined by the Board in order to assess the fairness of the rates to the District’s ratepayers and to verify that necessary revenue is available for the District’s operating and capital needs.
 5. Rate stability shall be maintained in line with established District policies and its mission statement.

300.00 Budget Presentation:

The budget will be comprised as follows:

- A. Key Assumptions – To include expected water production and source.
- B. Revenue Projections – To include projected net income.
- C. Projected debt service coverage ratio.
- D. Reserve Balance Projections.
- E. Trend and/or Comparative Information
- F. Detailed Annual Budget Data including the following sections:
 1. Revenues and Sources of Funds
 2. Operating Expenditures: Incorporates all District operating expenses, including:
 - a. Expected Other Post Employment Benefit costs and funding to be separately identified and approved.
 - b. Annual labor budget and its components per the Employee Compensation Policy (PL – HR 002) section 300.00
 - c. Other budget categories as required by the Board.
 3. Capital Expenditures (CIP and OCP): Incorporates all the District capital expenditures, including:

- a. Capital Improvement Program expenditures.
 - b. Operating Capital Program expenditures
 - c. Comprised of both general and specific program projects.
4. Debt Service: Will be based on contractual obligations for all principal and fixed-rate interest obligations. Adjustable-rate interest obligations will be forecast based on best available market data at budget preparation time.

400.00 Budget Reporting:

- A. Evaluation and Monitoring of Costs – Costs will be evaluated and monitored through monthly and annual reporting to Board of Directors to ensure that the District is operated in a cost effective and economically prudent manner.
- B. Rollover budget funds will be tracked and reported.

500.00 Authority:

The Board of Directors are responsible for policy formulation and overall direction setting of the District. This includes the approval of financial policies which establish and direct the operations of the District. The General Manager is responsible for carrying out the policy directives of the Board of Directors and managing the day-to-day operations of the District. This policy shall be administered on behalf of the General Manager by the Assistant General Manager and the Director of Finance and Administration.

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: 7

Date: August 19, 2024

Subject: Policy Review – Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL - HR 012)

Staff Contact: Susan Schinnerer, Human Resources Manager

Recommended Board Action:

Approve Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL - HR 012) with changes.

Background:

The Discrimination and Harassment Prevention Policy (Policy) was adopted by the Board of Directors (Board) on July 21, 2003, and was last reviewed by the Board on August 15, 2022, with language changes and legal updates. On July 15, 2024, the Policy was brought to the Board for its scheduled review with recommended changes. No comments from Directors have been received to date.

This Policy update was reviewed by legal counsel.

Discussion:

Staff have reviewed the Policy and are recommending changes to the Policy as shown in the attached redlined version, including adding the definition and discussion of Abusive Conduct in the Policy itself, as well as in the Policy's title.

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

Attachments:

- 1 – Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL - HR 012) – redline
- 2 – Discrimination, Harassment, and Abusive Conduct Prevention Policy (PL - HR 012) – clean

Sacramento Suburban Water District

Discrimination, ~~and Harassment~~, and Abusive Conduct -Prevention Policy

Adopted: July 21, 2003

Approved with changes on: ~~August 15, 2022~~August 19, 2024

100.00 Purpose of the Policy

The purpose of this policy is to confirm the District's commitment to provide a professional work environment free of unlawful discrimination, ~~and harassment, and abusive conduct, including conduct based on a protected characteristic, and an environment free from retaliation for participating in any protected activity covered by this policy.~~

200.00 Policy

~~The District strictly prohibits unlawful discrimination and harassment on the basis of an employee's race, religion, color, national origin, ancestry, disability (physical, mental, HIV and AIDS), medical or physical condition, genetic information, marital status, sex gender, gender identity, gender expression, age, sexual orientation, or military or veteran status. Discrimination, and harassment, and/or abusive conduct in the workplace or in the course and scope of employment by any person in any form ~~that~~ is in violation of this policy is prohibited.~~

Discrimination is defined as the unequal treatment in any aspect of employment, based solely or in part on a protected characteristic, including an employee or applicant's perceived protected characteristic. Protected categories include: race, color, religion, religious creed, national origin, ancestry, citizenship, physical or mental disability, medical condition, protected medical leaves, genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, age (40 years and over), sexual orientation, veteran and/or military status, domestic violence victim status, political affiliation, and any other characteristic protected by state or federal anti-discrimination law covering employment. Discrimination includes unequal treatment based upon an association with a member of these protected classes.

Discrimination may include but is not necessarily limited to: hostile or demeaning behavior directed due to a protected characteristic; allowing the protected characteristic to be a factor in hiring, transferring, promoting, terminating, separating, compensating or other employment-related or working condition decisions unless otherwise permitted by applicable law, and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or employees because of their protected characteristic.

Harassment is defined as unwelcome disrespectful or unprofessional conduct, including disrespectful or unprofessional conduct based on any of the protected characteristics listed above. Harassment can be verbal (such as slurs, jokes, insults, epithets, gestures, or teasing), visual (such as the posting or distribution of offensive posters, symbols, cartoons, drawings, computer displays, or emails), or physical conduct (such as physically threatening another person, blocking someone's way, or making physical contact in an unwelcome manner). ~~Prohibited unlawful discrimination and harassment includes, but is not limited to, the following:~~

- ~~• Verbal harassment such as epithets, offensive jokes, derogatory comments, name calling, or slurs based on the person's race, religion, color, national origin, ancestry, gender (including gender identity and gender expression), sex, age, marital status, actual or perceived sexual orientation (including gay, lesbian, bisexual or transgender), physical or mental disability or condition, military or veteran status, or genetic information;~~
- ~~• Physical harassment or threats, such as assault, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual based on one of the categories above; and~~
- ~~• Visual harassment such as offensive objects or materials, posters, cartoons, or drawings based on one of the categories above. Also included are e-mails that may be inappropriate, offensive, harassing, or that create a hostile work environment.~~
- ~~• Sexual harassment (see below).~~

This policy applies to all persons involved in ~~functions~~the functions of the District, including directors, supervisors, managers, employees, contractors, consultants, vendors, and other third parties. ~~This policy applies to all areas of employment, including recruitment, hiring, training, promotion, transfer, disciplinary action including termination, and reduction in workforce, compensation, and other benefits.~~

Sexual harassment is discrimination by any person in or from the work environment ~~is strictly prohibited.~~ Sexual harassment includes, but is not limited to, ~~discrimination based on~~based on sex/gender (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, or sexual orientation. It can include all of the actions described above as harassment, as well as other unwelcome sex-based conduct, occur in the form of such as unwanted unwelcome or unsolicited requests for sexual favors, conversations regarding sexual activities, or other verbal or physical conduct of a sexual nature. ~~sexual advances, requests for sexual favors, or other verbal, visual, or physical conduct of a sexual or nonsexual nature, when it creates a hostile or offensive working environment for the harassed employee. It can include the following circumstances:~~

Sexual harassment is generally categorized into two types:

- “Quid pro quo” (~~Latin for~~ “this for that”): Occurs when an individual in a position of authority over another (for example, a manager or supervisor) directly or indirectly demands sexual favors from a subordinate in exchange for some benefit such as a promotion or pay increase, or to avoid an adverse employment action such as demotion or termination.
- “Hostile Work Environment”: Occurs when unwelcome conduct or comments based on sex, gender, gender identity, gender expression, or sexual orientation by any person in the workplace have the purpose or effect of unreasonably interfering with an individual’s work performance and/or ; creating an intimidating, hostile, threatening or offensive working environment; ~~or adversely affecting the employee’s performance, evaluation, assigned duties, or any other condition of employment or career development.~~

Sexual harassment can occur regardless of if the harasser and the victim are of different sexes or the same sex. Individuals of any gender can be the target of sexual harassment. Unlawful conduct does not need to be motivated by sexual desire, but can occur as a result of hostile acts toward an individual because of the individual’s gender, gender identity, gender expression, or sexual orientation.

~~Sexual harassment also includes any act of retaliation against an employee for reporting harassing conduct or a violation of this policy, or for participating in the investigation of a sexual harassment complaint. Other examples~~ Examples of sexual harassment include but are not limited to: unwanted-unwelcome sexual advances, flirtations, teasing, sexually suggestive or obscene pictures, letters, invitations, emails, voicemails, or gifts; sex, gender or sexual orientation-related comments, slurs, jokes, remarks or epithets; leering, obscene or vulgar gestures; displaying or distributing sexually suggestive or derogatory objects, pictures, cartoons, or posters; impeding or blocking movement, touching or assaulting others; or propositions; verbal abuse of a sexual nature; verbal comments about an individual’s body or to describe an individual; e-mails that may be inappropriate, offensive, harassing, or create a hostile work environment; and leering, gestures, or displaying sexually suggestive objects, pictures, posters, jokes, cartoons, calendar illustrations or other materials, in addition to physical touching or assault. The District will comply with all laws requiring sexual harassment prevention training for all employees. reprisals or threats after a negative response to sexual advances; and conduct or comments consistently targeted at one gender, even if the content is not sexual.

Abusive Conduct is defined as conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer’s legitimate business interests.

Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance. A single act shall not constitute 'abusive conduct', unless especially severe and egregious.

The District encourages all employees to immediately report any incidents of discrimination, ~~or harassment, and/or abusive conduct~~ so that complaints can be addressed resolved quickly and fairly timely. The District will promptly and thoroughly investigate any complaint of discrimination, ~~or harassment, or abusive conduct~~ of any type and will take whatever corrective and ~~remedial preventative~~ action is deemed necessary, including disciplining or discharging any individual who is found to have violated this policy. All complaints and investigations will be designated as confidential to the extent possible and permitted by law. However, complete confidentiality of an investigation cannot be guaranteed when it interferes with the District's ability to fulfill its obligations under this policy or the law.

If an employee chooses, they may file a complaint with the State of California Civil Rights Department (CRD) ~~Department of Fair Employment and Housing (DFEH)~~ and/or with the United States Equal Employment Opportunity Commission (EEOC). These agencies are charged with the responsibility of accepting and reviewing all complaints.

The District will not retaliate against an employee for reporting an allegation of discrimination or harassment, and it will not tolerate or permit retaliation by other employees against the reporting employee or any employees participating in the investigation of a discrimination ~~or~~ harassment, and/or abusive conduct complaint. Any employee who believes they have been retaliated against because of a claim of discrimination or harassment, or from participation in an investigation, may file a claim of retaliation with the District, the DFEH-CRD and/or the EEOC.

300.00 Authority and Responsibility

The General Manager and each supervisor or manager will be responsible for maintaining a workplace free of discrimination, ~~and harassment, and abusive conduct~~. This responsibility includes discussing this policy with all employees and assuring them they are not required to endure ~~insulting, degrading, or exploitative treatment or any other form of~~ any form of discrimination, ~~or harassment, and/or abusive conduct~~. The District will provide a copy of this policy and the ~~“Sexual Harassment Fact Sheet” from DFEH~~ pertinent fact sheets from the CRD to all new ~~employees, and employees and~~ will periodically remind all employees of their rights and duties regarding discrimination, ~~and harassment and abusive conduct,~~ at minimum on an annual basis.

Management and supervisory employees must also comply with the legal requirement to receive two hours of supervisor sexual harassment training and abusive conduct prevention every two years. All non-supervisory employees must receive one hour of employer-paid sexual harassment and abusive conduct prevention training every two years. The District will also post ~~related the~~ federal/state information anti-discrimination and harassment poster notices on ~~the~~ employee bulletin boards.

The General Manager is responsible for ensuring that all reports and complaints of discrimination, ~~or~~ harassment, and/or abusive conduct are investigated promptly, thoroughly and fairly, regardless of the ~~manner in which~~ way they are ~~made~~ made -or the individuals involved, and confidentiality shall be maintained to the extent possible. The person who receives the complaint, if other than the General Manager, shall refer the complaint to the General Manager. The General Manager will review every case, including all investigation findings and recommendations. The General Manager has established a timely and thorough process for investigating all reports or complaints of unlawful discrimination and harassment as set forth in the Discrimination and Harassment Prevention Procedure (PR – HR 008). If a complaint is substantiated, appropriate corrective and remedial action will be taken, up to and including termination of employment.

If the person alleged to have engaged in discrimination or harassment is the General Manager, then the person who received the complaint shall refer it to the President of the District's Board of Directors and the President, in consultation with District counsel, shall be responsible for investigating the complaint. As with all other complaints and investigations, it will be designated as confidential to the extent possible.

If the person alleged to have engaged in discrimination or harassment is a member of the Board of Directors, the General Manager shall consult with District counsel prior to and during the investigative process.

400.00 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

Discrimination, Harassment, and Abusive Conduct Prevention Policy

Adopted: July 21, 2003
Approved with changes on: August 19, 2024

100.00 Purpose of the Policy

The purpose of this policy is to confirm the District’s commitment to provide a professional work environment free of unlawful discrimination, harassment, and abusive conduct, including conduct based on a protected characteristic, and an environment free from retaliation for participating in any protected activity covered by this policy.

200.00 Policy

Discrimination, harassment, and/or abusive conduct in the workplace or in the course and scope of employment by any person in any form that is in violation of this policy is prohibited.

Discrimination is defined as the unequal treatment in any aspect of employment, based solely or in part on a protected characteristic, including an employee or applicant’s perceived protected characteristic. Protected categories include: race, color, religion, religious creed, national origin, ancestry, citizenship, physical or mental disability, medical condition, protected medical leaves, genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, age (40 years and over), sexual orientation, veteran and/or military status, domestic violence victim status, political affiliation, and any other characteristic protected by state or federal anti-discrimination law covering employment. Discrimination includes unequal treatment based upon an association with a member of these protected classes.

Discrimination may include but is not necessarily limited to: hostile or demeaning behavior directed due to a protected characteristic; allowing the protected characteristic to be a factor in hiring, transferring, promoting, terminating, separating, compensating or other employment-related or working condition decisions unless otherwise permitted by applicable law, and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or employees because of their protected characteristic.

Harassment is defined as unwelcome disrespectful or unprofessional conduct, including disrespectful or unprofessional conduct based on any of the protected characteristics listed above. Harassment can be verbal (such as slurs, jokes, insults, epithets, gestures, or teasing), visual (such as the posting or distribution of offensive

posters, symbols, cartoons, drawings, computer displays, or emails), or physical conduct (such as physically threatening another person, blocking someone's way, or making physical contact in an unwelcome manner).

This policy applies to all persons involved in the functions of the District, including directors, supervisors, managers, employees, contractors, consultants, vendors, and other third parties.

Sexual harassment is discrimination based on sex (including pregnancy, childbirth, or related medical conditions), gender, gender identity, gender expression, or sexual orientation. It can include all of the actions described above as harassment, as well as other unwelcome sex-based conduct, such as unwelcome or unsolicited requests for sexual favors, conversations regarding sexual activities, or other verbal or physical conduct of a sexual nature.

Sexual harassment is generally categorized into two types:

- “Quid pro quo” (“this for that”): Occurs when an individual in a position of authority over another (for example, a manager or supervisor) directly or indirectly demands sexual favors from a subordinate in exchange for some benefit such as a promotion or pay increase, or to avoid an adverse employment action such as demotion or termination.
- “Hostile Work Environment”: Occurs when unwelcome conduct or comments based on sex, gender, gender identity, gender expression, or sexual orientation by any person in the workplace unreasonably interferes with an individual's work performance and/or creates an intimidating, hostile, threatening or offensive working environment.

Sexual harassment can occur regardless of if the harasser and the victim are of different sexes or the same sex. Individuals of any gender can be the target of sexual harassment. Unlawful conduct does not need to be motivated by sexual desire, but can occur as a result of hostile acts toward an individual because of the individual's gender, gender identity, gender expression, or sexual orientation.

Examples of sexual harassment include but are not limited to: unwelcome sexual advances, flirtation, teasing, sexually suggestive or obscene pictures, letters, invitations, emails, voicemails, or gifts; sex, gender or sexual orientation-related comments, slurs, jokes, remarks or epithets; leering, obscene or vulgar gestures; displaying or distributing sexually suggestive or derogatory objects, pictures, cartoons, or posters; impeding or blocking movement, touching or assaulting others; reprisals or threats after a negative response to sexual advances; and conduct or comments consistently targeted at one gender, even if the content is not sexual.

Abusive Conduct is defined as conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests.

Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance. A single act shall not constitute 'abusive conduct', unless especially severe and egregious.

The District encourages all employees to immediately report any incidents of discrimination, harassment, and/or abusive conduct so that complaints can be addressed timely. The District will promptly and thoroughly investigate any complaint of discrimination, harassment, or abusive conduct of any type and will take whatever corrective and preventative action is deemed necessary, including disciplining or discharging any individual who is found to have violated this policy. All complaints and investigations will be designated as confidential to the extent possible and permitted by law. However, complete confidentiality of an investigation cannot be guaranteed when it interferes with the District's ability to fulfill its obligations under this policy or the law.

If an employee chooses, they may file a complaint with the State of California Civil Rights Department (CRD) and/or with the United States Equal Employment Opportunity Commission (EEOC). These agencies are charged with the responsibility of accepting and reviewing all complaints.

The District will not retaliate against an employee for reporting an allegation of discrimination or harassment, and it will not tolerate or permit retaliation by other employees against the reporting employee or any employees participating in the investigation of a discrimination, harassment, and/or abusive conduct complaint. Any employee who believes they have been retaliated against because of a claim of discrimination or harassment, or from participation in an investigation, may file a claim of retaliation with the District, the CRD and/or the EEOC.

300.00 Authority and Responsibility

The General Manager and each supervisor or manager will be responsible for maintaining a workplace free of discrimination, harassment, and abusive conduct. This responsibility includes discussing this policy with all employees and assuring them they are not required to endure any form of discrimination, harassment, and/or abusive conduct. The District will provide a copy of this policy and the pertinent fact sheets from the CRD to all new employees and will periodically remind all employees of their rights and duties regarding discrimination, harassment and abusive conduct at minimum on an annual basis.

Management and supervisory employees must also comply with the legal requirement to receive two hours of supervisor sexual harassment training and abusive conduct prevention every two years. All non-supervisory employees must receive one hour of employer-paid sexual harassment and abusive conduct prevention training every two years. The District will also post related federal/state information notices on employee bulletin boards.

The General Manager is responsible for ensuring that all reports and complaints of discrimination, harassment, and/or abusive conduct are investigated promptly, thoroughly and fairly, regardless of the way they are made or the individuals involved, and confidentiality shall be maintained to the extent possible. The person who receives the complaint, if other than the General Manager, shall refer the complaint to the General Manager. The General Manager will review every case, including all investigation findings and recommendations. The General Manager has established a timely and thorough process for investigating all reports or complaints of unlawful discrimination and harassment as set forth in the Discrimination and Harassment Prevention Procedure (PR – HR 008). If a complaint is substantiated, appropriate corrective and remedial action will be taken, up to and including termination of employment.

If the person alleged to have engaged in discrimination or harassment is the General Manager, then the person who received the complaint shall refer it to the President of the District's Board of Directors and the President, in consultation with District counsel, shall be responsible for investigating the complaint. As with all other complaints and investigations, it will be designated as confidential to the extent possible.

If the person alleged to have engaged in discrimination or harassment is a member of the Board of Directors, the General Manager shall consult with District counsel prior to and during the investigative process.

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: 8

Date: August 19, 2024

Subject: Resolution No. 24-09 Amending Reserve Policy (PL – Fin 004)

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

Recommended Board Action:

Adopt Resolution No. 24-09 and approve the amended Reserve Policy – PL-Fin 004.

Background:

The primary purposes of the Reserve Policy (PL – Fin 004) (Policy) are to establish a reserve fund level that is specific to the needs and risks of the District, to identify when and how reserve funds are utilized and replenished, and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District’s financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances. The Policy was adopted by the Board on August 18, 2003, and was last reviewed by the Board on November 15, 2021.

As part of the 2024 Comprehensive Water Rate Study (Rate Study) process, the Policy was reviewed. The District’s rate consultant, Hildebrand Consulting, recommended various changes to the Policy which were integrated into the Rate Study findings and recommendations. Staff and the Board reviewed the Policy at the June 24, 2024, Special Board Workshop. The policy was also brought to the Board for review at the July 15, 2024, regular Board meeting. No comments from Directors have been received to date.

In addition to the changes recommended by the rate consultant, staff also recommended establishing two new Committed Funds for Main Replacement and Well Development. As established by the Policy, any Committed Funds are those financial assets identified by Board resolution or ordinance. Staff have attached Resolution No 24-09 (Attachment 1) establishing the two committed funds.

Discussion:

Staff are recommending changes to the Policy. The following summarizes the requested changes:

Section 100.00 Purpose of the Policy: This section is being reorganized, renamed and the following language is being requested to be added. “The District’s reserves and other cash balances are also evaluated by third-party credit rating agencies when determining the credit

worthiness of the District. Care should be taken to balance the District’s financial risks, credit rating and customer rate impacts when determining the appropriate amount of District reserves.”

Section 200.30 Committed Funds Classification: Staff are recommending that the Board consider adding two Committed Fund Classifications for Main Replacement and Well Development. These funds will act as sinking funds to accumulate funds through annual budgets to be set aside and accumulated to smooth annual expenditures for large main replacement projects and for new well construction or well treatment. With the increased costs in these two types of projects, staff are recommending setting aside annual amounts to fund these Committed Funds then utilize the funds when needed. The following language is proposed.

Main Replacement Fund

As established by the Board of Directors in District Resolution No. 24-09, this is a sinking fund to accumulate funds for the purpose of replacing existing water mains (transmission or distribution) and related appurtenances (services, valves, hydrants, etc) where forecasted annual budget amounts are insufficient to cover anticipated costs. This fund will be funded and expended at the direction of the Board of Directors. There is no target level for this fund and this fund shall not be included in the minimum reserve fund balance target.

Well Development Fund

As established by the Board of Directors in District Resolution No. 24-09, this is a sinking fund to accumulate funds for the purpose of developing new wells or for well treatment where forecasted annual budget amounts are insufficient to cover anticipated costs. This fund will be funded and expended at the direction of the Board of Directors. There is no target level for this fund and this fund shall not be included in the minimum reserve fund balance target.

Section 200.40 Assigned Fund Classification: The proposed amendments to this section are as follows:

- 1) The Operating Fund liquidity requirements are being removed. There will be in place an overall liquidity requirement added in a new section 310.00. The fund target is being reduced from 50% of the current year’s budgeted expenditures to 33% or 120 days. A few minor language changes are proposed.
- 2) The Interest Rate Risk Management Fund is recommended to be removed as the District no longer has variable rate debt that would require such a reserve.
- 3) The Grant Fund, when needed, will be funded out of the Capital Asset Fund by means of a transfer. The following language is be proposed, “The Grant Fund will be funded from the Capital Asset Fund or as directed by the Board.”
- 4) The Capital Asset Fund target is being reduced from 100% of the 5-year future planned Capital Improvement Program (CIP) expenditures to 50% of the future planed capital expenditures. This now includes the Operating Capital Program (OCP) expenditures.
- 5) Minor language changes.

Section 310.00 Reserve Fund Liquidity: Staff is requesting to add this section to the policy to establish the liquidity in the overall reserve balance for the purposes of funding emergency or

unexpected expenditures without having to prematurely liquidate investments prior to full maturity, which could result in a loss on the sale of an investment.

Section 400.00 Target Funding Level: Consistent with the updates being requested in Section 200.30 and 200.40 to add the Main Replacement Fund and Well Development Fund, remove the Interest Rate Risk Management Fund, and update the target levels of the Operating Fund and Capital Asset Fund.

Section 400.10 Reserve Fund Valuation: Staff is requesting to add this section to the policy to establish the method of valuing the reserve fund. Accounting principles require District investments to be valued at fair market value for financial reporting purposes. This represents the value of the investments at a given date if they were all to be liquidated. Valuing the investments at market creates unrealized gains and losses on the investments as the current value differs from the cost of the investment. This will have an effect on the reported reserve balances year-to-year which may require more contributions to reserves to maintain established reserve balances.

This Policy update was reviewed by legal counsel.

A redline and clean copy of proposed Reserve Policy (PL-Fin 004) are attached to this report as Attachment 2 and Attachment 3, respectively.

Fiscal Impact:

If approved, these changes will reduce the basis amount for calculating the Operating and Capital Asset funds which could reduce the amount of reserves in these two funds. The adoption of the two new committed funds, Main Replacement and Well Development, will increase reserve fund amounts as the two funds receive fund contributions.

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachment:

- 1 – Resolution No. 24-09 A Resolution Of The Board Of Directors Of The Sacramento Suburban Water District Establishing The Main Replacement Committed Fund And The Well Development Committed Fund By Amending Reserve Policy – PL-Fin 004
- 2 – Reserve Policy (PL – Fin 004) – Redline
- 3 – Reserve Policy (PL – Fin 004) – Clean

RESOLUTION NO. 24-09
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT ESTABLISHING THE MAIN
REPLACEMENT COMMITTED FUND AND THE WELL DEVELOPMENT
COMMITTED FUND BY AMENDING RESERVE POLICY – PL - FIN 004

WHEREAS, on August 18, 2003, the Board adopted Reserve Policy PL – Fin 004;

WHEREAS, Section 200.30 of the policy states “that any Committed Funds are those financial assets identified by Board resolution or ordinance”.

WHEREAS, the Board now desires to establish the following two Committed Funds:
Main Replacement Fund and the Well Development Fund; and

WHEREAS, the Board desires for the General Manager to amend the Reserve Policy for the establishment of the Main Replacement Fund and the Well Development Fund under the direction of the Director of Finance and Administration/ District Treasurer which conforms to this resolution.

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

1. The Board authorizes the establishment of the Main Replacement Fund as a Committed Fund that may only be utilized at the direction of the Board. This is a sinking fund to accumulate funds for the purpose of replacing existing water mains (transmission or distribution) and related appurtenances (services, valves, hydrants, etc.) where forecasted annual budget amounts are insufficient to cover anticipated costs. It is anticipated to be funded through unspent annual planned transmission and distribution (T&D) expenditures or at the direction of the Board. There is no minimum target level for this fund. This fund shall not be included in the minimum reserve fund balance target.
2. The Board authorizes the establishment of the Well Development Fund as a Committed Fund that may only be utilized at the direction of the Board. This is a sinking fund to accumulate funds for the purpose of developing new wells or for well treatment where forecasted annual budget amounts are insufficient to cover anticipated costs. This fund will be funded and expended at the direction of the Board of Directors. There is no target level for this fund and this fund shall not be included in the minimum reserve fund balance target.
3. The General Manager is directed to amend the Reserve Policy to conform to this resolution and which shall be presented to the Board for approval..
4. This Resolution shall take effect as of August 19, 2024.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 19th day of August 2024, by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Kevin Thomas
President, Board of Directors
Sacramento Suburban Water District

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a regular meeting hereof held on the 19th day of August 2024.

(SEAL)

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

PL - Fin 004

Sacramento Suburban Water District

Reserve Policy

Adopted: August 18, 2003

Approved with Changes: ~~November 15, 2021~~ August 19, 2024**100.00 Purpose ~~of the Policy~~**

The primary purposes of this policy are: to establish a reserve fund level that is specific to the needs and risks of the District; to identify when and how reserve funds are utilized and replenished; and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The District's reserves and other cash balances are also evaluated by third-party credit rating agencies when determining the credit worthiness of the District. Care should be taken to balance the District's financial risks, credit rating and customer rate impacts when determining the appropriate amount of District reserves.

~~The primary purposes of this policy are: to establish a reserve fund level that is specific to the needs and risks of the District; to identify when and how reserve funds are utilized and replenished; and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.~~

200.00 Policy**200.10 Fund Classification Types**

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

200.20 Restricted Funds Classification

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

There are no designated restricted funds at this time.

200.30 Committed Funds Classification

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

Capacity Reimbursement Fund

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage Capacity Fees (CF) collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

Main Replacement Fund

As established by the Board of Directors in District Resolution No. 24-XX, this fund is ~~being established as~~ a sinking fund to accumulate funds for the purpose of replacing existing water mains (transmission or distribution) and related appurtenances (services, valves, hydrants, etc.) where forecasted annual budget amounts are insufficient to cover anticipated costs. It is anticipated to be funded through unspent annual planned transmission and distribution (T&D) expenditures or at the direction of the Board. There is no minimum target level for this fund. This fund shall not be included in the minimum reserve fund balance target.

Well Development Fund

As established by the Board of Directors in District Resolution No. 24-XX, this fund is ~~being established as~~ a sinking fund to accumulate funds for the purpose of developing new wells or for well treatment where forecasted annual budget amounts are insufficient to cover anticipated costs. This fund will be funded and expended at the direction of the Board of Directors. There is no target level for this fund and this fund shall not be included in the minimum reserve fund balance target.

200.40 Assigned Funds Classification

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

Emergency/Contingency Fund

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

Operating Fund

Financial assets held primarily ~~in the form of cash and cash equivalents~~ for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a balance ~~in short-term investments and/or cash~~ of ~~180-120~~ days (~~5033~~%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. The minimum balance ~~in this fund in short-term investments and/or cash~~ shall be 90 days (25%) of its current year's budgeted annual expenditures for operating costs and debt service ~~in this fund~~. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent ~~target minimum~~ balance, that is a sign for staff to review the fund and, if necessary, bring ~~recommendations~~ to the Board to ~~replenish the fund and~~ assure the fund will not continue to decline.

Rate Stabilization Fund

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Surface water purchases are based on take-or-pay agreements and on the availability of surface water for purchase. Financial fluctuations occur when situations vary from the assumptions. The District shall target a balance of forty percent

(40%) of its current year's budgeted ~~expected upcoming year~~ consumption revenues (water usage) in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

Interest Rate Risk Management Fund

~~This fund is derived from earnings based on financial assets held as short-term investments pursuant to interest rate risk exposure assumed by the District upon the issuance of floating rate debt. The amount of investments from which earnings are derived and accumulated will be determined at the time of debt issuance. Earnings on such investments will be used to repay a portion of the interest expense on the outstanding floating rate bond or COP as long as the bond or COP is subject to interest rate risk exposure. This fund will be reduced in line with the amortized balance of the interest rate swap(s).~~

Grant Fund

Financial assets held for purposes of funding the “local cost share” and advance payment of eligible reimbursable costs on capital projects funded partially from grant awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. The Grant Fund will be funded from the Capital Asset Fund or as directed by the Board. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

Capital Asset Fund

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. The District shall target a fund balance ~~based on~~ of fifty percent (50%) of the annualized average of the future five years of the planned Capital Program (CIP & OCP) expenditures. The minimum balance in this fund shall be equivalent to the prior year's annual depreciation expense. Well property acquisition amounts will be funded as defined in the section “Well Property Acquisition Fund.” The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the ~~CIP capital budget~~ funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Well Property Acquisition Fund

This Fund is a component of the Capital Asset Fund. Amounts established for this Fund shall be established through the annual budget process. The District shall target a balance to sufficiently fund anticipated property acquisitions. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Capacity Fee Fund

Financial assets held for expenditure on growth/capacity-related capital asset projects only. Amounts deposited into this fund come from unexpended facility development charges collected from developers (see related Capacity Reimbursement Fund in section 200.30 above.) These growth/capacity-related capital asset projects form the cost-basis and legal nexus for the establishment and collection of the Capacity Fees. This fund is dependent upon customer growth. Therefore, there is no prescribed target or minimum balance.

300.00 Disposition of “One-Time” Revenues

“One-time” revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District’s principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, “one-time” revenues should be transferred to the appropriate reserve fund which best represents the reason for the “one-time” revenue.

310.00 Reserve Fund Liquidity

The District’s Reserve Funds are invested in accordance with the District’s Investment Policy (PL – Fin 003). The District’s investments primarily have durations between 0 and 5 years. The investment portfolio’s duration is established based on certain benchmarks. In order to have reserve funds available for use, a portion of the reserve funds need to be short-term investments (12 months or less) or cash and cash equivalents. The District shall have a liquidity target of 50% of the current year’s Operating Budget (O&M) plus 50% of any Committed Fund balances. For the purpose of calculating liquidity versus the target, all District cash and cash equivalent balances shall be included.

400.00 Target Funding Level

A summary of reserve fund classifications and funding levels is shown below:

Fund Classification	Funding Level
Capacity Reimbursement Fund	20% of CF charges collected annually less developer payouts.
Emergency/Contingency Fund	3% of prior-year end total assets.
Operating Fund	50 33% of <u>budgeted</u> annual operating and debt service expenditures.
Rate Stabilization Fund	40% of <u>budgeted</u> water consumption revenues.
Interest Rate Risk Management Fund	Accumulated earnings on short term investments above 3.283% on the unhedged portion of variable rate debt.

Fund Classification	Funding Level
Grant Fund	Sufficient to pay for “local cost share” on all outstanding and applied-for grants. <u>Funds from Capital Asset Fund.</u>
Capital Asset Fund	Based on <u>50% of</u> the annualized average of the <u>projected</u> future five years of CF <u>capital</u> expenditures.
Capacity Fee Fund	Remaining amounts of CF Charges after amounts used by Capacity Reimbursement Fund expended. For new <u>or replacement capacity related</u> infrastructure.
<u>Main Replacement Fund</u>	<u>No minimum. Funded as directed by the Board or from unspent budgeted T&D funds.</u>
<u>Well Development Fund</u>	<u>No minimum. Funded as directed by the Board or from unspent Well Development budgeted funds.</u>

410.00 Reserve Fund Valuation

For the purposes of calculating the reserve fund balances for comparing to the target levels, investments will be valued at market on the date of valuation.

500.00 Authority

The General Manager is responsible for the appropriate accounting and regular reporting of the District’s reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

600.00 Procedure

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of ~~revenue-reserve funds~~ dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

700.00 Policy Review

This Policy ~~will~~shall be reviewed annually by the Board of Directors as part of the annual budget adoption process.

Sacramento Suburban Water District

Reserve Policy

Adopted: August 18, 2003
Approved with Changes: August 19, 2024

100.00 Purpose

The primary purposes of this policy are to establish a reserve fund level that is specific to the needs and risks of the District, to identify when and how reserve funds are utilized and replenished, and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The District's reserves and other cash balances are also evaluated by third-party credit rating agencies when determining the credit worthiness of the District. Care should be taken to balance the District's financial risks, credit rating and customer rate impacts when determining the appropriate amount of District reserves.

200.00 Policy

200.10 Fund Classification Types

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

200.20 Restricted Funds Classification

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

There are no designated restricted funds at this time.

200.30 Committed Funds Classification

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

Capacity Reimbursement Fund

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage Capacity Fees (CF) collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

Main Replacement Fund

As established by the Board of Directors in District Resolution No. 24-XX, this is a sinking fund to accumulate funds for the purpose of replacing existing water mains (transmission or distribution) and related appurtenances (services, valves, hydrants, etc.) where forecasted annual budget amounts are insufficient to cover anticipated costs. It is anticipated to be funded through unspent annual planned transmission and distribution (T&D) expenditures or at the direction of the Board. There is no minimum target level for this fund. This fund shall not be included in the minimum reserve fund balance target.

Well Development Fund

As established by the Board of Directors in District Resolution No. 24-XX, this is a sinking fund to accumulate funds for the purpose of developing new wells or for well treatment where forecasted annual budget amounts are insufficient to cover anticipated costs. This fund will be funded and expended at the direction of the Board of Directors. There is no target level for this fund and this fund shall not be included in the minimum reserve fund balance target.

200.40 Assigned Funds Classification

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

Emergency/Contingency Fund

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

Operating Fund

Financial assets held primarily for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a balance of 120 days (33%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. The minimum balance in this fund shall be 90 days (25%) of its current year's budgeted annual expenditures for operating costs and debt service. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent minimum balance, that is a sign for staff to review the fund and, if necessary, bring recommendations to the Board to replenish the fund and assure the fund will not continue to decline.

Rate Stabilization Fund

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Surface water purchases are based on take-or-pay agreements and on the availability of surface water for purchase. Financial fluctuations occur when situations vary from the assumptions. The District shall target a balance of forty percent (40%) of its current year's budgeted consumption revenues (water usage) in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

Grant Fund

Financial assets held for purposes of funding the "local cost share" and advance payment of eligible reimbursable costs on capital projects funded partially from grant

awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. The Grant Fund will be funded from the Capital Asset Fund or as directed by the Board. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

Capital Asset Fund

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. The District shall target a fund balance of fifty percent (50%) of the annualized average of the future five years of the planned Capital Program (CIP & OCP) expenditures. The minimum balance in this fund shall be equivalent to the prior year's annual depreciation expense. Well property acquisition amounts will be funded as defined in the section "Well Property Acquisition Fund." The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the capital budget funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Well Property Acquisition Fund

This Fund is a component of the Capital Asset Fund. Amounts established for this Fund shall be established through the annual budget process. The District shall target a balance to sufficiently fund anticipated property acquisitions. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

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300.00 Disposition of "One-Time" Revenues

"One-time" revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District's principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, "one-time" revenues should be transferred to the appropriate reserve fund which best represents the reason for the "one-time" revenue.

310.00 Reserve Fund Liquidity

The District's Reserve Funds are invested in accordance with the District's Investment Policy (PL – Fin 003). The District's investments primarily have durations between 0 and 5 years. The investment portfolio's duration is established based on certain benchmarks. In order to have reserve funds available for use, a portion of the reserve funds need to be short-term investments (12 months or less) or cash and cash equivalents. The District shall have a liquidity target of 50% of the current year's Operating Budget (O&M) plus 50% of any Committed Fund balances. For the purpose of calculating liquidity versus the target, all District cash and cash equivalent balances shall be included.

400.00 Target Funding Level

A summary of reserve fund classifications and funding levels is shown below:

Fund Classification	Funding Level
Capacity Reimbursement Fund	20% of CF charges collected annually less developer payouts.
Emergency/Contingency Fund	3% of prior-year end total assets.
Operating Fund	33% of budgeted annual operating and debt service expenditures.
Rate Stabilization Fund	40% of budgeted water consumption revenues.
Grant Fund	Sufficient to pay for "local cost share" on all outstanding and applied-for grants. Funds from Capital Asset Fund.
Capital Asset Fund	50% of the annualized average of the projected future five years of capital expenditures.
Capacity Fee Fund	Remaining amounts of CF Charges after amounts used by Capacity Reimbursement Fund expended. For new or replacement capacity related infrastructure.
Main Replacement Fund	No minimum. Funded as directed by the Board or from unspent budgeted T&D funds.
Well Development Fund	No minimum. Funded as directed by the Board or from unspent Well Development budgeted funds.

410.00 Reserve Fund Valuation

For the purposes of calculating the reserve fund balances for comparing to the target levels, investments will be valued at market on the date of valuation.

500.00 Authority

The General Manager is responsible for the appropriate accounting and regular reporting of the District's reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

600.00 Procedure

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of reserve funds dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

700.00 Policy Review

This Policy shall be reviewed annually by the Board of Directors as part of the annual budget adoption process.



Agenda Item: 9

Date: August 19, 2024

Subject: Urban Water Use Objective Update

Staff Contact: Greg Bundesen, Conservation and Communications Supervisor

Recommended Board Action:

Receive report regarding the State Water Resources Control Board's urban water use objective regulations as required by Senate Bill 606 and Assembly Bill 1668.

Summary

The State Water Resources Control Board (SWRCB) recently adopted the regulations to make water conservation a way of life in California. The regulations establish standards for indoor water use, outdoor water use, and water loss which are used to calculate an overall water use objective. Once calculated, a water supplier will be found in compliance if their annual water use is below their calculated objective. The standards used for calculating the objectives change over time, reducing a supplier's overall objective. The regulations also direct water suppliers to implement various programs to improve water use efficiency for Commercial, Industrial, and Institutional domestic and irrigation water users. Staff's initial review of the regulations shows that the District will need to achieve a 13% reduction in overall water use by 2040.

Background

In 2018, the California Legislature passed Senate Bill (SB) 606 and Assembly Bill (AB) 1668 establishing the basis for urban water use objective standards. The legislation calls on the SWRCB to work with the Department of Water Resources (DWR) to generate the regulatory rules for legislative implementation. The process of generating the regulatory requirements for the legislation involved several years of public meetings to solicit input from both water suppliers and environmental groups.

Discussion

On July 3, 2024, the SWRCB passed a resolution to adopt the various regulations that emerged from the years of discussion since SB 606 and AB 1668 passed, with the stated goal to "make conservation a way of life". The regulations require urban water suppliers to: (1) calculate and comply with an Urban Water Use Objective (Objective); (2) carry out commercial institutional,

and industrial (CII) performance measures; and (3) report annually. Below is a summary of the regulations added to the California Water Code.

Section 966 – Urban Water Use Objectives

No later than January 1, 2025, and by January 1 every year thereafter, each urban retail water supplier shall calculate its Urban Water Use Objective (Objective) and, beginning January 1, 2027, annually demonstrate compliance with its Objective. The Objective shall be comprised of the calculated sum of the following water budgets: (1) residential indoor water use, (2) residential outdoor water use, (3) Commercial, Industrial, and Institutional outdoor irrigation by dedicated irrigation meters (DIM), (4) efficient water losses (L), (5) approved variances (V), (5) temporary provisions (Pr), and (6) bonus incentives for potable reuse (B_{PR}). Water suppliers are not expected to meet each individual water use standard, only the total water use Objective.

Section 967 – Residential Indoor Water Use Standard

Until 2025, the standard for calculating the indoor water budget in the calculation is 55 gpcd. From 2025 through 2029, the standard will be 47 gpcd and starting in 2030 and on, the annual indoor standard will be 42 gpcd.

The standard for calculating the indoor water use budget will be reduced by 24% between 2025 and 2030. The result will be a smaller indoor water use budget.

Section 968 - Outdoor Residential Water Use Standard

Each year, an urban retail water supplier shall calculate its budget for efficient residential outdoor water use, in gallons, by multiplying the applicable standard by the square footage of the most current available residential landscape area (RLA), net reference evapotranspiration (NET ET_O), and a unit conversion factor of 0.62¹.

Through June 30, 2035, the standard for calculating outdoor residential water use shall have a landscape efficiency factor of 0.80. Beginning July 1, 2035, and through June 30, 2040, the standard shall be a landscape efficiency factor of 0.63. Beginning July 1, 2040, the standard shall be a landscape efficiency factor of 0.55.

The landscape efficiency factor used to calculate the outdoor residential water use budget declines by 31% by 2040. The result will be a smaller outdoor water use budget.

Section 969 Standards for CII DIMs

Through June 30, 2028, an urban retail water supplier's budget for CII landscapes with DIMS shall be the supplier's actual deliveries associated with landscapes irrigated by DIMs. Beginning July 1, 2028, through June 30, 2035, the standard shall be a landscape efficiency factor of 0.80. Beginning July 1, 2035, through June 30, 2040, the standard shall be a landscape efficiency factor of 0.63. Beginning July 1, 2040, the standard shall be a landscape efficiency factor of 0.45.

For CII DIMs with special landscape areas² the landscape efficiency factor shall be 1.0.

¹ The conversion factor of 0.62 converts inches to feet.

² CII DIM special landscape areas are defined as sports fields, recreation areas, pools, and spas.

The standard for newly constructed CII landscapes with DIMs shall have a landscape water efficiency factor of 0.45.

Section 970 Water Loss Water Use Standard

Each year, urban water suppliers shall calculate their Water Loss (L) budget, in gallons, by multiplying the applicable water loss standard by the number of days in the year, and, by either the number of total service connections or the length of the distribution system in miles.

Section 971 Bonus Incentives

The bonus incentive is a function of the outdoor water use standard and potable water reuse. Water suppliers that provide potable water reuse can receive a bonus incentive added to their overall objective; however, the bonus incentive cannot exceed 10% of the overall objective.

Section 972 Performance Measures for CII Classification

Each urban water supplier shall annually classify each CII water user based on the end-use of water for the water user, in accordance with the Energy Star Manager's broad categories. In addition to the Energy Star Portfolio Manager's broad categories, each water supplier shall identify every CII water use associated with:

- CII laundries
- Landscapes with dedicated irrigation meters
- Water recreation
- Car wash

Each water supplier shall classify its existing CII water users by June 30, 2027 and maintain, for each reporting year, at least a 95% classification rate of all its CII water users.

Section 973 Converting CII Mixed Use Meters to DIMs or Employing In-lieu Tech

Each water supplier shall either:

- By June 30, 2027, identify all existing CII water users associated with large landscapes³; or,
- By June 30, 2029, identify all existing CII water users associated with a large landscape and for which estimated outdoor water use exceeds a calculated water budget.

For CII large landscape water user, a supplier shall either install DIM or employ at least **one** of the following in-lieu technologies:

- Water budget-based management program without a rate structure.
- Water budget-based rate structures.
- Installation of technologies that enables the supplier to identify, estimate, and analyze outdoor water use which may include but are not limited to advanced metering infrastructure.
- Installation of technologies that will enable a supplier to identify, estimate, and analyze outdoor water use which may include but are not limited to remote sensing.
- Other in-lieu technologies that enable suppliers to identify, estimate, and analyze water use or improve outdoor water use efficiency, subject to Board approval.

³ Large landscapes are defined as CII landscapes that are ½ acre in size or larger with a mixed-use meter.

By June 30, 2039, an urban water supplier shall have either installed DIMs on or employed in-lieu water technologies and offered Best Management Practices (BMP) to all water users identified as CII large landscape. By June 30, 2040, and thereafter, the urban water supplier shall either have installed DIMs or employed in-lieu water technologies and offered BMPs to 95% of all CII water users with large landscapes and for which estimated outdoor water use exceeds the water budget calculated based on a formula similar to the calculation for residential outdoor water use.

Section 974 CII BMPs for Customers That Exceed Size, Volume of Water Use, or Other Threshold

Each urban water supplier shall, upon the effective date of this section, identify disclosable buildings in its service area. For buildings that qualify as “disclosable”, the urban water supplier shall, upon building owner or owner’s agent’s request, complete the following:

- For each meter, deliver the last four characters of the meter serial number.
- For each meter, aggregate water use data, in monthly intervals, for at least the previous year.

Each urban water supplier shall identify CII water users according to one of the following:

- By June 30, 2025, identify
 - Existing CII water users at or above the or above the 80th percentile for CII water use, and
- By June 30, 2027, identify
 - Existing CII water users at or above the 80th percentile for CII water use in each of the classification categories described in section 972.
- By June 30, 2029, identify existing CII water users that appear to be inefficient according to key business activity indicators the supplier has developed for the classification categories in section 972.

An urban retail water supplier shall include at least one of the best management practices (BMP) from each of the following categories:

- Outreach, technical assistance, and education BMPs
- Incentive based BMPs
- Landscape BMPs
- Collaboration and coordination BMPs
- Operational BMPs

By June 30, 2039, an urban water supplier shall implement a water conservation program for CII customers. A supplier may rely on a regional entity in lieu of implementing its own water conservation program.

Section 975 Reporting

No later than January 1, 2025, and by January 1st every year thereafter, each urban retail water supplier shall calculate its Objective and, beginning January 1, 2027, annually demonstrate compliance with its Objective. The Objective calculation shall be based on the supplier’s water use conditions for the previous state fiscal year.

Variiances

There are variiances for water consumption for each urban water use objective. An example of a

variance that a water supplier could apply for is large fluctuations of seasonal population (i.e., South Lake Tahoe) that may contribute to a higher indoor water use objective. Staff has reviewed the available variances and will evaluate if the District will qualify on an annual basis.

Urban Water Use Objectives Compliance

As written, the District will be in compliance with the urban water use objectives as follows:

- January 1, 2025 – In Compliance
- January 1, 2030 – In Compliance
- January 1, 2035 – Would require a 7% reduction in water use
- January 1, 2040 – Would require a 13% reduction in water use

Fiscal Impact

The fiscal impact is still being evaluated; however, preliminary estimates show that, as written, compliance with the Objectives would result in a 13% reduction in water use through 2040. A 13% reduction in water use would result in a revenue reduction of approximately 13% through 2040. Staff is in the process of evaluating the effort it will take to achieve a 13% reduction in overall water demand by 2040 and the implementation of the other regulatory requirements. Staff will report back to the Board once an evaluation of the estimated cost of implementation is complete.

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– PowerPoint presentation

Urban Water Use Objective Update

August 19, 2024

Greg Bundesen

Conservation and Communication Supervisor



Legislation



SB 606 & AB 1668

“Making Water Conservation a California Way of Life”

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

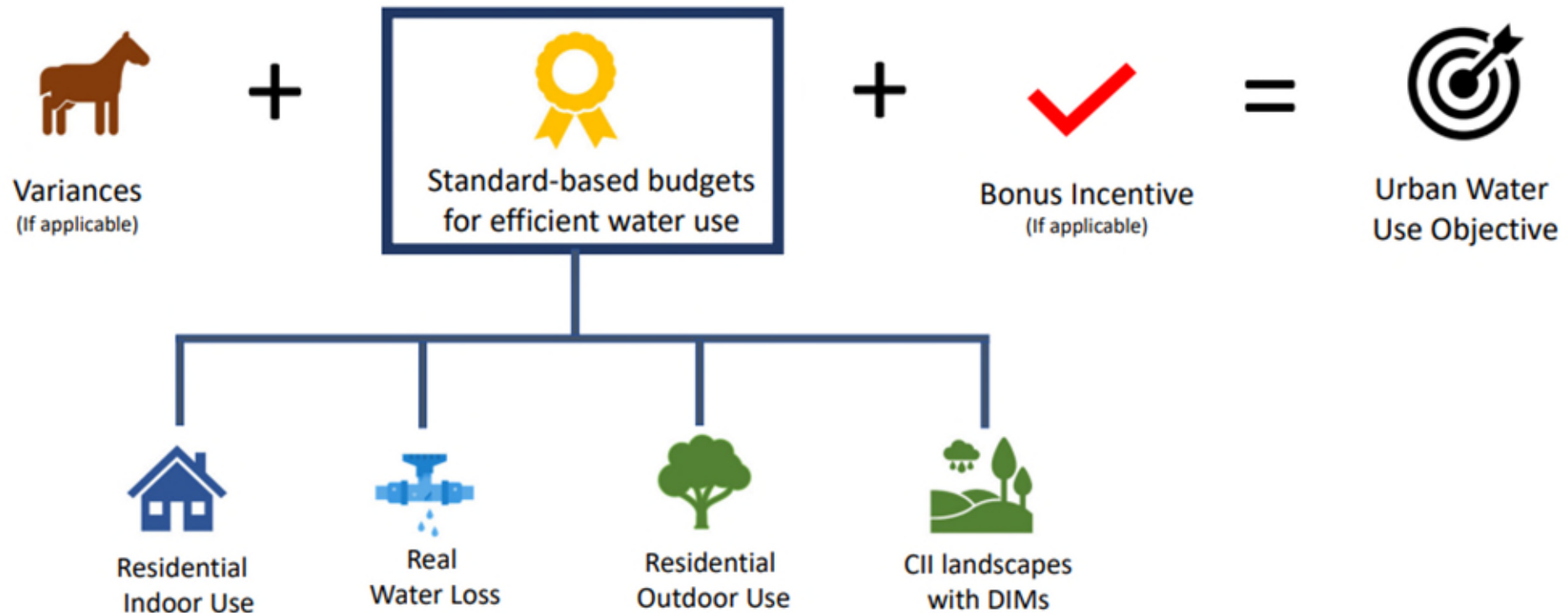
Framework of Implementation

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



Urban Water Use Objectives

Section 966



Urban Water Use Objectives

Section 967 - Residential Indoor Standard



Urban Water Use Objectives

Section 968 – Outdoor Residential Standard



Urban Water Use Objectives

Section 969 - CII Landscapes with DIMs



**Res-Outdoor
Standard**
(LEF)

*



Net ETo
Inches per year
Reference ET – Effective precipitation

*



Landscape Area
Square feet of
Irrigable Irrigated Area

*

0.62 =

**Unit Conversion
Factor**



**Res-Outdoor
Budget**
(Gallons Per Year)

Urban Water Use Objectives

Section 970 - Water Loss



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



Connections
Number of connections
served by Supplier



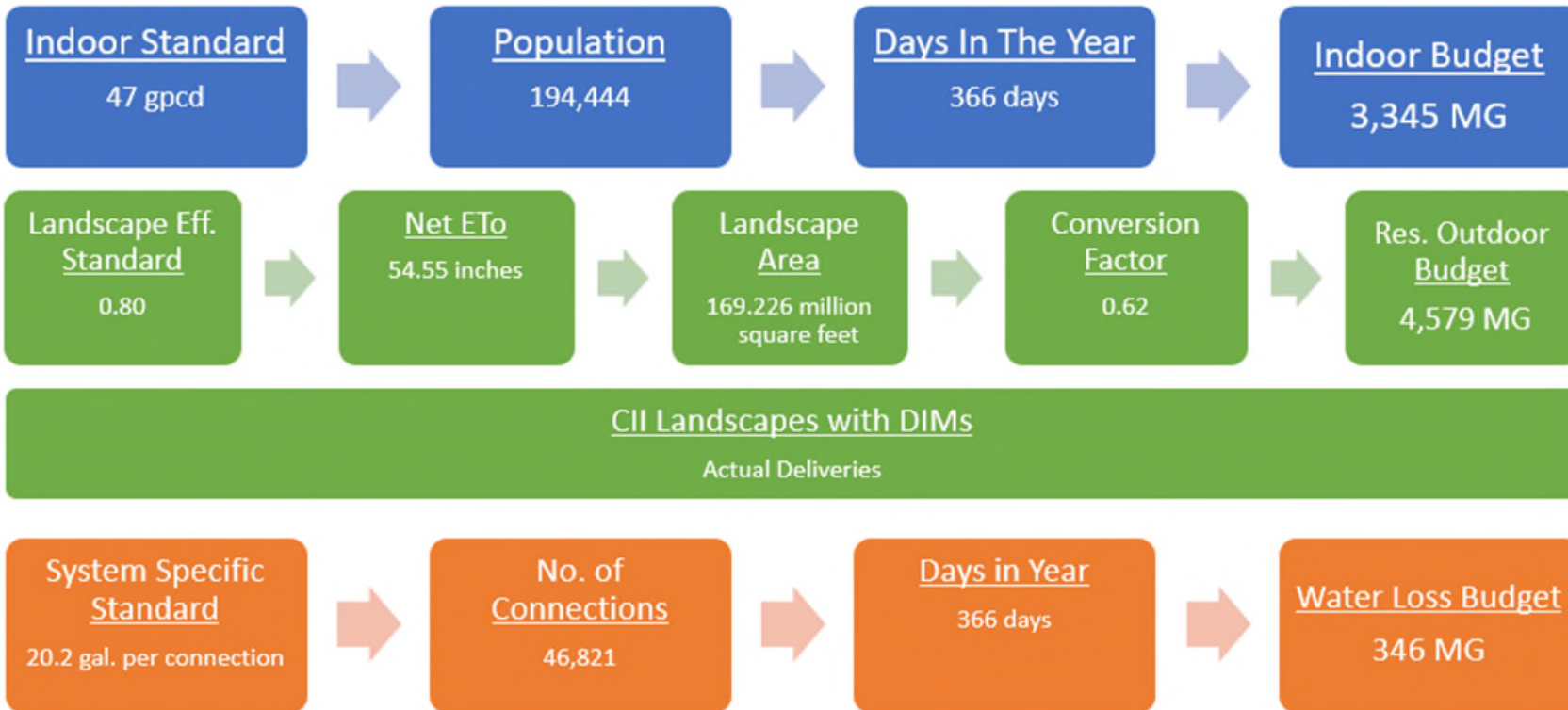
365
Number of days
in the year



**Water loss
Budget**
Gallons Per Year

Compliance

Example: Objective for 2024



Estimated Budget

8,270 MG

Urban Water Use Objectives

Section 972 – CII Classification System

- Annually classify each CII water user based on the end use in accordance with the ENERGY STAR Portfolio Manager’s broad categories and every end user associated with:
 - Laundries
 - Large landscapes with DIMs
 - Water Recreation
 - Car washes
- After June 30, 2028, maintain 95% classification rate for CII properties.



Urban Water Use Objectives

Section 973 – CII Classification System

- One of the following
 - By June 30, 2027:
 - Identify existing CII water users associated with large landscapes; or,
 - By June 30, 2029
 - Identify existing CII water users associated with large landscape that exceed their water budget



Urban Water Use Objectives

Section 973 – Threshold for Converting MUM to DIMs

- CII Mixed Use DIM Conversion
 - By June 30, 2039, install DIMs on mixed use meters or implement in-lieu technologies.
 - In-lieu water technologies
 - Water budget-based management program without rate structure
 - Water budget-based rate structures
 - Install tech that enables supplier to analyze water use (AMI)
 - Install tech that enables supplier to improve outdoor water use efficiency



Urban Water Use Objectives

Section 974 – CII Best Management Practices

- Implement CII Best Management Practices
 - Identify disclosable buildings
 - Upon building owner request
 - Provide information via the ENERGY STAR Portfolio Manager's Data Exchange or via template
 - By June 30, 2025
 - Identify CII water users at or above the 80th percentile in water use



Urban Water Use Objectives

Section 974 – CII Best Management Practices

- Identify inefficient businesses according to key business activities
- Design conservation plans that include at least two of the following:
 - Outreach, tech assistance, and education BMPs
 - Incentive based BMPs
 - Landscape BMPs
 - Other CII BMPs subject to Board approval.
 - Collaboration and coordination BMPs
 - Recognition Programs
 - Operational BMPs
- By June 30, 2039, implement conservation programs for efficient businesses either in-house or as part of a regional program.



Urban Water Use Objectives

Section 975 - Reporting

- Reporting begins January 1, 2025.
 - Will continue every January 1 going forward.
- Calculation based on conditions for previous FISCAL Year.
 - Example: The January 1, 2024, report is the data from the July 1, 2023, through June 30, 2024.



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



Compliance

By 2025: In Compliance

Supplier:

Data From Year(s):

Units:

Residential Indoor Use (GPCD) Res. indoor budget=Population*365*GPCD

Residential Outdoor Use (LEF, LA) Res. outdoor budget=LA*LEF*(Eto-Peff)*0.62
 Specify the LEF value:

Landscape Area (LA) LA=Irrigable Irrigated (II) area + % of Irrigable Not Irrigated (INI) area
 Specify the percent of INI:

Include estimated residential agricultural volume in objective?

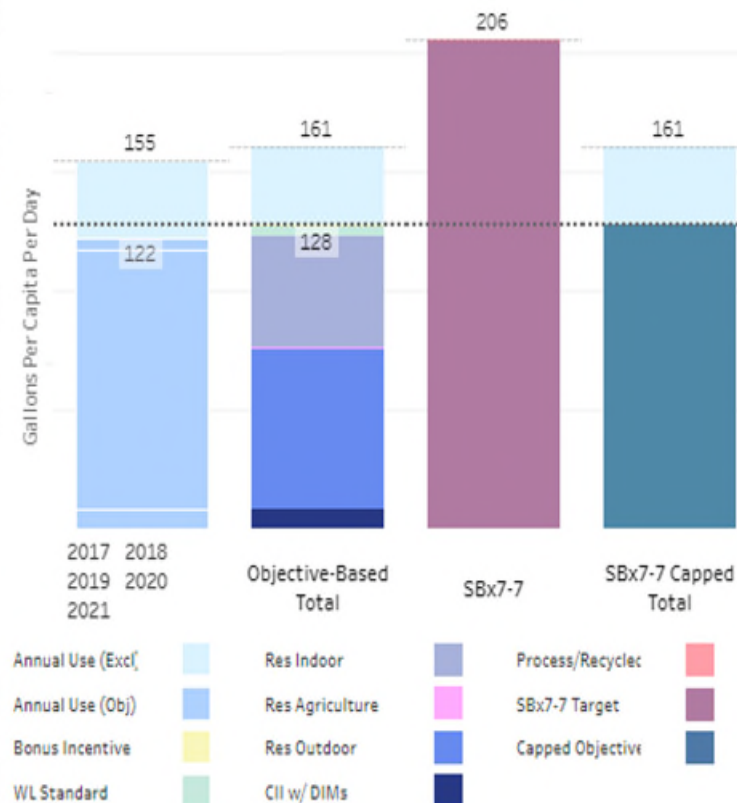
CII Landscape Irrigation associated with Dedicated Irrigation Meters (DIMs) (Coming soon)
 In the interim, assumed to be equal to Landscape Irrigation deliveries reported in the eAR
 Bonus Incentive As a % of the objective, not to exceed 15%

Impose SBx7-7 cap on total?

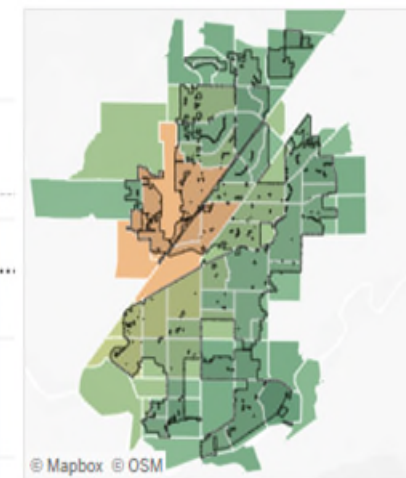
Savings from meeting the objective

0 AF 0 MWh
 water savings energy savings

The subset of current uses included in the objective is 122 GPCD. The resulting objective (including residential agriculture, without SBX7-7 cap imposed) is 128 GPCD. The supplier might have to reduce water use by 0%.



Serving a All population of ~181,752, Sacramento Suburban Water District spans ~19,706 acres.



For the 65 intersecting census tracts that are at least 0% contained within the supplier's service area:

116,680 households, 24% with 4 or more people
 Avg. unemployment: 13%

Avg. Calenviroscreen score: 28%
 Avg drinking water contaminant index: 633
 Avg pollutants in local water bodies: 4

Compliance

By 2030: In Compliance

Supplier

Data From Year(s)

Units

Residential Indoor Use (GPCD)
*Res. indoor budget = Population * 365 * GPCD*

Residential Outdoor Use (LEF, LA)
*Res. outdoor budget = LA * LEF * (Eto-Peff) * 0.62*
Specify the LEF value:

Landscape Area (LA)
LA = Irrigable Irrigated (II) area + % of Irrigable Not Irrigated (INI) area
Specify the percent of INI:

Include estimated residential agricultural volume in objective?

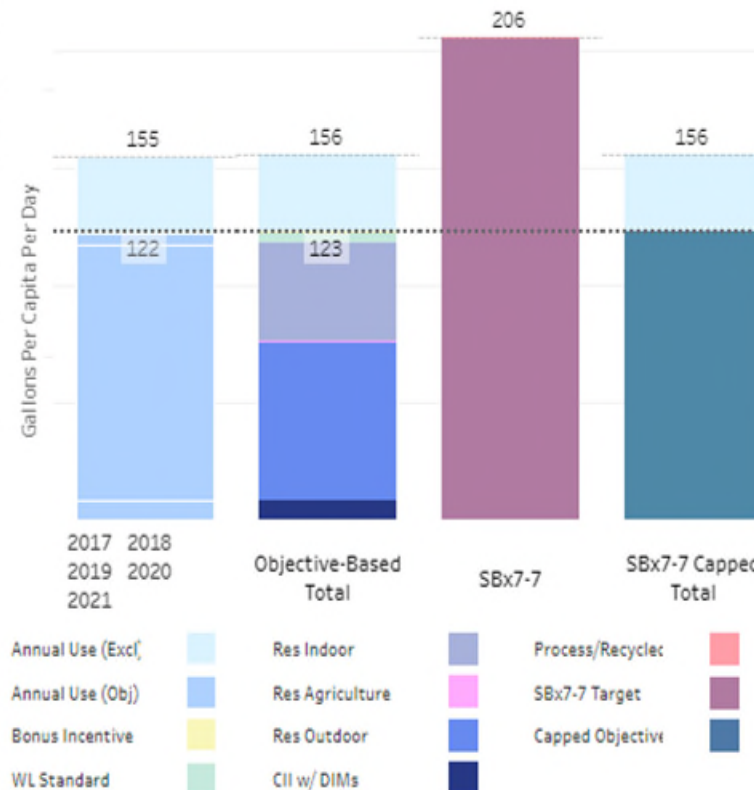
CII Landscape Irrigation associated with Dedicated Irrigation Meters (DIMs) (Coming soon)
In the interim, assumed to be equal to Landscape Irrigation deliveries reported in the eAR.
Bonus Incentive
As a % of the objective, not to exceed 15%

Impose SBx7-7 cap on total?

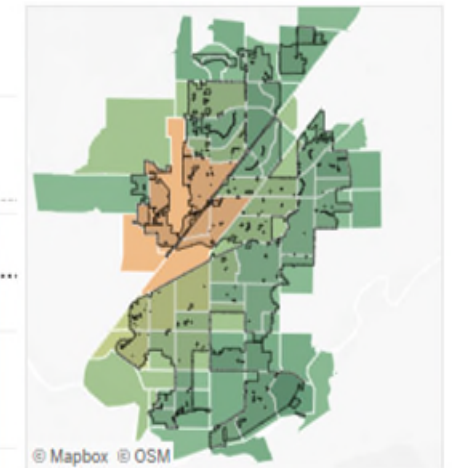
Savings from meeting the objective

0 AF 0 MWh
water savings energy savings

The subset of current uses included in the objective is 122 GPCD. The resulting objective (including residential agriculture, without SBx7-7 cap imposed) is 123 GPCD. The supplier might have to reduce water use by 0%.



Serving a All population of ~181,752, Sacramento Suburban Water District spans ~19,706 acres.



For the 65 intersecting census tracts that are at least 0% contained within the supplier's service area:

116,680 households, 24% with 4 or more people
Avg. unemployment: 13%

Avg. CalEnviroScreen score: 28%
Avg drinking water contaminant index: 633
Avg pollutants in local water bodies: 4

Compliance

By 2035: 7% reduction

Supplier:

Data From Year(s):

Units:

Residential Indoor Use (GPCD) $\text{Res. indoor budget} = \text{Population} \times 365 \times \text{GPCD}$

Residential Outdoor Use (LEF, LA) $\text{Res. outdoor budget} = \text{LA} \times \text{LEF} \times (\text{Eto-Peff}) \times 0.62$
 Specify the LEF value:

Landscape Area (LA) $\text{LA} = \text{Irrigable Irrigated (II) area} + \% \text{ of Irrigable Not Irrigated (INI) area}$
 Specify the percent of INI:

Include estimated residential agricultural volume in objective?

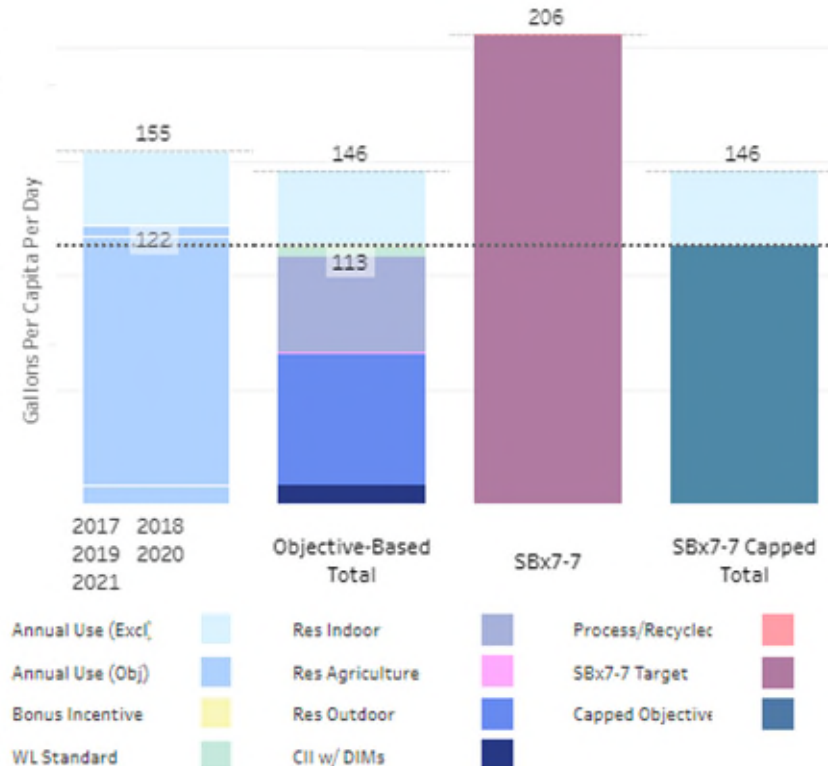
CII Landscape Irrigation associated with Dedicated Irrigation Meters (DIMs) (Coming soon)
 In the interim, assumed to be equal to Landscape Irrigation deliveries reported in the eAR
 Bonus Incentive $\text{As a \% of the objective, not to exceed 15\%}$

Impose SBx7-7 cap on total?

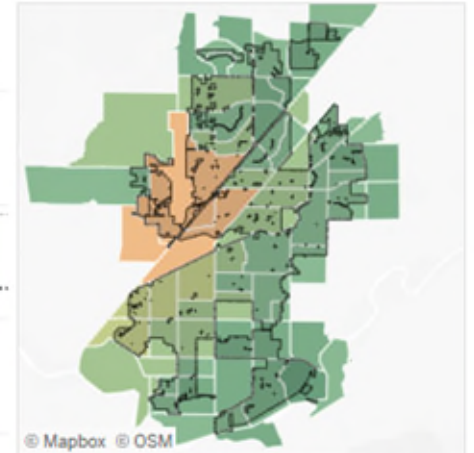
Savings from meeting the objective

1,830 AF **2,660 MWh**
 water savings energy savings

The subset of current uses included in the objective is 122 GPCD. The resulting objective (including residential agriculture, without SBx7-7 cap imposed) is 113 GPCD. The supplier might have to reduce water use by 7%.



Serving a All population of ~181,752, Sacramento Suburban Water District spans ~19,706 acres.



For the 65 intersecting census tracts that are at least 0% contained within the supplier's service area:

116,680 households, 24% with 4 or more people
 Avg. unemployment: 13%

Avg. CalEnviroScreen score: 28%
 Avg drinking water contaminant index: 633
 Avg pollutants in local water bodies: 4

Compliance

By 2040: 13% reduction

Supplier: Sacramento Suburban Water ...

Data From Year(s): (All)

Units: Gallons Per Capita Per Day

Residential Indoor Use (GPCD): 42
*Res. indoor budget = Population * 365 * GPCD*

Residential Outdoor Use (LEF, LA): 0.55
*Res. outdoor budget = LA * LEF * (Eto-Peff) * 0.62*
Specify the LEF value:

Landscape Area (LA): 20%
LA = Irrigable Irrigated (II) area + % of Irrigable Not Irrigated (INI) area
Specify the percent of INI:

Include estimated residential agricultural volume in objective? Yes

CII Landscape Irrigation associated with Dedicated Irrigation Meters (DIMs) (Coming soon)
In the interim, assumed to be equal to Landscape Irrigation deliveries reported in the eAR

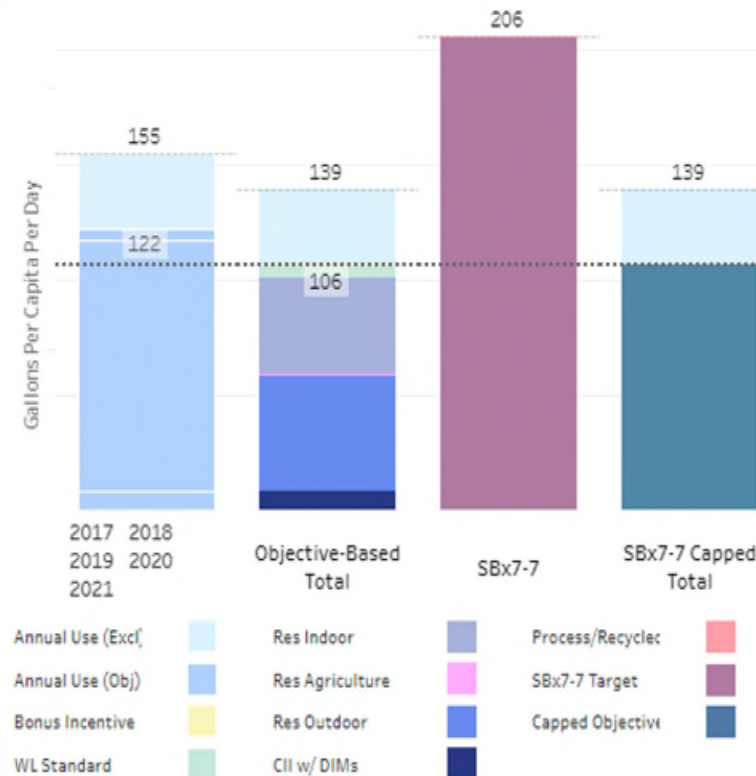
Bonus Incentive: 0%
As a % of the objective, not to exceed 15%

Impose SBx7-7 cap on total? No

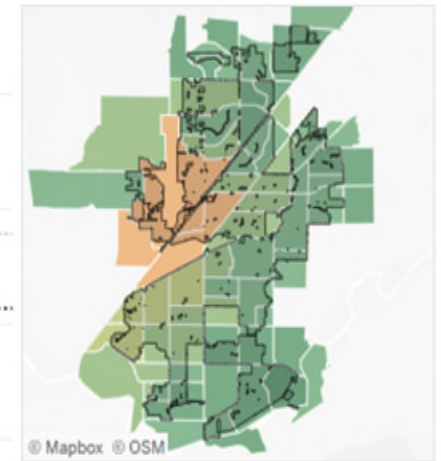
Savings from meeting the objective

3,290 AF water savings
4,780 MWh energy savings

The subset of current uses included in the objective is 122 GPCD. The resulting objective (including residential agriculture, without SBx7-7 cap imposed) is 106 GPCD. The supplier might have to reduce water use by 13%.



Serving a All population of ~181,752, Sacramento Suburban Water District spans ~19,706 acres.



For the 65 intersecting census tracts that are at least 0% contained within the supplier's service area:

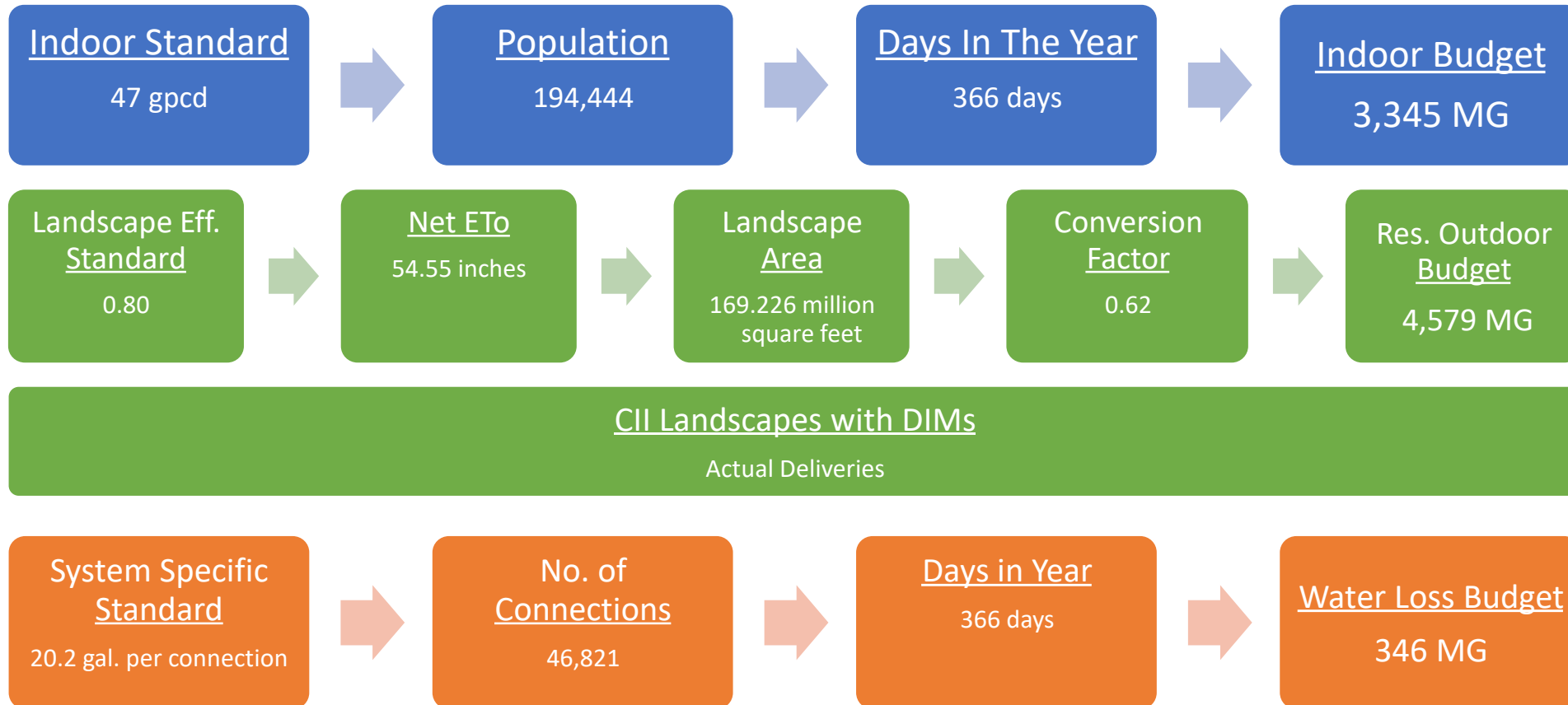
116,680 households, 24% with 4 or more people
Avg. unemployment: 13%

Avg. CalenviroScreen score: 28%
Avg drinking water contaminant index: 633
Avg pollutants in local water bodies: 4

Questions?

Compliance

Example: Budgets for 2025





Agenda Item: 10

Date: August 19, 2024

Subject: 2024 Mid-Year Budget Update

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

Recommended Board Action:

No action. Review staff report on the first-half financial results of the Calendar Year 2024 Budget.

Discussion:

At the conclusion of the first six months of the budget year, staff will present a mid-year budget update to Board of Directors reviewing the assumptions used for the 2024 Calendar Year Budget and presenting an update on the financial performance for the first six months of the current year. A number of variances to the 2024 Budget have occurred or are expected to occur by year-end.

1. Above average rains through the winter and early spring of 2024 allowed for surface water availability to the District. The 2024 Budget included 31,000 AF of production comprised of 14,000 AF of surface water (2,000 City of Sacramento (CoS) Drop-for-Drop, 4,000 CoS purchased at special pilot rate of \$120.00 per AF, 4,000 PCWA, and 4,000 SJWD) and 17,000 AF of ground water. However, the current forecast indicates that approximately 30,000 AF of water will be produced (excluding Cal-Am wheeling) in 2024 comprised of 16,000 surface (3,600 CoS Drop-for-Drop, 2,400 CoS purchased, and 10,000 PCWA) and 14,000 groundwater. Water production through June is slightly more than the same period in 2023, up by 68 AF. Water production costs are expected to be approximately \$0.4 million more than budget based on current projected water production.
2. As of the end of 2023, the District had a drop-for-drop balance of approximately 3,600 AF. That amount should be received in full in 2024 along with the first purchase of CoS surface water at the special pilot rate of \$120.00 per AF. The 3,600 AF of CoS drop-for-drop water is forecasted to save the District approximately \$0.2 million in water production costs which will offset some of the increase in PCWA purchased surface water which has a higher direct cost than the District's groundwater (approximately \$335.00 vs \$140.00). The primary cost of the CoS drop-for-drop water is the electrical costs to boost the pressure into the District's system. The cost to boost the CoS water is approximately \$25.00 per AF. Regular direct ground water production costs are approximately \$140.00 per AF.
3. Water sales revenues are forecasted to be approximately \$0.5 million less than budgeted for 2024 due to the decrease in forecasted production of approximately 1,000 AF from budget. Water production is forecasted to be similar to that of last year.

4. The 2024 Budget for Wheeling Water was \$375,000. The current forecast indicates that approximately 1,800 AF of water will be wheeled to Cal-Am resulting in a \$485,560 increase in revenue over budget. Net wheeling water revenues (revenues over the cost of water) for the year is projected to be approximately \$256,660.
5. There were some remaining units from Barrett Ranch phase 3 that were not completed in 2023. Those units are expected to bring in approximately \$0.7 million in capacity fee revenues this year. The Arbors development is expected to complete approximately 214 units this year which will result in approximately \$1.3 million in revenue. This will result in an increase in Capacity Fee revenue over the budget of approximately \$1.0 million.
6. Operations and Maintenance expenditures are projected to be over budget by approximately \$0.4 million. This is mostly related to the approximate \$0.4 million shortage in production forecasted. Staff is forecasting that all other departments will utilize their budgets in full. The unknown is repair costs in transmission and distribution relating to additional large main failures and County paving and ADA requirements continually increasing in size and scope. Contractor costs have increased significantly in the past few years. For instance, fire hydrant replacements have increased from \$22,000 in 2023 to \$23,000 in 2024, a 4.5% increase while three-quarter inch and 1-inch long side improved service replacements have increased from \$9,950 in 2023 to \$11,100 in 2024, an 11.5% increase. The District is still seeing increases larger than general inflation in contractor pricing.
7. The amended 2024 CIP budget is \$25.5 million plus the 2023 rollover of \$3.4 million. The original budget was \$26.7 million, however, the Board approved a budget amendment at the December 18, 2023, Board meeting to move \$1.2 million from the 2024 budget into the 2023 budget. Total spending target for 2024 is \$28.9 million. \$4.8 million of the 2024 budget and \$2.7 million of 2023 rollover has been spent through June 2024. Staff is projecting to spend up to \$23.2 million and allocate all the approved budgeted funds.
8. The District entered into a voluntary agreement (ARTESIAN) with the Department of Water Resources (DWR) for additional funding of approximately \$18.8 million to be used on wells 81 – 84. The budget for the ARTESIAN grant revenue in 2024 is \$14.7 million. The current projection is approximately \$11.5 million will be billed in total. Approximately \$3.9 million was billed in 2023. The remaining \$3.4 million would be billed in 2025.
9. The 2024 OCP budget is \$3.1 million plus 2023 rollover of \$712,000 for a total of \$3.8 million. Staff anticipates spending approximately \$2.4 million as several multi-year projects are in process.
10. There are no forecasted changes to the Debt Service expenditures for the remainder of 2024.

The financial impacts of the preceding events are included in the table that follows.

	Actual	Budget	Forecast	Budget
	Year-To-Date	Year-To-Date	Year-To-Date	Year-To-Date
	6/30/2024	6/30/2024	12/31/2024	12/31/2024
Water Sales Charge	\$ 6,602,480	\$ 5,531,000	\$ 16,033,000	\$ 16,582,000
Water Service Charge	18,608,344	18,566,000	37,217,000	37,132,000
Wheeling Water Charge	242,144	187,500	861,000	375,000
Other Charges for Services	435,058	458,250	870,000	993,000
Income From Customers	25,888,026	24,742,750	54,981,000	55,082,000
Water Transfers	-	-	-	-
Interest Income	459,849	264,000	920,000	530,000
Other Income (Leases, Cells, Etc.)	265,108	100,200	395,000	200,000
Capacity Fees	-	-	2,000,000	1,000,000
Grant Income	1,787,711	-	11,503,000	14,710,000
Total Other Income	2,512,668	364,200	14,818,000	16,440,000
Reserve Use			-	-
Total Revenue	\$ 28,400,694	\$ 25,106,950	\$ 69,799,000	\$ 71,522,000
Expenditures:				
Operations and Maintenance	11,579,700	12,549,306	27,884,000	27,506,000
Capital	6,424,462	14,255,000	28,510,000	28,510,000
Debt Service	991,996	992,500	6,995,000	6,995,000
Reserve Funding			6,410,000	8,511,000
Total Cost	\$ 18,996,158	\$ 23,809,115	\$ 69,799,000	\$ 71,522,000
Capital - Roll-Over from Prior Year	2,667,411	4,167,444	3,597,444	4,167,444
Reserve Balance (12/31/2023)	44,358,343	44,358,343	44,358,343	44,358,343
Ending Reserve Balance	\$ 53,762,879	\$ 45,656,178	\$ 50,768,343	\$ 52,869,343

In summary, with total revenue forecasted to be \$1.7 million under budget mostly related to reduced ARTESIAN grant billings, operation and maintenance (O&M) expenses \$0.4 million over budget related to increased surface water purchases, staff is forecasting a \$6.4 million surplus to reserves at the end of 2024, which is planned to cover costs for wells 81-84 in 2025. This forecast could change depending on the timing of submitting grant reimbursement requests to DWR for the \$18.8 million ARTESIAN grant.

Fiscal Impact:

There is no direct fiscal impact related to this item.

2024 Mid-Year Budget Update

August 19, 2024

Page 4 of 4

Strategic Plan Alignment:

Goal C: Ensure Fiscal Responsibility and Affordable Rates

Attachments:

1 – 2024 Mid-Year Budget Update Presentation

2024 Mid-Year Budget Update

August 19, 2024

2024 Budget Assumptions Update

Key Assumptions	2024 - Approved		2024 - Updated	
Rate Increase (Approved via Prop 218)	Approved	3.00%	Approved	3.00%
Change in SSWD Service Boundaries		None		None
Service Connections	Forecast	47,784	Forecast	47,921
Water Production: (A)	<u>Cost/AE</u>	<u>AE</u>	<u>Cost/AE</u>	<u>AE</u>
a. Retail Water Production Forecast Based on 5 Year Average		31,000 AF		30,000 AF
b. SSA Surface Water (City) (B)	\$ 120.00	4,000 AF	\$ 120.00	2,400 AF
c. SSA Surface Water (City at NO Cost / 2020 Water Transfer)	\$ -	2,000 AF	\$ -	3,600 AF
d. SSA Surface Water (Electrical Cost to Lift City's Water)	\$ 19.12	6,000 AF	\$ 25.00	6,000 AF
e. SSA Groundwater (Variable costs)		8,000 AF		7,500 AF
f. NSA Surface Water (PCWA Water) (C, D)	\$ 362.95	4,000 AF	\$ 335.50	10,000 AF
h. NSA Surface Water (SJWD Water)	\$ 347.39	4,000 AF		AF
Total NSA Surface Water	\$ 355.17	8,000 AF	\$ 335.50	10,000 AF
i. NSA Groundwater (Variable costs)		9,000 AF		6,500 AF
Electrical Cost Increase		5.00%		5.00%
Investment Yield		2.40%		2.40%
Directors' Compensation (E)	\$ 136.00	3.50%	\$ 136.00	5.00%
COLA (F)		3.50%		3.60%
Merit Program		5.00%		5.00%
Health Care Cost (G)		8.60%		7.65%
Tier 1 Pension Cost (% of Salaries)	26.24%	8.52%	26.24%	8.52%
Tier 2 Pension Cost (% of Salaries)	19.63%	8.69%	19.63%	8.69%
Tier 3 Pension Cost (% of Salaries)	8.00%	3.09%	8.00%	3.09%
Unfunded Liability Total Cost	\$ 886,548	-2.10%	\$ 965,371	6.74%
Prefunding of Post Retirement Benefits (H)	\$ 55,366	-17.12%	\$ 55,366	-17.12%
Retiree Benefit Payments	\$ 518,879	3.99%	\$ 608,000	17.18%

2024 Budget – Mid-Year Update

	Actual Year-To-Date 6/30/2024	Budget Year-To-Date 6/30/2024	Forecast Year-To-Date 12/31/2024	Budget Year-To-Date 12/31/2024
Water Sales Charge	\$ 6,602,480	\$ 5,531,000	\$ 16,033,000	\$ 16,582,000
Water Service Charge	18,608,344	18,566,000	37,217,000	37,132,000
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Interest Income	459,849	264,000	920,000	530,000
Other Income (Leases, Cells, Etc.)	265,108	100,200	395,000	200,000
Capacity Fees	-	-	2,000,000	1,000,000
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Reserve Use			-	-
Total Revenue	\$ 28,400,694	\$ 25,106,950	\$ 69,799,000	\$ 71,522,000
Expenditures:				
Operations and Maintenance	11,579,700	12,549,306	27,884,000	27,506,000
Capital	6,424,462	14,255,000	28,510,000	28,510,000
Debt Service	991,996	992,500	6,995,000	6,995,000
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Ending Reserve Balance	\$ 53,762,879	\$ 45,656,178	\$ 50,768,343	\$ 52,869,343

Capital Budget

2024 Mid-Year Update

Project Name	Original Budget	Adjusted Budget	Roll-Over From Prior Year Budget	Total Budget Available	Current Month Expenditure s	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
CIP-Well Rehad/Pump St Improv	\$4,723,000.00	\$4,612,000.00	\$414,274.29	\$5,026,274.29	\$73,193.64	\$1,033,950.25	\$2,375,951.40	\$1,616,372.64
CIP-SCADA/Comm. Improv	-	\$100,000.00	\$156,976.56	\$256,976.56	\$11,043.34	\$112,234.18	\$127,494.10	\$17,248.28
CIP-Well New Construction	\$15,302,000.00	\$15,302,000.00	\$2,577,587.09	\$17,879,587.09	\$155,267.25	\$4,190,100.21	\$11,924,713.07	\$1,764,773.81
CIP-Trans & Dist Improvements	\$1,650,000.00	\$1,509,000.00	\$203,431.02	\$1,712,431.02	\$9,065.51	\$223,431.32	\$584,401.59	\$904,598.11
CIP-Reservoir/Tank Improv	\$980,000.00	\$980,000.00	\$101,983.63	\$1,081,983.63	-	\$73,437.04	\$387,225.07	\$621,321.52
CIP-Corrosion Control	\$120,000.00	\$120,000.00	-	\$120,000.00	-	-	\$59,650.00	\$60,350.00
CIP-Valve/Hydrant/Service Repl	\$700,000.00	\$670,650.00	-	\$670,650.00	-	\$157,185.95	\$140,556.50	\$372,907.55
CIP-Large Meter Replacement	\$85,000.00	\$162,000.00	-	\$162,000.00	-	\$49,396.00	\$111,193.00	\$1,411.00
CIP-Meter Replacement PM	\$300,000.00	\$300,000.00	-	\$300,000.00	\$71,211.97	\$126,460.06	\$2,049.35	\$171,490.59
CIP-Special Projects	\$95,000.00	\$95,000.00	\$778.81	\$95,778.81	-	\$15,624.00	\$19,591.57	\$60,563.24
CIP-Water Related Street Imprv	\$1,500,000.00	\$1,500,000.00	-	\$1,500,000.00	\$44,431.42	\$49,547.17	\$433,163.02	\$1,017,289.81
CIP Subtotal	\$25,455,000.00	\$25,350,650.00	\$3,455,031.40	\$28,805,681.40	\$364,213.13	\$6,031,366.18	\$16,165,988.67	\$6,608,326.55
OCP - Equipment	-	\$7,700.00	-	\$7,700.00	-	-	-	\$7,700.00
OCP - Fleet & Facilities	\$60,000.00	\$75,000.00	\$17,000.00	\$92,000.00	-	\$67,102.37	\$328.94	\$24,568.69
OCP - Information Technology	\$1,487,000.00	\$1,387,000.00	\$7,910.50	\$1,394,910.50	-	\$14,769.04	\$94,495.00	\$1,285,646.46
OCP - Maintenance	\$606,000.00	\$563,075.00	\$130,000.00	\$693,075.00	-	\$83,218.50	\$276,840.87	\$333,015.63
OCP - Operations	\$902,000.00	\$1,087,575.00	\$217,731.33	\$1,305,306.33	\$18,319.82	\$218,893.96	\$478,475.53	\$607,936.84
OCP - Property Acquisition	-	\$39,000.00	\$339,771.03	\$378,771.03	-	\$9,111.51	\$354,269.59	\$15,389.93
OCB Subtotal	\$3,055,000.00	\$3,159,350.00	\$712,412.86	\$3,871,762.86	\$18,319.82	\$393,095.38	\$1,204,409.93	\$2,274,257.55
Total	\$28,510,000.00	\$28,510,000.00	\$4,167,444.26	\$32,677,444.26	\$382,532.95	\$6,424,461.56	\$17,370,398.60	\$8,882,584.10

O&M Expense By Department

2024 Mid-Year Update

	Actual YTD 06/30/2024	Budget YTD 06/30/2024	Variance YTD 06/30/2024	Forecast YTD 12/31/2024	Budget YTD 12/31/2024	Variance YTD 12/31/2024
EXPENSES						
Board of Directors	\$ 48,709	\$ 90,416	\$ 41,707	\$ 150,833	\$ 150,833	\$ -
Administrative	1,437,263	1,442,587	5,324	2,803,220	2,803,220	-
Finance	633,777	683,107	49,330	1,361,285	1,361,285	-
Customer Services	728,850	807,513	78,663	1,712,227	1,712,227	-
Field Operations	277,522	304,101	26,579	608,206	608,206	-
Production	3,549,995	3,603,066	53,070	9,364,993	8,914,861	(450,132)
Environmental Compliance	401,563	494,392	92,830	1,057,000	1,100,785	43,785
Distribution	1,185,824	1,340,926	155,102	2,979,182	2,979,182	-
Field Services	632,829	781,144	148,315	1,682,285	1,682,285	-
Maintenance	399,159	393,660	(5,499)	870,000	787,320	(82,680)
Water Conservation	319,159	421,861	102,702	800,000	865,823	65,823
Engineering	764,667	800,428	35,761	1,770,855	1,770,855	-
GIS/CAD	236,276	251,322	15,047	499,533	499,533	-
Human Resources	198,642	239,780	41,138	434,000	479,574	45,574
Information Technology	698,179	756,781	58,601	1,513,561	1,513,561	-
Community Outreach	67,285	138,222	70,937	276,450	276,450	-
TOTAL OPERATING EXPENSES	\$ 11,579,700	\$ 12,549,306	\$ 969,606	\$ 27,884,000	\$ 27,506,000	\$ (378,000)

O&M Expense-Water Production

2024 Mid-Year Update

Production (AF)	Budget	Forecast	Changes
Surface Water - NSA	8,000	10,000	2,000
Surface Water - SSA	6,000	6,000	-
Subtotal Surface Water	14,000	16,000	2,000
Ground Water - NSA	9,000	6,500	(2,500)
Ground Water - SSA	8,000	7,500	(500)
Subtotal Ground Water	17,000	14,000	(3,000)
Total Production (AF)	31,000	30,000	(1,000)

Reserve Balance Detail

2024 Mid-Year Update

	Actual	Forecast	Budget
	6/30/2024	12/31/2024	12/31/2024
Debt Service Reserve	\$ -	\$ -	\$ -
Facilities Reimbursement	-	-	-
Emergency/Contingency	11,425,552	11,425,552	11,425,552
Operating	8,581,961	15,411,991	17,512,991
Rate Stabilization	6,218,030	6,632,800	6,632,800
Interest Rate Risk	-	-	-
Grant	-	-	-
Well Property Acquisition	500,000	500,000	500,000
Capital Asset	17,632,800	16,798,000	16,798,000
TOTAL	\$ 44,358,343	\$ 50,768,343	\$ 52,869,343
Reserve Target	\$ 50,817,447	\$ 51,182,923	\$ 51,182,923
Min. Reserve Target	\$ 43,592,003	\$ 44,301,038	\$ 44,301,038

Reserve Targets come from 2019 rate study.



Agenda Item: 11

Date: August 19, 2024

Subject: Calendar Year 2025 Budget Assumptions

Staff Contact: Lynn Pham, Controller

Recommended Board Action:

Approve 2025 Budget Assumptions as a reasonable starting point in preparing the Calendar Year 2025 Budget.

Background:

Each year at the inception of the annual budget process, staff provides the Board with key assumptions that are necessary to begin the Budget preparation process. These assumptions are based on either historical experience or reflect current or expected economic and climatic conditions. While these assumptions are necessary to provide an initial draft budget for Board review, such assumptions are subject to change at Board discretion throughout the budget approval process.

Discussion:

Attached for the Board's review are the initial assumptions to be used to develop the 2025 Budget (Attachment 1).

Water Production Costs:

In 2021, staff proposed and the Board approved to budget surface water at a quantity less than the full take or pay amount by establishing a reserve target in the Rate Stabilization Reserve that can be used in years where additional water is available to purchase. In years where the District spends less than budgeted on surface water, the surplus will be used to fund the additional reserve target amount. In years where additional surface water is available, the reserve can be used to purchase water. The assumptions for 2025 include the reduced budget amount of 5,000 acre feet (AF) of Placer County Water Agency (PCWA) surface water at approximately \$352.00/AF. SJWD's water treatment cost increase for 2025 is 5%. Assumptions for 2025's increase for water cost from PCWA and wheeling cost from BOR is also 5%. Initial assumptions also include purchasing 6,500 AF of surface water at the pilot program price of \$120.00 per AF from the City of Sacramento (CoS) and utilizing 19,000 AF of the 35,035 AF pumping allotment of groundwater. Projected rate increases for 2025 pumping groundwater cost are 5.5% for electrical and 4% for chemicals.

Calendar Year 2025 Budget Assumptions

August 19, 2024

Page 2 of 3

COLA:

District policy PL-HR 003 – Employee Performance Evaluation, Merit and COLA Policy (Policy) establishes the annual COLA as the U.S. Bureau of Labor Statistics (USBLS) August, West – Size Class B/C index. As of July 31, 2023, this index is 3.1%. Staff anticipates the index to remain close to this figure when the August index is published in September.

Merit:

The Policy also includes using a merit-based system based on performance and goal achievement for salary increases. Staff is recommending a 5% Merit pool based on the average/maximum of most public and state programs which is the same amount used in the last three year's Budgets.

Pension and OPEB:

Pension unfunded liability cost has increased 15.13% compared to 2024's actual contribution. Salary percentages increase 0.3%, 0.2% and 2.25% for tier 1, tier 2 and tier 3 plans.

Actuarially determined amounts for OPEB funding have continued to drop since 2020 from \$502,299 to \$32,065 in 2025, an approximate \$470K reduction in contribution. Updated OPEB evaluation is required to be performed every other year. 2025's contribution amount is subject to change upon the completion of the new valuation to be completed in September 2024. OPEB benefit spending has increased moderately from 2020 to 2025, \$406,134 to \$665,424. The approximate \$159K increase in payments is mostly due to additional retirees.

2025 Rate Increase:

In the final version of the 2024 Comprehensive Water Rate Study (Study) report prepared by Hildebrand Consulting and approved by the Board on July 17, 2024, recommended rate increases of 5% per year in 2025 and 2026, 4% per year in years 2027 through 2029. These recommended rate adjustments will not be final until the public hearing is held on October 14, 2024, where the rate will be officially approved or rejected. Therefore, staff is recommending, for the initial budget assumptions, applying the recommended 2025 5.0% rate increase.

Staff seeks direction from the Board to finalize the initial 2025 Budget Assumptions and to prepare the 2025 Budget first draft. The 2025 initial Budget Assumptions (Attachment 1) and the Reserve Policy (PL – Fin 004) as amended August 19, 2024, (Attachment 2) are attached for reference.

Fiscal Impact:

Adoption of the Calendar Year 2025 Budget assumptions will have an effect on District finances, but the magnitude will not be available until the budget is completed.

Strategic Plan Alignment:

Goal C - Ensure Fiscal Responsibility and Affordable Rates

A budget process benefits District customers as a device that forms the basis of organization and control of the District's financial resources. It also aids in making advance decisions regarding the efficient use of ratepayer funds.

Attachments:

- 1 – 2025 Budget Assumptions
- 2 – Reserve Policy (PL – Fin 004)

**Sacramento Suburban Water District
Budget Assumptions**

Key Assumptions	2024 - Approved		2024 - Updated		2025 - Proposed	
Rate Increase (Approved via Prop 218)	Approved	3.00%	Approved	3.00%	Proposed	5.00%
Change in SSWD Service Boundaries		None		None		None
Service Connections	Forecast	47,784	Forecast	47,761	Forecast	47,965
Water Production: (A)	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>	<u>Cost/AF</u>	<u>AF</u>
a. Retail Water Production Forecast Based on 5 Year Average		31,000 AF		30,000 AF		30,500 AF
b. SSA Surface Water (City) (B)	\$ 120.00	4,000 AF	\$ 120.00	AF	\$ 120.00	6,500 AF
c. SSA Surface Water (City at NO Cost / 2020 Water Transfer)	\$ -	2,000 AF	\$ -	6,000 AF	\$ -	AF
d. SSA Surface Water (Electrical Cost to Lift City's Water)	\$ 19.12	6,000 AF	\$ 25.00	6,000 AF	\$ 26.25	6,500 AF
e. SSA Groundwater (Variable costs)		8,000 AF		7,500 AF		7,000 AF
f. NSA Surface Water (PCWA Water) (C, D)	\$ 362.95	4,000 AF	\$ 335.50	10,000 AF	\$ 352.28	5,000 AF
h. NSA Surface Water (SJWD Water)	\$ 347.39	4,000 AF		AF		AF
Total NSA Surface Water	\$ 355.17	8,000 AF	\$ 335.50	10,000 AF	\$ 352.28	5,000 AF
i. NSA Groundwater (Variable costs)		9,000 AF		6,500 AF		12,000 AF
Electrical Cost Increase		5.00%		5.00%		5.50%
Investment Yield		2.40%		2.40%		3.38%
Directors' Compensation (E)	\$ 136.00	3.50%	\$ 136.00	5.00%	\$ 140.00	3.10%
COLA (F)		3.50%		3.60%		3.10%
Merit Program		5.00%		5.00%		5.00%
Health Care Cost (G)		8.60%		7.65%		7.80%
Tier 1 Pension Cost (% of Salaries)	26.24%	8.52%	26.24%	8.52%	26.32%	0.30%
Tier 2 Pension Cost (% of Salaries)	19.63%	8.69%	19.63%	8.69%	19.67%	0.20%
Tier 3 Pension Cost (% of Salaries)	8.00%	3.09%	8.00%	3.09%	8.18%	2.25%
Unfunded Liability Total Cost	\$ 886,548	-2.10%	\$ 965,371	6.74%	\$ 1,111,438	15.13%
Prefunding of Post Retirement Benefits (H)	\$ 55,366	-17.12%	\$ 55,366	-17.12%	\$ 32,065	-42.09%
Retiree Benefit Payments	\$ 518,879	3.99%	\$ 608,000	17.18%	\$ 655,424	7.80%
New Hires		-		-		-
Footnotes:	<p>(A) SSA = South Service Area; NSA = North Service Area (B) City Rate at \$120/AF on a trial basis. (C) Take-or-Pay contract amount 8,000 AF. (D) 2025 NSA Surface Water rate estimated increase of 5% (E) 2024 Proposed increase of 3.1%, same as COLA Increase (F) July West - Size Class B/C (2.5 million or less). August will be final value used. (G) Same as prior year, 100/90 Basic & Medicare Annuitants (H) Actuarially determined prefunding amounts.</p>					

Sacramento Suburban Water District

Reserve Policy

Adopted: August 18, 2003
Approved with Changes: August 19, 2024

100.00 Purpose

The primary purposes of this policy are to establish a reserve fund level that is specific to the needs and risks of the District, to identify when and how reserve funds are utilized and replenished, and to recognize the long-term nature of such funds and their relationship to current and projected customer rates. The District's financial reserve fund comprises various funds established for specific purposes and to reduce certain risks. Collectively, these funds enable the District to operate in a prudent manner, while allowing for transparency of reserve fund balances.

The District will maintain reserve funds where required by law, ordinance or bond covenant, and revenue stability, so as to provide the necessary cash flow for normal and ordinary operations, while also providing the ability to address economic downturns and limited system emergencies.

The District's reserves and other cash balances are also evaluated by third-party credit rating agencies when determining the credit worthiness of the District. Care should be taken to balance the District's financial risks, credit rating and customer rate impacts when determining the appropriate amount of District reserves.

200.00 Policy

200.10 Fund Classification Types

The District shall maintain three fund classifications that collectively comprise the District's reserve fund balance. Fund classifications are a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon it. The fund classifications are - Restricted funds, Committed funds and Assigned funds, with distinction among the funds based on the relative strength of the constraints that control how amounts can be spent.

Restricted funds include amounts that can be spent only for specific purposes stipulated by law or third parties, such as grantors or creditors. Committed funds include amounts that can be used only for specific purposes as determined by Board action. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

200.20 Restricted Funds Classification

Restricted funds are those financial assets subject to enforceable third party constraints, such as those imposed by creditors, grantors, laws or regulation.

There are no designated restricted funds at this time.

200.30 Committed Funds Classification

Committed funds are those financial assets identified by the Board for specific purposes as determined by Board resolution or ordinance. Such financial assets are to be utilized only as directed by the Board.

Capacity Reimbursement Fund

As established by the Board in the District's Regulations Governing Water Service (Regulations), the District will retain a percentage Capacity Fees (CF) collected each fiscal year for the purpose of repaying individuals or businesses who were required to install up-sized lines or extension facilities at the request of the District. Disbursements will be made in accordance with the Regulations, including the release of unexpended funds into the District's unrestricted net position.

Main Replacement Fund

As established by the Board of Directors in District Resolution No. 24-XX, this is a sinking fund to accumulate funds for the purpose of replacing existing water mains (transmission or distribution) and related appurtenances (services, valves, hydrants, etc.) where forecasted annual budget amounts are insufficient to cover anticipated costs. It is anticipated to be funded through unspent annual planned transmission and distribution (T&D) expenditures or at the direction of the Board. There is no minimum target level for this fund. This fund shall not be included in the minimum reserve fund balance target.

Well Development Fund

As established by the Board of Directors in District Resolution No. 24-XX, this is a sinking fund to accumulate funds for the purpose of developing new wells or for well treatment where forecasted annual budget amounts are insufficient to cover anticipated costs. This fund will be funded and expended at the direction of the Board of Directors. There is no target level for this fund and this fund shall not be included in the minimum reserve fund balance target.

200.40 Assigned Funds Classification

Assigned funds are those financial assets determined necessary to be retained for specific risk-mitigation purposes as determined by the Board as needs arise.

Emergency/Contingency Fund

Financial assets held for purposes of continued operations during times of severe economic distress due to events that require an immediate and/or significant use of cash. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

Prior to amounts being expended from this fund, the District shall establish a contingency plan that addresses, at a minimum:

1. The reason(s) for expenditures from this fund.
2. Amounts expected to be expended.
3. The funds replenishment timeline and funding source.

Operating Fund

Financial assets held primarily for the purpose of debt avoidance due to unexpected expenditures of a non-recurring nature or to meet unexpected increases in operating costs. The District shall target a balance of 120 days (33%) of its current year's budgeted annual expenditures for operating costs and debt service in this fund. The minimum balance in this fund shall be 90 days (25%) of its current year's budgeted annual expenditures for operating costs and debt service. Conditions for utilization of these reserves and a plan for fund replenishment will be determined by the Board.

The operating fund reflects the timing difference between billing for revenues and payment of expenses. The target level is a financial measure or guideline. If the fund level drops below the twenty-five percent minimum balance, that is a sign for staff to review the fund and, if necessary, bring recommendations to the Board to replenish the fund and assure the fund will not continue to decline.

Rate Stabilization Fund

Financial assets held for purposes of managing cost variability in obtaining, treating and delivering potable surface water and groundwater. This Fund is focused on consumption fluctuations related to customer demand and purchasing of surface water as part of the District's conjunctive use efforts. Consumption charges established in the rate setting process forecast customer demand based on a repeat of average, recent climactic conditions. Surface water purchases are based on take-or-pay agreements and on the availability of surface water for purchase. Financial fluctuations occur when situations vary from the assumptions. The District shall target a balance of forty percent (40%) of its current year's budgeted consumption revenues (water usage) in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

Grant Fund

Financial assets held for purposes of funding the "local cost share" and advance payment of eligible reimbursable costs on capital projects funded partially from grant

awards. As eligibility for potential grant awards requires the District to demonstrate financial viability to fund anticipated project costs, the District shall maintain a minimum balance equal to the combined sum of anticipated costs for those projects considered grant eligible in the upcoming biennial period. The Grant Fund will be funded from the Capital Asset Fund or as directed by the Board. Conditions for utilization of such reserves and a plan for fund replenishment will be determined at the time of grant award.

Capital Asset Fund

Financial assets held for purposes of funding District capital asset replacements and capital projects necessary to meet regulatory requirements and/or system reliability needs. The District shall target a fund balance of fifty percent (50%) of the annualized average of the future five years of the planned Capital Program (CIP & OCP) expenditures. The minimum balance in this fund shall be equivalent to the prior year's annual depreciation expense. Well property acquisition amounts will be funded as defined in the section "Well Property Acquisition Fund." The District shall target a balance to sufficiently fund anticipated capital improvement project replacement cost deviations above the capital budget funding level. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Well Property Acquisition Fund

This Fund is a component of the Capital Asset Fund. Amounts established for this Fund shall be established through the annual budget process. The District shall target a balance to sufficiently fund anticipated property acquisitions. Fund replenishment will be determined by the Board periodically through the rate setting process and annually through the budget process.

Capacity Fee Fund

Financial assets held for expenditure on growth/capacity-related capital asset projects only. Amounts deposited into this fund come from unexpended facility development charges collected from developers (see related Capacity Reimbursement Fund in section 200.30 above.) These growth/capacity-related capital asset projects form the cost-basis and legal nexus for the establishment and collection of the Capacity Fees. This fund is dependent upon customer growth. Therefore, there is no prescribed target or minimum balance.

300.00 Disposition of "One-Time" Revenues

"One-time" revenues are revenues of an unusual or infrequent nature which are likely not the result of the District providing services and producing and delivering goods in connection with the District's principal ongoing operations (e.g. legal settlement). Unless specifically earmarked by Board action otherwise, "one-time" revenues should be transferred to the appropriate reserve fund which best represents the reason for the "one-time" revenue.

310.00 Reserve Fund Liquidity

The District's Reserve Funds are invested in accordance with the District's Investment Policy (PL – Fin 003). The District's investments primarily have durations between 0 and 5 years. The investment portfolio's duration is established based on certain benchmarks. In order to have reserve funds available for use, a portion of the reserve funds need to be short-term investments (12 months or less) or cash and cash equivalents. The District shall have a liquidity target of 50% of the current year's Operating Budget (O&M) plus 50% of any Committed Fund balances. For the purpose of calculating liquidity versus the target, all District cash and cash equivalent balances shall be included.

400.00 Target Funding Level

A summary of reserve fund classifications and funding levels is shown below:

Fund Classification	Funding Level
Capacity Reimbursement Fund	20% of CF charges collected annually less developer payouts.
Emergency/Contingency Fund	3% of prior-year end total assets.
Operating Fund	33% of budgeted annual operating and debt service expenditures.
Rate Stabilization Fund	40% of budgeted water consumption revenues.
Grant Fund	Sufficient to pay for "local cost share" on all outstanding and applied-for grants. Funds from Capital Asset Fund.
Capital Asset Fund	50% of the annualized average of the projected future five years of capital expenditures.
Capacity Fee Fund	Remaining amounts of CF Charges after amounts used by Capacity Reimbursement Fund expended. For new or replacement capacity related infrastructure.
Main Replacement Fund	No minimum. Funded as directed by the Board or from unspent budgeted T&D funds.
Well Development Fund	No minimum. Funded as directed by the Board or from unspent Well Development budgeted funds.

410.00 Reserve Fund Valuation

For the purposes of calculating the reserve fund balances for comparing to the target levels, investments will be valued at market on the date of valuation.

500.00 Authority

The General Manager is responsible for the appropriate accounting and regular reporting of the District's reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

600.00 Procedure

District staff will maintain procedures for each fund classification, to be approved by the General Manager, and in conformance with this Policy.

In any case where the reserves are drawn below target minimums, a report shall be developed containing the reasons for withdrawals and any impacts to programs or rates due to such withdrawals. If reserves are depleted, the reserves shall be replenished over a maximum five (5) year period to the established or re-established target as directed by the Board.

Maintenance of minimum reserves should not, on its own, trigger the need for a rate adjustment. Rates will be reviewed after two consecutive years of reserve funds dropping below established minimums balances, or diminishing reserves as a result of covering unanticipated costs.

700.00 Policy Review

This Policy shall be reviewed annually by the Board of Directors as part of the annual budget adoption process.



Agenda Item: 11.5

Date: August 19, 2024

Subject: Committee and Liaison Appointments – Board Consideration of a Production Capacity Ad Hoc Committee

Staff Contact: Dan York, General Manager

Recommended Board Action:

Consider a Production Capacity Ad Hoc Committee and appoint committee members.

Discussion:

To address the issues and opportunities regarding sustainability of District groundwater well capacity, this committee will investigate options and strategies to best meet the challenges associated with groundwater well maintenance and repair resources.

Fiscal Impact:

Unknown at this time.



Agenda Item: 12

Date: August 19, 2024

Subject: General Manager’s Report

Staff Contact: Dan York, General Manager

a. SSWD Facilities Consolidation

Currently, the District is operated from the Marconi Administration Building and the Walnut Corporation Yard. Staff is split between the two locations typically along functional department organization lines. The Marconi office supports the District Administration, Finance, Customer Service, Information Technology, Capital Improvement Engineering, Human Resources, water conservation, and GIS services. The Walnut Corporation Yard supports the Field Operations including water production, distribution system and facility maintenance, PM, meters, and environmental compliance. The split location of staff does impose challenges to efficient operations primarily due to the logistics of communication between work groups and individuals. Note: In 2008, the District had 57 employees. Currently the District has 75 employees.

Existing facilities do not allow the District to consolidate its operations in one location for several reasons. First, no single location is large enough to support the entire staff of the District in either office space or employee and equipment vehicle parking. Second, no single location is large enough to provide the needed space for the bulk storage of materials or warehousing of parts needed to support the day to day operation and maintenance of the system, and provide a staging area for the main replacement and meter retrofit program.

In 2007, the District’s Board of Directors directed staff to solicit the services of a commercial real estate company to study the space needs of the District, the possible options for utilizing existing facilities, and the availability of property for a consolidated site. The consulting firm developed a plan that outlined the need for approximately 5 acres of land to house both administrative and operations staff and equipment.

In 2008, the District identified four locations that fit the above mentioned criteria. At the time, the approximate cost was between \$7.5 and \$8.3 million. However, the value for the District’s buildings was estimated at \$4.5 million. The Board chose to not proceed with the purchase of property and construction of the facilities.



Agenda Item: 13

Date: August 19, 2024

Subject: Groundwater Well Status Report

Staff Contact: Tommy Moulton, Senior Project Manager

This report summarizes off-line Active sources, their project status, and when they are expected to be operational (on-line). Additionally, the report includes a list of on-line sources that have been identified for future proactive projects. This information is categorized by the following sections: A) Capacity Status Summary; B) Off-Line Capacity Detail; and C) Proactive Projects.

Note: Work has been initiated on numerous facilities and steady progress is underway as indicated below in Section B. Unless specified differently, Kirby’s Pump and Mechanical, Inc. (KPM) is the contractor for a project.

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.

A. CAPACITY STATUS SUMMARY

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

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

Area	Groundwater Supply Capacity			Demand Projection (MGD)	
	Active (MGD)	On-Line (MGD)	On-Line (%)	Average Day (Month)	Highest Day (Year)
NSA	56.5	44.5	79%	25.1	37.6
SSA	57.0	43.7	77%	19.3	30.4
Total	113.5	88.2	78%	44.4	66.6

MGD = Million Gallons per Day

Figure 1 below presents the Table 1 data graphically.

Figure 1. Capacity vs. Demand by Service Area

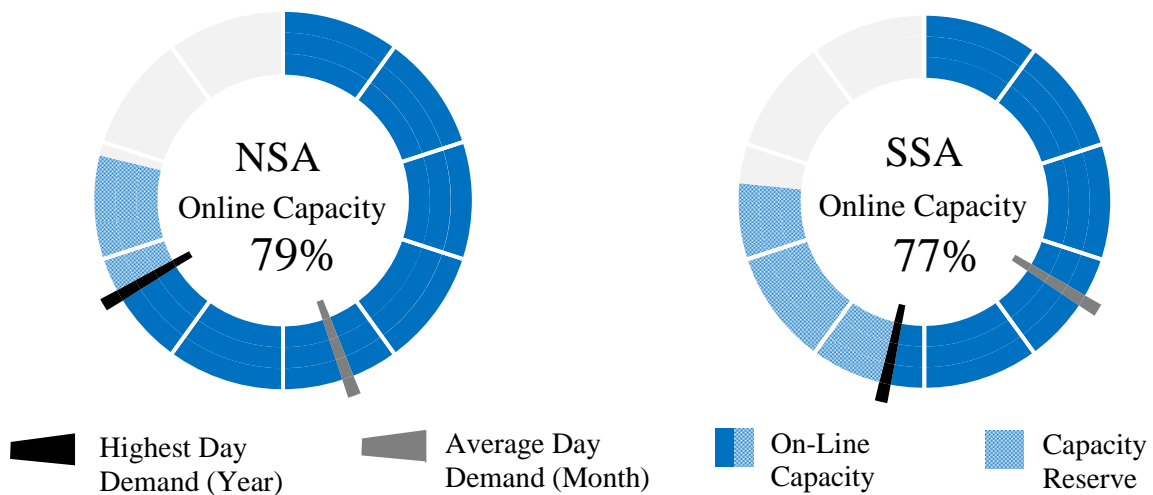
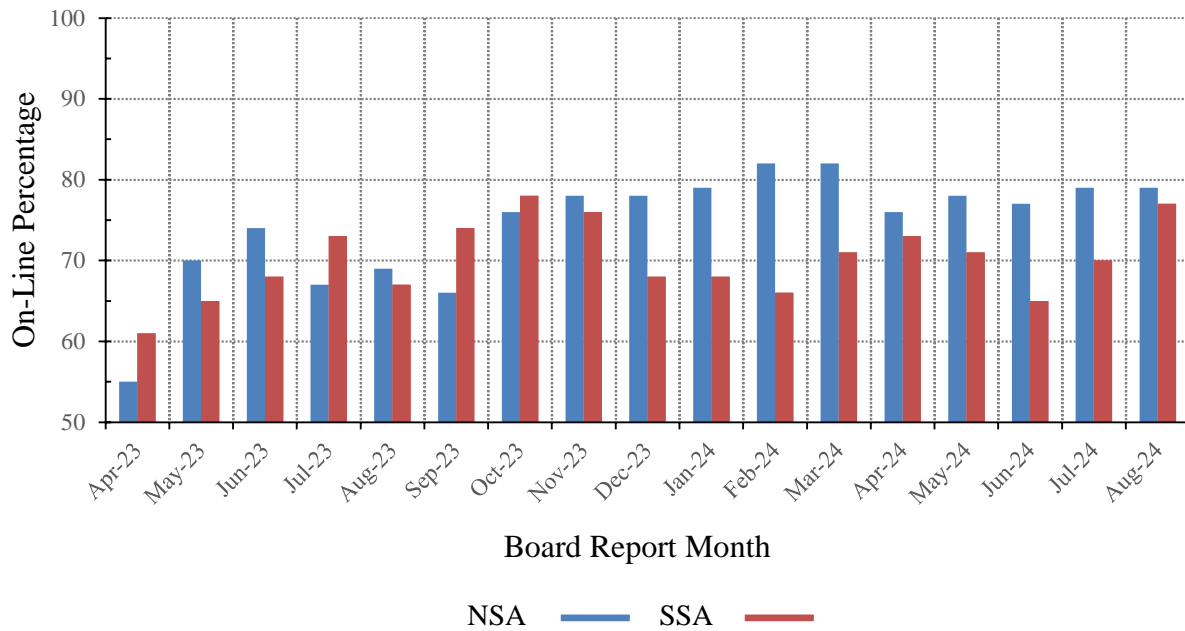


Figure 2 shows the online capacity monthly value and trend by service area since the commencement of the KPM contract.

Figure 2. On-line Monthly Percentage 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: 8,300 gpm / 11.9 MGD
(8,300 gpm last report)

Summary of Change in Well Status

<u>Well</u>	<u>Status</u>	<u>Capacity (gpm)</u>
None	N/A	N/A
Net Change in Capacity:		0

CONDITION ASSESSMENT AND INVESTIGATIVE PROJECTS

Listed below are Condition Assessment (CA) and preliminary investigative projects for off-line sources. 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: 400 gpm

N38 Coyle

Capacity / Status: 400 gpm / Off-line 3/28/2024

Reason: Pump breaking suction

Project Phase: Well cleaning and CA in progress.

Expected Completion: October 2024. Depending on the outcome of the CA, a decision will be made on the future course of action needed to return the well to service.

Planned Projects: 0 gpm

None. See Section C for proactive projects.

REPAIR AND REHABILITATION PROJECTS

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

In-Progress Projects: 1,900 gpm

N9 Cameron

Capacity / Status: 1,200 gpm / Off-line 4/4/2024

Reason: Submersible motor failure

Project Phase: Well cleaning complete. Test pumping in progress. Pump and motor installation to follow.

Expected Completion: October 2024 (pending motor availability)

N26 Monument

Capacity / Status: 700 gpm / Off-line 5/23/2024

Reason: Programmable Logic Controller (PLC) failure

Contractor: N/A. District Production staff is performing the replacement.

Project Phase: Replacement of the PLC. This will require some retrofitting for the newer-version PLC. Staff is researching the potential to outsource to expedite this project.

Expected Completion: October 2024

Planned Projects: 0 gpm

None. See Section C for proactive projects.

WATER QUALITY PROJECTS

Listed below are current water quality investigation and remediation projects.

- Wells in this category have significant uncertainty as to successful outcome. As such, the probability of inactivation is higher for wells in this category.
- Wells in this category tend to require significant downhole modifications, chemical rehabilitation, and/or treatment plants. As a result, in almost all cases these projects have a much greater duration.

In-Progress Projects: 3,200 gpm

64 Galbrath/Antelope Woods

Capacity / Status: 900 gpm / Off-line 5/13/2024

Reason: Bacteriological

Project Phase: Well cleaning

Expected Completion: November 2024

N8 Field

Capacity / Status: 1,200 gpm / Off-line 5/2/2023

Reason: Bacteriological (initially), Manganese and PFAS (recently)

Project Phase: Bacteriological issue resolved. Additional water quality testing being scheduled.

Expected Completion: September 2024 (for additional water quality testing)

N20 Cypress

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

Reason: Manganese

Project Phase: Analyzing water quality testing results from packer testing.

Expected Completion: September 2024 (for well rehabilitation). Depending on the outcome of the rehabilitation, a decision will be made on the future course of action needed to return the well to service.

Planned Projects: 2,800 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: February 2025

N6A Palm

Capacity / Status: 1,700 gpm / Off-line 6/24/2024
Reason: Bacteriological
Project Phase: Rehabilitation plan and scoping
Tentative Start: October 2024
Expected Completion: March 2025

COMPLETED PROJECTS

Restored Capacity: 0 gpm

None.

SOUTH SERVICE AREA

Total Active capacity off-line for listed projects: 9,300 gpm / 13.3 MGD
 (11,900 gpm last report) **

Summary of Change in Well Status

<u>Well</u>	<u>Status</u>	<u>Capacity (gpm)</u>
30 Rockbridge/Keith	On	500
41 Albatross/Iris	On	500
78 Butano/Cottage	On	1,500
Net Change in Capacity:		2,000

** Numbers are inconsistent due to Well 60's increased capacity in the previous report and some rounding.

CONDITION ASSESSMENT AND INVESTIGATIVE PROJECTS

In-Progress Projects: 2,300 gpm

28 Red Robin/Darwin

Capacity / Status: 900 gpm / Off-line 4/15/2024
Reason: Variable Frequency Drive (VFD) malfunctioning
Project Phase: Replacing VFD
Expected Completion: September 2024

32A Eden/Root

Capacity / Status: 1,400 gpm / Off-line 12/21/2023
Reason: Failed treatment plant valve
Project Phase: Existing Motor Operated Valve (MOV) model has been discontinued. Replacement MOVs on order. Treatment vessel re-conditioning will be required after the parts are replaced.
Expected Completion: December 2024

Planned Projects: 0 gpm

None. See Section C for proactive projects.

REPAIR AND REHABILITATION PROJECTS

In-Progress Projects: 2,600 gpm

20A Watt/Arden

Capacity / Status:

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

Reason:

Electrical service failure. Upgrading service from 3- to 4-wire.

Since this project has made significant progress towards upgrading to a 4-wire service, staff has decided to stay on this path rather than changing to a simpler 3-wire reactivation project. This is in keeping with the strategy to proactively upgrade existing 3-wire services to 4-wire services when practical to do so.

Project Phase:

Waiting for SMUD to replace pole and install meter

Expected Completion:

October 2024 (based on anticipated SMUD schedule)

35 Ulysses/Mercury

Capacity / Status:

800 gpm / Off-line 6/7/2023

Reason:

Electrical service failure

Project Phase:

Coordinating necessary repairs with SMUD for reactivation of service. This site will be converted from 3- to 4-wire.

Expected Completion:

September 2024

13 Calderwood/Marconi

Capacity / Status:

700 gpm / Off-line 7/16/2020

Reason:

Capacity loss (pump breaking suction)

Project Phase:

Well cleaning

Expected Completion:

October 2024

Planned Projects: 600 gpm

70 Sierra/Blackmer

Capacity / Status:

600 gpm / Off-line 5/10/2019

Reason:

Capacity loss (total)

Additionally, HP tank has structural deficiencies (off-line due to safety concerns)

Project Status:

Well CA completed. Casing is intact but screens are totally plugged. In work queue for well cleaning. Depending on the outcome of the rehabilitation, a decision will be made on the future course of action needed to return the well to service.

Tentative Start:

February 2025

Expected Completion:

April 2025 (for cleaning)

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.

In-Progress Projects: 0 gpm

None

Planned Projects: 1,100 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: Work activity/schedule coordination with adjacent homeowner for site access via easement. Design of replacement HP tank in progress.

Tentative Start: September 2024

Expected Completion: December 2024 (pending delivery of new HP tank).

77 Larch/Northrop

Capacity / Status: 200 gpm / Off-line 12/21/2022

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

Project Phase: Pump testing to assess well condition. Depending on the outcome of the CA, a decision will be made on the future course of action needed to return the well to service.

Tentative Start: October 2024 (for CA)

Expected Completion: March 2025

WATER QUALITY PROJECTS

In-Progress Projects: 0 gpm

None

Planned Projects: 2,800 gpm

Groundwater Well Status Report

August 19, 2024

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46 Jonas/Sierra

Capacity / Status: 700 gpm / Off-line 7/16/2018
Reason: PFAS
Contractor: N/A. District Environmental Compliance staff is conducting the evaluation.
Project Phase: Evaluation for inactivation
Tentative Start: N/A
Expected Completion: October 2024

68 Northrop/Dornajo

Capacity / Status: 1,600 gpm / Off-line 11/3/2021
Reason: Entrained gas; manganese
Project Phase: CA completed. In work queue for well cleaning.
Tentative Start: March 2025
Expected Completion: June 2025

69 Hilldale/Cooper

Capacity / Status: 500 gpm / Off-line 1/25/2017
Reason: Bacteriological
Contractor: N/A. District Environmental Compliance staff is conducting the evaluation.
Project Phase: Evaluation for inactivation
Tentative Start: N/A
Expected Completion: October 2024

COMPLETED PROJECTS

Restored Capacity: 2,000 gpm

30 Rockbridge/Keith

Capacity / Status: 500 gpm / Off-line 5/31/2024
Reason: PLC failure
Resolution: PLC replaced

41 Albatross/Iris

Capacity / Status: 500 gpm / Off-line 11/5/2018
Reason: Electrical power supply line replacement
Resolution: Electrical service upgrade, and pump station improvements

78 Butano/Cottage

Capacity / Status: 1,500 gpm / Off-line 5/14/2024
Reason: Pump to waste MOV malfunctioning (a second time).
Resolution: MOV repaired

C. PROACTIVE PROJECTS

Listed below are on-line groundwater facilities selected for proactive work. Wells in this category are showing signs of declining health and/or have not been evaluated in a significant amount of time. When the project begins it is moved to the CA or Investigative Projects in Section B.

NORTH SERVICE AREA

<i>Planned Projects:</i>	3,500 gpm
<u>56A Fairbairn/Karl</u>	
Capacity	2,000 gpm
Reason:	Well maintenance/assessment
<u>N5 Hillsdale</u>	
Capacity	700 gpm
Reason:	Well maintenance/assessment
<u>N22 River College</u>	
Capacity	800 gpm
Reason:	Well maintenance/assessment

SOUTH SERVICE AREA

<i>Planned Projects:</i>	4,800 gpm
<u>25 Thor/Mercury</u>	
Capacity	400 gpm
Reason:	Well maintenance/assessment
<u>33A Auburn/Norris</u>	
Capacity	2,100 gpm
Reason:	Well maintenance/assessment
<u>74 Riverwalk/NETP South</u>	
Capacity	2,300 gpm
Reason:	Well maintenance/assessment



Agenda Item: 14

Date: August 19, 2024

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

Below are major CIP projects consistent with the Board’s approved funding program.

SUPPLY – NEW WELLS

The table below shows the stages of the current projects.

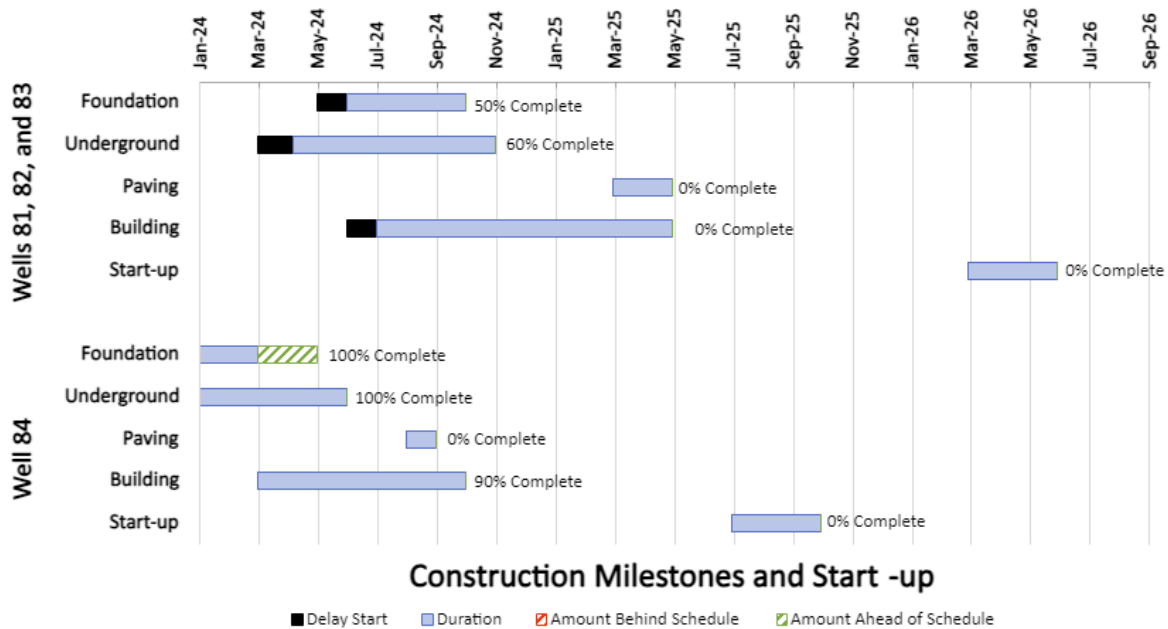
Well 80 Walnut / Auburn	DESIGN AND CONSTRUCTION		
	Approximate Completion		Change in Completion Status Since Last Report
	Design	Construction	
	<i>Production Well</i>		
	Complete	Complete	n/a
	<i>Pump Station</i>		
	Complete	July 2024	No Change
	FACILITY COMMISSIONING		
	Start	End	Notes
	August 2024	September 2024	Note 1

1. Commissioning began on August 5, 2024, and the well is delivering water to the system. Delays in receiving the DDW Permit required to operate the facility delayed the start of commissioning from July to August, and the commissioning period dates listed above have been revised accordingly from a start/end of July/August to August/September.

<p style="text-align: center;">Wells 81, 82, and 83 Antelope North / Poker</p>	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	March 2026	No Change
	FACILITY COMMISSIONING		
	Start	End	Notes
	March 2026	May 2026	No Change

<p style="text-align: center;">Well 84 Antelope / Don Julio</p>	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	July 2025	No Change
	FACILITY COMMISSIONING		
	Start	End	Notes
	July 2025	September 2025	No Change

Progressive Design-Build Projects Milestones



Milestone Status

Wells 81, 82, and 83

- Foundation On-track – Delayed start due to weather, but no anticipated impact on original completion date.
- Underground On-track – Delayed start due to weather, but no anticipated impact on meeting original completion date.
- Paving On-track
- Building On-track

Well 84

- Foundation Completed ahead of schedule.
- Underground Complete – Waterlines that were contracted in the original Guaranteed Maximum Price were installed on schedule. District-requested second waterline to be installed to provide connection with the transmission main is now scheduled be completed in August 2024 due to Sacramento County approval delays.
- Paving On-track
- Building On-track

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	
MBP Dudley Peacekeeper Main Replacement	2025	2026	No Change
MBP Dudley Dudley Main Replacement	December 2024	2025	Note 1

1. The District was recently informed by McClellan Park that a railroad project is planned near the alignment for the new pipeline. The District is now adjusting the new pipeline’s alignment to avoid conflict with the railroad project. The design phase schedule’s approximate completion has been updated accordingly from October to December 2024.

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	2025	In progress
Fleet AMP	2020	2025	
Groundwater Well AMP	2020	2026	
Meter AMP	2023	2028	
Reservoir and Booster Pump Station AMP	2011	2025	Note 1
SCADA AMP	2021	2026	
Transmission Main AMP	2020	2026	Note 2
Water System MP	2017	2025	Note 3
Urban Water Management Plan	2021	2026	Note 4

Note 1. Update planned to be initiated in CY2025.

Note 2. Update planned to be initiated in CY2026 as recommended in AMP.

Note 3. Update planned to be initiated in CY2025.

Note 4. Update planned to be initiated in CY2025 to meet 2026 State deadline.

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.

The integrator has successfully installed and implemented the new programming to the facility. Operations is currently operating the facility to verify the programming is functioning as intended. Barring issues during operational testing, this work will complete this project.



Agenda Item: 15

Date: August 19, 2024

Subject: Financial Report

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

Summary:

This staff report contains summarized information on Sacramento Suburban Water District’s (District) financial condition for the period ended June 30, 2024.

- Financial Statements – June 2024 (Attachment 1)
- Budget to Actual Reports – June 2024 (Attachment 2)

Financial Statements

Financial Statement Highlights – June 2024

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

	Statement of Net Position		
	Year-To-Date	Year-To-Date	Variance
	6/30/2024	6/30/2023	
LIQUIDITY	\$15,656,110.59	\$16,351,214.65	(\$695,104.06)
CUSTOMER RECEIVABLES	7,909,865.48	4,179,158.62	3,730,706.86
INVESTMENT	35,732,704.28	36,326,133.84	(593,429.56)
CAPITAL ASSETS	337,974,870.05	325,937,053.45	12,037,816.60
DEBT	48,823,540.82	54,521,523.70	(5,697,982.88)
NET POSITION	333,090,346.52	307,525,434.62	25,564,911.90

Key information from this table indicates that combined the District’s cash balance is \$0.7 million less, receivables are \$3.7 million more, and investments are \$0.6 million less than on June 30, 2023; long-term debt has decreased by \$5.7 million; and net position has increased by \$25.6 million in the last 12 months as the District continues to invest in capital infrastructure replacements while decreasing its outstanding debt. Cash balances are lower pending receipt of \$5.8 million in grant funds and a \$3.7 million increase in outstanding customer receivables. Starting January 1, 2024, all accounts are billed on or around the 5th day of the month for the previous month instead of billing four billing cycles throughout the month. Previously, one billing cycle was billed in the following month. The increase in receivables is mostly related to the new

monthly billing method (\$5.2 million) and an increase in delinquent balances related to not locking off customer accounts (\$1.4 million). Investments are lower because of not reinvesting matured securities and holding in cash reserves (approximately \$3.5 million).

Statements of Revenues, Expenses and Changes in Net Position

	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>
	<u>6/30/2024</u>	<u>6/30/2023</u>	
Operating Revenue	\$25,888,026.26	\$23,599,096.56	\$2,288,929.70
Operating Expense	(11,579,700.31)	(11,453,378.88)	(126,321.43)
Other, Net	(5,436,135.36)	(7,076,628.94)	1,640,493.58
NET INCOME	8,872,190.59	5,069,088.74	3,803,101.85

Operating revenues increased \$2.3 million, operating expenses increased \$0.1 million and other, net expenses decreased \$1.6 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 the change in monthly billing method. The year-over-year operating expense increase of \$0.1 million is primarily due to increased surface water purchases over last year. Other, net expenses decreased \$1.6 million net from 2023 primarily related to the increase in capital grant revenues from the previous year.

Budgets:

Budget Item	Actual Amount YTD	Adjusted Budget Amount YTD	Variance YTD
Revenues and Sources of Funds	28,401,050	25,106,950	3,294,100
Operations and Maintenance	11,579,700	12,549,306	(969,606)
Capital Expenditures *	6,424,462	16,338,722	(9,914,261)
Debt Service - Interest	991,996	992,500	(504)

*Capital budget includes rollover budget from previous years.

The District's revenues for June 2024 came in more than the approved budget by \$3.3 million primarily related to a combination of change in monthly billing method this year as explained above, investment interest income due to returns being higher than budgeted, grant revenues recorded when billed throughout the year while budgeted at full annual amount at year-end and other miscellaneous income.

The District's operating and maintenance expenditures as of June 30, 2024, came in less than the approved budget by \$1.0 million. Most of this positive variance is due to timing differences.

The District's Capital Improvement Program (CIP) budget for 2024 is \$25.5 million plus \$3.4 million in rollover funds from previous years' budgets for a total of \$28.9 million. As of June 30,

2024, \$6.0 million has been spent while an additional \$16.2 million is under commitment. Expenditures continue to be primarily in new well construction, well rehabilitation, and distribution system replacements.

The District's Operating Capital Program (OCP) budget for 2024 is \$3.1 million plus \$0.7 million in rollover funds from previous years' budgets for a total of \$3.8 million. As of June 30, 2024, \$0.4 has been spent while an additional \$1.2 million is under commitment.

Scheduled 2024 principal payments of \$5.0 million are not due until the end of October 2024. Total outstanding debt as of June 30, 2024, is \$48.9 million. The District's debt service budget for 2024 is \$7.0 million consisting of \$5.0 million for principal and \$2.0 for interest payments. Interest payments are in line with the 2024 budget.

Attachments:

1. Financial Statements – June 30, 2024
2. Budget to Actual Reports – June 30, 2024

Financial Statements
June 30, 2024

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

	As Of	<u>Month End</u> <u>6/30/2024</u>	<u>Month End</u> <u>6/30/2023</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$15,646,963.52	\$16,351,187.83
Restricted Cash and cash equivalents		9,147.07	26.82
Accounts receivable, net of allowance for uncollectible accounts		7,909,865.48	4,179,158.62
Interest receivable		238,130.30	189,177.55
Grants receivables		5,824,898.55	
Inventory		1,140,203.36	822,667.52
Prepaid expenses and other assets		622,156.71	553,917.17
TOTAL CURRENT ASSETS		<u>31,391,364.99</u>	<u>22,096,135.51</u>
NONCURRENT ASSETS			
Investments		35,732,704.28	36,326,133.84
TOTAL NONCURRENT ASSETS		<u>35,732,704.28</u>	<u>36,326,133.84</u>
Property, plant and equipment		582,073,043.22	556,895,913.68
Accumulated depreciation		(244,098,173.17)	(230,958,860.23)
TOTAL CAPITAL ASSETS		<u>337,974,870.05</u>	<u>325,937,053.45</u>
TOTAL ASSETS		<u>405,098,939.32</u>	<u>384,359,322.80</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on long-term debt refunding		2,691,701.07	3,650,179.47
Pension contribution subsequent to measurement date		4,833,965.00	4,842,834.00
Other post-employment benefits		1,124,093.00	1,300,500.00
Deferred outflow of Asset Obligation		1,258,538.87	981,339.87
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u>415,007,237.26</u>	<u>395,134,176.14</u>
LIABILITIES			
CURRENT LIABILITIES			
Current portion of long-term debt and capital leases		5,010,000.00	4,910,000.00
Current portion of Compensated Absences		1,200,000.00	1,000,000.00
Accounts payable		1,485,312.25	979,724.45
Accrued interest		330,665.36	347,482.03
Deferred revenue and other liabilities		3,849,931.92	4,866,164.78
Accrued expenses		1,039,688.78	1,194,246.73
TOTAL CURRENT LIABILITIES		<u>12,915,598.31</u>	<u>13,297,617.99</u>
NONCURRENT LIABILITIES			
Long-term debt		43,813,540.82	49,611,523.70
Compensated absences		118,797.61	273,394.83
Net pension liability		13,884,790.00	12,721,219.00
Net other post-employment benefits liability		3,077,711.00	3,139,340.00
Asset Retirement Obligation		5,454,858.00	5,133,984.00
TOTAL NONCURRENT LIABILITIES		<u>66,349,697.43</u>	<u>70,879,461.53</u>
TOTAL LIABILITIES		<u>79,265,295.74</u>	<u>84,177,079.52</u>
DEFERRED INFLOWS OF RESOURCES			
Employee pensions		409,458.00	705,650.00
Other post-employment benefits		2,242,137.00	2,726,012.00
NET POSITION			
Invested in capital assets, net of related debt		289,215,352.54	270,541,612.06
Restricted		15,624.14	2,358.84
Unrestricted		43,859,369.84	36,981,463.72
TOTAL NET POSITION		<u>333,090,346.52</u>	<u>307,525,434.62</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		<u>415,007,237.26</u>	<u>395,134,176.14</u>

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

	<u>Year-To-Date</u> <u>6/30/2024</u>	<u>Year-To-Date</u> <u>6/30/2023</u>
OPERATING REVENUES		
Water consumption sales	\$ 6,602,480.23	\$ 5,758,949.94
Water service charge	18,608,343.63	17,426,167.83
Wheeling water charge	242,144.04	1,935.48
Other charges for services	435,058.36	412,043.31
TOTAL OPERATING REVENUES	25,888,026.26	23,599,096.56
OPERATING EXPENSES		
Source of supply	1,494,265.13	1,182,145.44
Pumping	2,457,293.04	2,562,485.70
Transmission and distribution	2,096,175.69	2,540,486.38
Water conservation	319,158.58	377,379.64
Customer accounts	796,134.96	773,545.92
Administrative and general	4,416,672.91	4,017,335.80
TOTAL OPERATING EXPENSES	11,579,700.31	11,453,378.88
Operating income before depreciation	14,308,325.95	12,145,717.68
Depreciation and amortization	(6,993,127.05)	(6,869,321.18)
OPERATING INCOME	7,315,198.90	5,276,396.50
NON-OPERATING REV. (EXP.)		
Rental income	162,626.30	183,336.09
Interest and investment income	581,415.87	691,785.78
Interest expense and debt related costs	(1,077,243.78)	(1,127,693.76)
Other non-operating revenues	102,837.71	66,011.93
Other non-operating expenses	(355.79)	(20,747.80)
NON-OPERATING REV. (EXP.)	(230,719.69)	(207,307.76)
NET INCOME (LOSS) BEFORE CAPITAL	7,084,479.21	5,069,088.74
CAPITAL CONTRIBUTIONS		
Federal, state and local capital grants	1,787,711.38	
TOTAL CAPITAL CONTRIBUTIONS	1,787,711.38	
CHANGE IN NET POSITION	8,872,190.59	5,069,088.74
Net position at beginning of year	324,218,155.93	302,456,345.88
NET POSITION AT END OF PERIOD	\$ 333,090,346.52	\$ 307,525,434.62

**Budget to Actual Reports
June 30, 2024**

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

Attachment 2

	6/30/2024 - YTD			2024
	Actual	Budget	Variance	Annual Budget
REVENUES				
Water consumption sales	\$6,602,480.23	\$5,531,000.00	\$1,071,480.23	\$16,582,000.00
Water service charge	18,608,343.63	18,565,999.98	42,343.65	37,132,000.00
Wheeling water charge	242,144.04	187,500.00	54,644.04	375,000.00
Other charges for services	435,058.36	458,250.00	(23,191.64)	993,000.00
Capacity fees				1,000,000.00
Interest and investment income	459,848.57	264,000.00	195,848.57	530,000.00
Rental & other income	265,464.01	100,200.00	165,264.01	200,000.00
Grant income	1,787,711.38		1,787,711.38	14,710,000.00
TOTAL REVENUES	28,401,050.22	25,106,949.98	3,294,100.24	71,522,000.00
EXPENSES				
Board of Directors	48,709.37	90,416.34	41,706.97	150,832.68
Administrative	1,437,263.41	1,442,586.98	5,323.57	2,803,219.96
Finance	633,776.80	683,106.68	49,329.88	1,361,285.19
Customer Services	728,850.34	807,513.30	78,662.96	1,712,226.60
Field Operations	277,521.97	304,101.02	26,579.05	608,206.16
Production	3,549,995.48	3,603,065.92	53,070.44	8,914,861.08
Environmental Compliance	401,562.69	494,392.47	92,829.78	1,100,784.96
Distribution	1,185,824.38	1,340,926.45	155,102.07	2,979,182.48
Field Services	632,829.34	781,144.31	148,314.97	1,682,285.01
Maintenance	399,159.31	393,659.82	(5,499.49)	787,319.64
Water Conservation	319,158.58	421,860.92	102,702.34	865,822.84
Engineering	764,666.97	800,427.64	35,760.67	1,770,855.32
GIS/CAD	236,275.86	251,322.40	15,046.54	499,532.80
Human Resources	198,642.00	239,779.56	41,137.56	479,574.12
Information Technology	698,179.19	756,780.60	58,601.41	1,513,561.16
Community Outreach	67,284.62	138,222.00	70,937.38	276,450.00
TOTAL OPERATING EXPENSES	11,579,700.31	12,549,306.41	969,606.10	27,506,000.00

Sacramento Suburban Water District
Capital Budget
6/30/2024

Project Name	Original Budget	Adjusted Budget	Roll-Over From Prior Year Budget	Total Budget Available	Current Month Expenditure	Expenditures Year-To-Date	Committed Year- To-Date	Remaining Balance
CIP-Well Rehad/Pump St Improv	\$4,723,000.00	\$4,612,000.00	\$414,274.29	\$5,026,274.29	\$73,193.64	\$1,033,950.25	\$2,375,951.40	\$1,616,372.64
CIP-SCADA/Commu. Improv	-	\$100,000.00	\$156,976.56	\$256,976.56	\$11,043.34	\$112,234.18	\$127,494.10	\$17,248.28
CIP-Well New Construction	\$15,302,000.00	\$15,302,000.00	\$2,577,587.09	\$17,879,587.09	\$155,267.25	\$4,190,100.21	\$11,924,713.07	\$1,764,773.81
CIP-Trans & Dist Improvements	\$1,650,000.00	\$1,509,000.00	\$203,431.02	\$1,712,431.02	\$9,065.51	\$223,431.32	\$584,401.59	\$904,598.11
CIP-Reservoir/Tank Improv	\$980,000.00	\$980,000.00	\$101,983.63	\$1,081,983.63	-	\$73,437.04	\$387,225.07	\$621,321.52
CIP-Corrosion Control	\$120,000.00	\$120,000.00	-	\$120,000.00	-	-	\$59,650.00	\$60,350.00
CIP-Valve/Hydrant/Service Repl	\$700,000.00	\$670,650.00	-	\$670,650.00	-	\$157,185.95	\$140,556.50	\$372,907.55
CIP-Large Meter Replacement	\$85,000.00	\$162,000.00	-	\$162,000.00	-	\$49,396.00	\$111,193.00	\$1,411.00
CIP-Meter Replacement PM	\$300,000.00	\$300,000.00	-	\$300,000.00	\$71,211.97	\$126,460.06	\$2,049.35	\$171,490.59
CIP-Special Projects	\$95,000.00	\$95,000.00	\$778.81	\$95,778.81	-	\$15,624.00	\$19,591.57	\$60,563.24
CIP-Water Related Street Imprpv	\$1,500,000.00	\$1,500,000.00	-	\$1,500,000.00	\$44,431.42	\$49,547.17	\$433,163.02	\$1,017,289.81
CIP Subtotal	\$25,455,000.00	\$25,350,650.00	\$3,455,031.40	\$28,805,681.40	\$364,213.13	\$6,031,366.18	\$16,165,988.67	\$6,608,326.55
OCP - Equipment	-	\$7,700.00	-	\$7,700.00	-	-	-	\$7,700.00
OCP - Fleet & Facilities	\$60,000.00	\$75,000.00	\$17,000.00	\$92,000.00	-	\$67,102.37	\$328.94	\$24,568.69
OCP - Information Technology	\$1,487,000.00	\$1,387,000.00	\$7,910.50	\$1,394,910.50	-	\$14,769.04	\$94,495.00	\$1,285,646.46
OCP - Maintenance	\$606,000.00	\$563,075.00	\$130,000.00	\$693,075.00	-	\$83,218.50	\$276,840.87	\$333,015.63
OCP - Operations	\$902,000.00	\$1,087,575.00	\$217,731.33	\$1,305,306.33	\$18,319.82	\$218,893.96	\$478,475.53	\$607,936.84
OCP - Property Acquisition	-	\$39,000.00	\$339,771.03	\$378,771.03	-	\$9,111.51	\$354,269.59	\$15,389.93
OCB Subtotal	\$3,055,000.00	\$3,159,350.00	\$712,412.86	\$3,871,762.86	\$18,319.82	\$393,095.38	\$1,204,409.93	\$2,274,257.55
Total	\$28,510,000.00	\$28,510,000.00	\$4,167,444.26	\$32,677,444.26	\$382,532.95	\$6,424,461.56	\$17,370,398.60	\$8,882,584.10



Agenda Item: 16

Date: August 19, 2024

Subject: District Activity Report

Staff Contact: Michael Simi, 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 various types and number of activities that are in the 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

	July 2024	Monthly Average CY 2024	Total CY 2024	Total # in System	Goal CY 2024	% of Goal Completed in CY 2024
Preventive Maintenance Program - Distribution						
Fire Hydrants Inspected	108	145	1013	6490	1298	78%
Fire Hydrant Valves Inspected	125	131	918	5869	1174	78%
Mainline Valves Inspected	213	193	1354	11255	2251	60%
Blow Off Valves Inspected	45	18	129	1049	210	61%
ARV/CARV Inspected	-	2	14	283	57	25%
Preventive Maintenance Program - Meters						
Meters Tested (3 - 10 inch)	-	17	122	450	120	102%
Meters Replaced (5/8 - 1 inch)	309	53	369	41167	826	45%
Meter Re-Builds (1 1/2 - 2 inch)	-	35	244	2449	245	100%
AMI Collectors Inspected	-	1	9	9	9	100%
Preventive Maintenance Program - Production						
Air Release Valves	4	1	10	96	32	31%
Chemical Systems - Sodium Hypochlorite	8	8	58	71	71	82%
Chemical Systems - Hydrofluorosilicic Acid	5	2	13	30	30	43%
Generator Inspection & Maintenance	-	-	-	23	23	0%
Generator Load Bank Testing	-	-	-	23	10	0%
Generator Battery Replacement	-	-	-	23	6	0%
Hydraulic Control Valves	6	7	49	49	49	100%
Level Transducers	-	2	16	35	35	46%
Motors (Vertical Turbine)	5	12	82	82	82	100%
Pressure Transducers	21	10	69	95	95	73%
Sumps and Associated Pumps	7	3	19	19	19	100%
	July 2024	Monthly Average	YTD Completed	Total With GPS	Total Assets	Percentage Completed
Global Positioning System						
GPS Coordinates Marked	151	1179	8255	25945	84541	31%

	July 2024	Monthly Average CY 2024	Total CY 2024
Service Requests			
Main Leaks	2	2	15
Service Line Leaks	6	4	30
Customer Pressure Inquiries	18	11	75
Water Main Shutdown			
-- Unscheduled	2	3	20
-- Scheduled	5	5	37
After Hours Activity (On-Call Technician)			
Calls Received Distribution	78	44	308
Calls Responded Distribution	69	30	208
Calls Received Production	72	47	327
Calls Responded Production	2	3	18
Water Quality			
Complaints	3	1	8
Taste & Odor Complaints	1	0	2

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/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

No new claims filed in July.

3. Customer Service Monthly Activity Report

	Total Calls	Calls Abandone	% of Calls Abandoned	Avg. Wait on Queue	Max. Wait on Queue	Avg. Talk Time
July	1906	15	0.79%	23s	6m, 59s	2m, 47s
June	1614	19	1.18%	18s	6m, 29s	2m, 47s
May	1710	17	0.99%	13s	6m, 43s	2m, 57s
April	1588	10	0.63%	13s	3m, 39s	2m, 51s
March	1532	16	1.04%	16s	6m, 27s	3m, 16s
February	1554	18	1.16%	15s	5m, 24s	3m, 18s

4. Community Outreach Report

Bill Insert

A sample of the September 2024 Bill Insert is shown below.

00293673



H₂O on the GO

September 2024



SSWD Proposes Adjusting Water Rates for Future Reliability

SSWD is proposing a series of rate adjustments based on findings from the 2024 Comprehensive Water Rate Study (Study). This Study, conducted by an independent firm, reviewed SSWD's finances including current revenues, costs, and future investments in infrastructure.

The Study indicates SSWD's current income and expenses are currently well-balanced and managed. However, the Study recommends SSWD apply annual rate increases over the next five years to address inflation, rising construction and operational costs, and expanded investments in infrastructure.

The proposed rate increases are:

- 5% in 2025 and 2026
- 4% annually from 2027 to 2029

The SSWD Board of Directors will consider this proposal at a Public

[Water Rates | page 2](#)

Working Behind the Scenes | Water Supply Stages

Each spring, the Sacramento Suburban Water District (SSWD) Board of Directors reviews and approves a Water Conservation Stage Declaration. In 2024, the Board of Directors declared SSWD's water supply to be adequate to meet customer demands.

The various water supply stages are described in SSWD's Urban Water Management Plan, a detailed review of water supply sources, historical and projected water use, and a comparison of water supply demands during normal, single-dry, and multiple-dry years. SSWD is required by law to produce the plan every five years.

The Board of Directors can declare a stage that ranges from adequate, where voluntary conservation is encouraged, to Stage 4, where water supply conditions are significantly impacted and conservation measures

[Behind the Scenes | page 2](#)



Save the Date SSWD 5th Annual Open House

On Thursday, September 26th, SSWD will hold its 5th Annual Open House from 5:00 to 7:00 p.m. at the District office at 3701 Marconi Avenue. You'll have a chance to:

- Meet SSWD staff and talk with team members from each department
- Learn about careers in the water industry
- Talk with Board Members
- Hear about upcoming capital improvement and infrastructure projects
- Enter a raffle for a weather-based sprinkler timer

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.





Investing in Your Water System

SSWD is increasing its yearly capital spending from \$21.1 million to \$31.7 million to proactively upgrade aging infrastructure, such as pipes, pump stations, and water tanks. To help offset ratepayer costs, SSWD has recently secured over \$19 million in grants for replacement wells and is actively seeking more funding for other projects as a way to control costs.

4 Sample Projects Funded by Rates

- ▶ **New Well Construction**
Building replacement groundwater wells to maintain water supply reliability.
- ▶ **Reservoir/Tank Improvements**
Upgrading water storage facilities to maintain a safe, clean, and reliable water supply system.
- ▶ **Valve/Hydrant/Service Replacement**
Replacing old valves, hydrants, and service lines to improve water flow and emergency services.
- ▶ **Transmission & Distribution Improvements**
Enhancing the water distribution network to deliver water more efficiently and reliably.

Spring Groundwater Tour

This past April, SSWD hosted participants in the Water Education Foundation's Water 101 class on the Sustainable Groundwater Management Act. Over 40 water industry staff, engineers, environmentalists, government officials, and others toured one of SSWD's groundwater wells, learned about the region's conjunctive use program, and how SSWD contributes to sustainably managing the groundwater supply.

Inquiring Minds | How Do I Report Water Waste or a Water Emergency?

Customers can notify SSWD of a water-related emergency or water waste 24 hours a day, seven days a week through the following methods.

During Business Hours: Call 916.972.7171 and choose option 5 or go online to <https://www.sswd.org/about/report-an-emergency> and fill out the form.

After Business Hours: Call 916.972.7171 and choose option 4 to be connected to the on-call technician.

Behind the Scenes | from page 1

for reducing water use by 50 percent are required.

In the early part of each year, SSWD staff assesses both the availability of its groundwater sources and surface water available through various agreements with its fellow water providers, including Placer County Water Agency, the City of Sacramento, and the U.S. Bureau of Reclamation. Staff then reviews historical customer demand to determine if projected supplies will be sufficient to meet the estimated customer demand for the coming year.

Thanks to the record amount of rain that California received over the past two years, SSWD has been able to provide its customers with nearly 40 percent surface water. Serving surface water in wet years banks water in the groundwater aquifer so that more of it will be available in dry years.

Water Rates | from page 1

Hearing on Wednesday, October 14, 2024, at 6:00 p.m. at the SSWD Boardroom at 3701 Marconi Avenue, Sacramento, CA 95821. If approved, these adjustments would start on January 1, 2025.

Visit [sswd.org](https://www.sswd.org) to review the Study and learn more about current rates, comparisons with neighboring providers, updates to rate structures, proposed water shortage policies, monthly fire service charges, how adjustments were calculated, and instructions for submitting protests.





Agenda Item: 17

Date: August 19, 2024

Subject: Sacramento Regional Water Bank Update

Staff Contact: Matt Underwood, Assistant General Manager

To enhance the long-term viability of the Sacramento region’s communities, businesses, and families, certain water purveyors have committed to a collaborative effort to start up a program to assess the need to better adapt the regional water supply system to climate change and drought. The focus at this time is on expanding conjunctive use to increase the resilience of the region’s water supplies to meet needs – in short by 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 by making greater use of the expansive natural reservoir (the aquifer) under the Sacramento region for storing water during wet times for use during dry times.

By enhancing the Sacramento region’s utilization of conjunctive use through the Water Bank program the predicted health of the aquifer is improved with the benefit to SSWD of its groundwater supply becoming more resilient and therefore more reliable.

Staff presented the Water Bank at the October 30, 2023, Water Banking Committee meeting, the November 20, 2023, regular Board meeting, the March 27, 2024, Water Banking Committee, and the April 22, 2024, regular Board meeting.

The Water Bank Program Committee last met on July 17, 2024. The primary item on the agenda pertained to Previously Banked Water (PBW) associated with the Sacramento Groundwater Authority Water Accounting Framework. Discussion ensued regarding potential approaches to applying PBW as a starting balance in the Water Bank. The potential approaches discussed were:

- Recognize all PBW
- Partial recognition of PBW
- Zero Water Bank starting balance.

The intent of the agenda item was to solicit input from Participating Agencies, not to make final decisions.

All Participating Agencies agreed that if any PBW is acknowledged, the effect of its recovery on the subbasins and compliance with Groundwater Sustainability Plans should be accounted for.

The next schedule Water Bank Program Committee meeting is August 21, 2024. Staff will continue to update the Board.



Agenda Item: 18

Date: August 19, 2024

Subject: Upcoming Water Industry Meetings/Conferences

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

Note that the Sacramento Suburban Water District Board of Directors 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 Board Meeting
September 12, 2024
In-Person for voting Board of Directors, virtual option for all public
<https://rwah2o.org/meetings/board-meetings/>

2. SGA Board Meeting
October 10, 2024
In-Person for voting Board of Directors, virtual option for all public
<https://www.sgah2o.org/meetings/board-meetings/>

3. RWA Board Meeting
November 14, 2024
In-Person for voting Board of Directors, virtual option for all public
<https://rwah2o.org/meetings/board-meetings/>

4. SGA Board Meeting
December 12, 2024
In-Person for voting Board of Directors, virtual option for all public
<https://www.sgah2o.org/meetings/board-meetings/>

Upcoming Conferences:

5. CSDA Annual Conference & Exhibitor Showcase
September 9-12, 2024
Indian Wells, CA
https://www.csda.net/annualconference/home?_ga=2.61373484.1833878149.1701801111-843909300.1701801111

6. AWWA Fall Conference
October 21-24, 2024
Reno, NV
<https://ca-nv-awwa.org/canv/events>

7. ACWA 2024 Fall Conference & Exhibition
December 3-5, 2024
Palm Desert, CA
<https://www.acwa.com/events/page/3/>

8. ACWA 2025 Spring Conference & Exhibition
May 13-15, 2025
Monterey, CA
<https://www.acwa.com/events/page/2/>

9. ACWA 2025 Fall Conference & Exhibition
December 2-4, 2025
San Diego, CA
<https://www.acwa.com/events/page/2/>

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 Tuesday 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.

Upcoming Water Industry Meetings/Conferences

August 19, 2024

Page 3 of 3

- 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.
- Orange Vale 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: 19 a.

Date: August 19, 2024

Subject: Upcoming Policy Review – Public Works Contracting Policy
(PL – Eng 002)

Staff Contact: Dana Dean, P.E., Engineering Manager

The Public Works Contracting Policy (Policy) is scheduled for review. The Policy was adopted by the Board on December 20, 2004, and was last reviewed by the Board and ratified without changes on September 19, 2022.

Staff has reviewed the Policy and has no recommended changes.

The Policy is scheduled for Board review and approval at the September 16, 2024, regular Board meeting. If a Director desires to comment on the Policy, staff requests that they do so by August 26, 2024. If no comment is received, this Policy will be placed as a Consent Item on the September 2024 regular Board meeting agenda.

This Policy update was reviewed by legal counsel.

Attachment:

1 – Public Works Contracting Policy (PL – Eng 002) – Clean

Sacramento Suburban Water District

Public Works Contracting Policy

Adopted: December 20, 2004
Ratified without Changes: September 19, 2022

Introduction

Under sections 31005 and 31049 of the California Water Code, County Water Districts may contract for the construction of public works projects. Under these provisions, the Sacramento Suburban Water District has broad discretion to contract for the construction of public works. The Board of Directors desires to provide District ratepayers the best value for the revenues spent on District public works projects. In determining best value, District will develop procedures that will include the following, as appropriate:

- Contractor Qualifications
- Quality of Service
- Quality of Product
- Schedule
- Acceptable Contract Terms, Including Cost
- Contractor's Reputation, History, and/or Performance on Similar Projects
- District Costs of Contract Management including District staff time

The Board of Directors desires to maintain flexibility for staff to contract District public works projects. Also, the Board desires to treat contractors working for the District in a fair and equitable manner to help ensure that the ratepayers procure the highest quality projects for the lowest reasonable cost with a low likelihood of contractor claims and bid protests. Methods of awarding contracts for public works projects shall be selected to produce the greatest economic advantage to District ratepayers, and shall be transparent and consistent with the method selected. Public works contracting processes also will avoid providing any favoritism or unfair advantage to individual contractors. Procedures developed for this policy will ensure proper District/contractor relationships.

Depending on the circumstances driving the need for a public works project, District staff may use a variety of methods to contract for that project. These methods may include, but are not limited to, the following:

- Design/Build Contracting
- Emergency Contracting
- Force Account Contracting
- Open Bid Contracting
- Multi-Year ("Master Services") Contracting

- Pre-Qualification Bid Contracting
- Request for Qualifications / Request for Proposal
- Sole Source Negotiations
- Solicitation of Price Quotes

The General Manager has the discretion to authorize staff to choose the appropriate contracting method, taking into consideration the project's requirements, available funds, effects on ratepayers, impacts on District operations, applicable legal and regulatory requirements, and any applicable grant or loan funding requirements. Staff will document the reasons for choosing a particular contracting method and, when appropriate, report them to the Board.

100.00 Purpose

The primary purpose of this policy is to provide guidance to District staff on Public Works Contracting practices so that the District's ratepayers receive the best value from public works contracts awarded by the District.

200.00 Authority

The General Manager is designated as the District's contracting officer with the authority to award and execute contracts binding the District to construction of public works projects. The purchasing authority and limitations of the General Manager are determined upon adoption of the annual Budget and in accordance with the District's Budget Policy (PL - Fin 012). Board approval of contracts is required when contract amounts exceed the purchasing authority of the General Manager. The General Manager has the authority to appoint designees, such as the Assistant General Manager and/or the Engineering Manager, to act on his/her behalf, subject to this Policy and to the establishment of procedures and controls governing such designees' authority.

Requirements for separate purchases of non-Public Works services, such as materials (including supplies, inventory, and equipment) and trade services, are set forth in the District's Procurement Policy (PL - Fin 005).

The Board, at its discretion, may direct the manner in which a particular public works contractor is selected and/or how the contract is awarded. The Board may delegate actions under this policy to a Board committee.

300.00 Procedure

The General Manager will maintain procedures for each method of contracting in conformance with this policy. Staff will utilize the method of contracting that best meets District needs. When time allows and it best suits the needs of the District, the District will utilize generally accepted methods to acquire competitive pricing to achieve this objective. Specific procedures for obtaining competitive pricing from competing contractors will follow District Policies.

400.00 Incorporation of Sustainability Policy

Whenever prudent, staff will incorporate applicable principles of the District's Environmental Sustainability Policy (PL - Adm 005) into the projects constructed.

500.00 Policy Review

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



SACRAMENTO GROUNDWATER AUTHORITY
MEETING OF THE BOARD OF DIRECTORS

Thursday, August 8, 2024
at 9:00 a.m.

2295 Gateway Oaks, Suite 100
Sacramento, CA 95833
(916) 967-7692

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

IMPORTANT NOTICE REGARDING VIRTUAL PUBLIC PARTICIPATION:

The Sacramento Groundwater 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/86234537375>

Phone: 1-669-900-6833

Meeting ID: 862 3453 7375 Passcode: 955951

Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection on SGA's website. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact jpeifer@rwah2o.org. Requests must be made as early as possible, and at least one full business day before the start of 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. Anyone may request an item be removed for separate consideration.

3.1 Approve the draft meeting minutes of April 11, 2024 SGA Board meeting.

Action: Approve Consent Calendar items as presented

4. CONSULTANT SELECTION RECOMMENDATION

Presenter: Trevor Joseph, Manager of Technical Services

Discussion/Action: Approve SGA Staff Consultant Selection Recommendation in accordance with SGA Architectural and Engineering Services Selection Policy 300.1

5. OPPORTUNITY FOR PUBLIC TO ADDRESS CLOSED SESSION MATTERS

6. CLOSED SESSION

6.1 Closed session regarding labor negotiations (Gov. Code, § 54957.6)
Agency Representative: SGA Chair and Vice Chair
Unrepresented Employee: Executive Director

7. RETURN TO OPEN SESSION – ANNOUNCEMENT OF REPORTABLE ACTION IN CLOSED SESSION

8. REVISIONS TO POLICY 100.3 (COMPENSATION POLICY)

Presenter: Paul Selsky, Chair

Action: Adopt Resolution 2024-02; and Approve revisions to SGA Policy 100.3 (Employee Compensation Policy), waiving Section 2 of the policy for Fiscal Year 2024/2025 and apply a COLA of 1.9% beginning with the first full pay period of July 2024

9. INFORMATION: LEGISLATIVE AND REGULATORY UPDATE

Presenter: Ryan Ojakian, Manager of Government Relations

10. EXECUTIVE DIRECTOR'S REPORT

11. BOARD DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meetings:

October 10, 2024, 9:00 a.m. at the RWA/SGA office, 2295 Gateway Oaks, Suite 100, Sacramento, CA 95833. The location is subject to change.

Notification will be emailed when the SGA electronic packet is complete and posted on the SGA website at <https://www.sgah2o.org/meetings/board-meetings/>

Posted on: August 2, 2024

Ashley Flores

Ashley Flores, CMC, Secretary

Agenda Item 20 c.

Craig Locke
AB1234

July 31st
Joint meeting SSWD-SJWD

July 30th
Joint meeting SSWD-DPM

July 29th
SSWD Strategic Plan

July 25th
Microgrids and DERs for Water and Wastewater Utilities

A microgrid is a group of interconnected loads and distributed energy sources (DERs) that acts as a single controllable entity with respect to the power grid. During a grid power outage, water and wastewater utilities could switch to an electric microgrid powered by both on-property and off-property sources (e.g., solar photovoltaics, wind turbines, biogas, battery banks) to sustain critical operations. Join EPA's Water Infrastructure and Cyber Resilience Division for a free webinar that will include a National Renewable Energy Laboratory (NREL) presentation on the basics of microgrids and DERs and case studies for how they have been implemented at utilities

July 23rd
DDW Lead Service Line Inventory (LSLI) Training session

The US EPA's Lead and Copper Rule Revisions (LCRR) requires all California community (CWS) and non-transient non-community (NTNC) water systems to develop and submit a service line material inventory to the Division of Drinking Water (DDW) by October 16, 2024.

Each service line must be categorized as one of the following: Lead, Non-lead (specify actual material if possible – copper, plastic...), Galvanized requiring replacement (GRR), Lead status unknown (unknown).

Training consists of 6 sections:, 1 Lead Service Line Inventory (LSLI) Reminder, 2 Training sessions via Zoom, 3 LSLI Virtual Office Hours – Meet staff and ask questions, 4 Do I need to submit an inventory workplan?, 5 LSLI Submission Web Portal & Inventory Submission, 6 What to include in a workplan (only if you need to submit one)

July 20th
Meet with Director Ross

July 18th
Meet with Director Boatwright DPM Merger Governance

July 17th

A Conversation with Jen Quan, Regional Administrator for NOAA Fisheries West Coast Region (RWA)

RWA Manager of Strategic Affairs Michelle Banonis will join Jen for a discussion on protecting and restoring salmon amidst the unfolding challenges of climate change. They will explore the current regulatory and physical landscape and offer insights into what lies ahead.

SJWD Board Meeting

July 16th

DPM LAFCO meeting

July 15th

SSWD Board Meeting

July 13th

Meeting with President Thomas to discuss communication

July 10th

SSWD-DPM Joint Board Meeting

July 9th

Meeting with GM to review agenda

July 3rd

SWRCB BOARD MEETING- proposed regulation to make conservation a California way of life

Jay Boatwright
Attended meetings.
July 2024

07/02/2024: Attended the Del Paso Water District regular board meeting.

07/10/2024: Attended and participated in the SSWD/DPMWD joint board meeting.

07/11/2024: Reviewed the upcoming board meeting agenda with GM York. .

07/15/2024: Attended the SSWD regular board meeting.

07/16/2024: Attended the LAFCo presentation on How LAFCo Works as presented to ratepayers of DPMWD. Good session with 150 in attendance.

07/17/2024: A Conversation with Jen Quan, Regional Administrator for Fisheries at NOAA. The presentation focused on salmon preservation and climate change.

07/29/2024: SSWD Strategic Plan Workshop. Staff presentation

07/30/2024: SSWD/DPMWD joint board meeting. Both boards formally voted to merge, with the understanding there are future offramps. Discussed elections and the makeup of future boards and how that might affect merger. Agreed to 5 directors with a DPMWD advisory board.

07/31/2024: ACWA Region Event presentation regarding surface water, ground water and conjunctive use.

Joint board meeting with SSWD/SJWD. Provided direction to staff regarding the RFP to prepare a Business Case Analysis for potential combination.



Agenda

San Juan Water District/Sacramento Suburban Water District Joint Special Board Meeting

3701 Marconi Avenue
Sacramento, CA 95821

Wednesday, July 31, 2024
6:00 p.m.

This meeting will be conducted both in-person in the Sacramento Suburban Water District's Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The Chairperson will call for public comment on each agenda item at the appropriate time. If a member of the public chooses to participate in this public meeting via videoconference and/or teleconference, please see the instructions below.

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Join the meeting from a computer, tablet or smartphone:

<https://us02web.zoom.us/j/88655709251?pwd=7buJGwTtDChXDUBivdbjmKMZfnuJvY.1>

Meeting ID: 886 5570 9251

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Where appropriate or deemed necessary, the Boards 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 Boards less than 72 hours before the meeting are available for public inspection at each Agency's Administrative Offices.

The public may address the Boards concerning an agenda item either before or during the Boards’s consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to either one of the General Managers. The Chairperson will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

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

Call to Order

Pledge of Allegiance

Roll Call

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Boards. 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 June 25, 2024, San Juan Water District and Sacramento Suburban Water District Joint Special Board Meeting**
Recommendation: Approve the Draft Minutes of the June 25, 2024, San Juan Water District and Sacramento Suburban Water District Joint Special Board Meeting.

Items for Discussion and/or Action

- 2. **Request for Proposals for Business Case Analysis**
Recommendation: Approve the Request for Proposal to conduct a Business Case Analysis.

Adjournment

San Juan Water District/Sacramento Suburban Water District Joint Special Board Meeting

July 31, 2024

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I certify that the foregoing agenda for the July 31, 2024, meeting of the San Juan Water District/Sacramento Suburban Water District Joint Board was posted by July 25, 2024, in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Sacramento, CA 95821, and at the San Juan Water District office, 9935 Auburn Folsom Road, Granite Bay, CA 95746, and was made available to the public during normal business hours.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Minutes

Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting

July 30, 2024

Location:

3701 Marconi Avenue, Sacramento, CA 95821, and Audio Conference at 1-669-900-6833, and Video Conference using Zoom at Meeting ID #840 5975 1669

SSWD Call to Order – Videoconference/Audioconference Meeting

Sacramento Suburban Water District (SSWD) Board President Kevin Thomas (Chair Thomas) called the meeting to order at 6:02 p.m.

Pledge of Allegiance

President Thomas led the Pledge of Allegiance.

Roll Call

SSWD Directors

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

SSWD Directors

Absent: None.

DPMWD Directors

Present: Carl Dolk, Gwynne Pratt, David Ross, and Robert Matteoli.

DPMWD Directors

Absent: None.

SSWD Staff Present: General Manager Dan York, Assistant General Manager Matt Underwood, Dane Westvik, Julie Nemitz, Susan Schinnerer, and Heather Hernandez-Fort.

DPMWD Staff

Present: General Manager Adam Coyan.

Public Present:

SSWD Legal Counsel Josh Horowitz, Del Paso Manor Water District (DPMWD) Legal Counsel Mona Ebrahimi, Jose Henriquez, Bernadette Grimes, Ted Costa, Victoria Hoppe, Paul Helliker, Trish Harrington, Roy Wilson, Carol Allen, Anne Hart, Christine Kohn, Ken Fowler, Kirsten

Fowler, Casey Fowler, Curt Johnson, James Hall, Jan Hall, Judy Bittingon, Kirsten Seifikar, Mary Hutchinson, Ruth Arthur, Cindey Leidehl, Sondra Paschal, Paul Souza, and John Hoffman.

Public Comment

None.

Consent Items

1. **Draft Minutes of the June 5, 2024, Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting**
2. **Draft Minutes of the July 10, 2024, Del Paso Manor Water District and Sacramento Suburban Water District Joint Special Board Meeting**

DPMWD Director Pratt expressed that in the Draft Minutes of the June 5, 2024, DPMWD and SSWD Joint Special Board Meeting, on Item 4, SSWD Director Boatwright commented that he did not recommend DPMWD change their current rate plan. DPMWD Director Pratt requested clarification on that comment.

SSWD Director Boatwright clarified that what he meant was that he personally did not advise DPMWD to delay their rate increase that was approved through their Prop 218 process.

DPMWD General Manager Adam Coyan (DPMWD GM Coyan) added that the minutes should be updated to reflect that Mike Jenner and Victoria Hoppe were both there as members of the public, not DPMWD staff.

SSWD Director Boatwright moved to approve the Consent Items with the above stated amendments; SSWD Director Jones seconded.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

DPMWD Director Ross moved to approve the Consent Items with the above stated amendments; DPMWD Director Matteoli seconded.

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

AYES:	Dolk, Matteoli, Pratt, and Ross.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

3. Official Vote to Combine Del Paso Manor Water District and Sacramento Suburban Water District

DPMWD GM Coyan presented the staff report.

SSWD Director Wichert expressed he felt the item was premature; however, he noted that if it were to be voted on, he would like to add a modification that the ratepayers of SSWD were not financially responsible for any of the DPMWD expenses, and that those expenses be requested to be reimbursed as part of the grant funding.

DPMWD Director Dolk stated he felt time was of the essence, and that he was interested in showing LAFCo that DPMWD was serious about moving ahead with this process.

DPMWD Director Pratt agreed with DPMWD Director Dolk and SSWD Director Wichert, noting she felt it was very important.

DPMWD Director Matteoli expressed there were several reasons that he did not support moving forward with combination, including that he also felt it was premature, it was not needed, he wanted to see a pros and cons list, and that he felt more discussion was needed before a vote took place.

DPMWD Director Pratt expressed she was concerned for the rate payers of DPMWD and most interested in working collaboratively with SSWD than to have LAFCo involuntary dissolve them. She pointed out that DPMWD was not able to financially support the improvements needed in DPMWD and that she was in full support of combination.

DPMWD Director Ross expressed that he felt consolidation offered a clear benefit to both districts and that voting to move forward would be indicative of proceeding more efficiently and allow the Boards to begin working on projects collaboratively. He expressed that if the vote was in favor of not combining with SSWD there would be no need for additional discussions.

DPMWD Director Dolk recommended for anyone that was opposed to a combination to show the Boards their recommendations to keep DPMWD independent. He noted the reason he was in support of combination was for the safety of the DPMWD ratepayers, so they have adequate fire flows, good working infrastructure, for the future generations of DPMWD. He expressed they needed certainty and he felt that would be with SSWD.

DPMWD Director Matteoli expressed he felt there was a fire flow fear factor being spread and that DPMWD could fix the fire flow issues.

DPMWD GM Coyan pointed out that in addition to the fire flow and hydrant issues, there were issues that still needed to be identified with their water mains.

SSWD Director Wichert pointed out that a lot of information was presented at the July 16, 2024, Open House that LAFCo held. He pointed out that LAFCo has been very clear that DPMWD is in need of help and that there was an opportunity for DPMWD to acquire around 20 million dollars in grant funding to support their system if they reorganize with another water agency.

SSWD Director Wichert moved to table the item until the Boards have made decisions and by doing that, it would allow the ratepayers to gain confidence that what the Boards are doing was the right thing.

The motion died for a lack of a second.

SSWD Director Locke pointed out that DPMWD only had two staff and that SSWD was operating their system until the Operational Service Agreement concluded in May 2025.

DPMWD Director Ross moved to take a vote to either move forward or drop the issue, with the original modifications from SSWD Director Wichert that the ratepayers of SSWD were not financially responsible for any of the DPMWD expenses, and that those expenses be requested as reimbursement as part of the grant funding. DPMWD Director Pratt seconded.

SSWD Director Boatwright moved the same motion as DPMWD Director Ross; SSWD Director Jones seconded.

DPMWD Director Matteoli clarified that his opposition to the item was not in opposition to continuing discussions with SSWD as previously planned.

Several members of the public spoke in opposition of the combination. Some of those comments were:

- Not opposed to the merger but would like more information provided to the public.
- Further information about the potential grant funding, including if it was necessary to combine in order to obtain the grant funding.
- Would like to see all possibilities and options before agreeing to consolidate.
- AeroJet plume and McClellan Park contaminants and their impact on SSWD water.
- Current SSWD pending litigation.
- SSWD's financial position.
- Clarification on fluoride.

SSWD Director Locke addressed a few of the comments from the public noting that SSWD has \$44 million dollars in reserves and will be debt free in the year 2032, that the AeroJet plume was an issue that all regional water purveyors, including DPMWD, would eventually need to address, that SSWD was currently in litigation and seeking renumeration from the Federal Government where SSWD is claiming that the former McClellan Air Force Base is believed to have contributed to the contamination of Chrom 6 in the groundwater wells, and that he was in support of fluoridation.

SSWD Director Wichert recommended the Board address customer concerns and questions in a communication document.

Chair Thomas pointed out that combination discussions have been taking place for years and supported additional outreach including an FAQ document.

The DPMWD motion passed by 3/1 vote, DPMWD Director Matteoli opposed.

DPMWD Vote:

AYES:	Dolk, Pratt, and Ross.	ABSTAINED:	
NOES:	Matteoli.	RECUSED:	
ABSENT:			

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

4. Governance – Final Number of Board of Directors

SSWD GM York presented the staff report.

DPMWD Director Matteoli expressed his opposition to creating a special advisory committee of the DPMWD Directors, noting he felt SSWD Directors were capable of overseeing what goes on with DPMWD.

SSWD Director Locke pointed out that it appeared the majority of the Directors of each District were in favor of a five-member Board, noting that it would not be an equal representation if the combined Board included all 10 Directors, as DPMWD Directors had significantly less constituents than SSWD Directors. He pointed out that the DPMWD bills should remain the responsibility of the DPMWD customers, and same for SSWD. He recommended there be an advisory committee comprised of DPMWD Directors so they have representation and a voice to guide how the grant money would be spent.

SSWD Director Wichert moved to start with the current 9 Board members and then reduce to 7 Board members.

The motion died for a lack of a second.

DPMWD Director Dolk agreed with SSWD Director Locke expressing that DPMWD Directors should not be overseeing SSWD noting it would dilute the ability for SSWD Directors to advocate for their constituents. He agreed with the idea of a special advisory committee comprised of the DPMWD Directors.

DPMWD Director Matteoli agreed with SSWD Director Locke noting that DPMWD would still be responsible for paying for their infrastructure improvements.

DPMWD Director Ross moved for SSWD Board to remain as the 5-member Board with a special advisory committee made up of the current 5 DPMWD Directors who could advise SSWD of the CIP and water quality issues in DPMWD. DPMWD Director Pratt seconded.

SSWD Director Wichert moved the same motion as DPMWD Director Ross. SSWD Director Boatwright seconded.

Several members of the public commented; some of those comments were:

- If there was a possibility of obtaining the grant funding without combination.
- How the November elections affected this vote.
- A member of the public expressed a desire to not have surface water or fluoridated water.

The Boards agreed to include fluoride on a future agenda topic.

The SSWD motion passed by unanimous vote.

SSWD Vote:

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

The DPMWD motion passed by unanimous vote.

DPMWD Vote:

AYES:	Dolk, Matteoli, Pratt, and Ross.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

SSWD Director Locke added some of the details would still need to be worked out, and that eventually there should be a sunset date for the advisory committee, which could become a part of the resolution to LAFCo.

5. **Sacramento Local Area Formation Commission Resolution**

SSWD GM York presented the staff report.

Legal Counsel Josh Horowitz recommended for the Boards to give staff direction to start working on the draft resolutions. He recommended for the Boards to communicate their recommendations for the resolutions to their General Managers.

SSWD Director Wichert pointed out that the list provided in the attachment to the staff report for item 3 would be a good starting point for the draft resolutions.

The Boards agreed to look at the Carmichael Water District and SSWD draft resolution to use as a starting point.

SSWD Director Locke recommended to additionally include a project list from the list included in DPMWD's Prop 218 project list. He additionally recommended to include addressing the DPMWD staff to ensure they are taken care of.

The Boards agreed with SSWD Director Locke's additions.

The Boards agreed to bring the draft resolutions to a future Special Joint Board Meeting.

6. **Reorganization Tasks Update**

SSWD GM York presented the staff report.

The Boards agreed to hold a Special Joint Board meeting for a Public Information Workshop. Staff was directed to schedule this workshop.

SSWD Director Wichert recommended for the public to provide questions and comments beforehand so the Boards can be prepared to answer those questions.

SSWD GM York noted that staff will continue to work on getting the project list for the grant funding requirements.

SSWD Director Locke recommended to include answers to the questions asked at the meeting on each District's websites.

Adjournment

Chair Thomas adjourned the meeting at 8:05 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District